



Commission Meeting Materials

December 2, 2021



novatransit.org

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NVTC’s December 2, 2021 meeting will be an in-person meeting. Jurisdictional staff and the public are still encouraged to watch the meeting via the audio live stream through YouTube and Facebook Live.

Action Items

- RFP for Audit Services
- NVTC’s FY 2021 Audited Financial Statements and Compliance Reports
- NVTC’s 2021 Report on the Performance and Condition of WMATA
- NVTC 2022 Legislative and Policy Agenda
- VRE 2022 Legislative Agenda
- VRE Public Bond Issuance Backed by the Commuter Rail Operating and Capital (C-ROC) Fund

Other Meeting Highlights

- Public Comment Received
- Report from NVTC’s Auditor, PBMares
- FY 2023 General and Administrative Budget and Work Plan
- Legislative Update
- Reports from the Virginia WMATA Board Members, VRE CEO and DRPT Director

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**NVTC COMMISSION MEETING
THURSDAY, DECEMBER 2, 2021
MAIN FLOOR CONFERENCE ROOM
2300 Wilson Blvd., Arlington, VA 22201
Public Streaming Via YouTube
7:00 p.m.**

AGENDA

NVTC has returned to in-person meetings. NVTC will continue with its current safety protocols until further notice. We ask that all attendees wear a face mask that must cover both the nose and mouth. Commissioners are asked to wear a mask when not speaking or actively eating. NVTC encourages non-participating staff and the public to continue to watch the meeting via the [NVTC YouTube Link](#).

5:45 p.m. Boxed Dinners Available for Commissioners Only

6:00 p.m. Executive Committee Meeting – First Floor Large Conference Room

6:45 p.m. Commission Photo – Commissioners, please come early for a group photo

7:00 p.m. Commission Meeting – First Floor Large Conference Room

*NVTC is receiving public comment. Persons wishing to provide **written public comments should submit them by 3:00 p.m. on Thursday, December 2** via [NVTC's website](#). Comments will be provided to Commissioners prior to the December 2 meeting.*

1. Opening Remarks
 - Public Comments Received
2. **ACTION ITEM: Approve the Minutes of the November 4, 2021 NVTC Meeting**
3. **ACTION ITEM: Approve the CONSENT AGENDA (subject to approval of chair)**
 - A. **Authorize the Executive Director to Issue a Request for Proposals for Audit Services**
4. **ACTION ITEM: Accept and Authorize Distribution of NVTC's FY 2021 Audited Financial Statements and Compliance Reports**
5. NVTC FY 2023 General and Administrative Budget and 2022-2023 Work Plan

6. Washington Metropolitan Area Transportation Authority (WMATA)

- A. WMATA COVID-19 Response
- B. Report from the Virginia WMATA Board Members
- C. **Report from the Chair of the NVTC WMATA Committee**
 - **ACTION ITEM: Authorize the Executive Director to Send NVTC's 2021 Report on the Performance and Condition of WMATA to the Governor and the General Assembly**

7. Legislative Update

- A. **Report from the Chair of the Legislative and Policy Committee**
 - **ACTION ITEM: Approve the NVTC 2022 Legislative and Policy Agenda**
- B. Federal Update
- C. Annual Joint NVTC-PRTC Legislative Briefing

8. Virginia Railway Express (VRE)

- A. VRE COVID-19 Response
- B. VRE CEO Report and Minutes
- C. **ACTION ITEM: Approve Resolution #2464: Approve 2022 VRE Legislative Agenda**
- D. **ACTION ITEM: Approve Resolution #2465: Authorize VRE Staff to Advance a Public Bond Issuance Backed by the Commuter Rail Operating and Capital (C-ROC) Fund**

9. Department of Rail and Public Transportation (DRPT)

10. Executive Director Report

- A. Executive Director Newsletter
- B. Financial Report

MINUTES
NVTC COMMISSION MEETING – NOVEMBER 4, 2021
FIRST FLOOR LARGE CONFERENCE ROOM – 2300 WILSON BLVD.
ARLINGTON, VIRGINIA

The meeting of the Northern Virginia Transportation Commission was called to order by Chair Cristol at 7:02 p.m.

Members Present

Walter Alcorn
Katie Cristol
Matt de Ferranti
Adam Ebbin
Eileen Filler-Corn
John Foust
Libby Garvey
Paul Krizek
Matt Letourneau
Jeff McKay
David Meyer
Jennifer Mitchell, Commonwealth Alternate (*via electronic participation*)
Dalia Palchik
Paul Smedberg
David Snyder
Richard Sullivan
Mike Turner
James Walkinshaw

Members Not Present

Canek Aguirre
John J. Bell
Elizabeth Bennett-Parker
David Reid

Staff Present

Kate Mattice, Executive Director
Andrew D’huyvetter
Allan Fye
Matt Friedman
Rhonda Gilchrest
Scott Kalkwarf
Tenley O’Hara
Ben Owen
Sophie Spiliotopoulos
Melissa Walker

Ronnetta Zack-Williams
Rich Dalton (VRE)
Steve MacIsaac (VRE)
Mark Schofield (VRE)

Staff Present via Electronic Participation

Aimee Perron Seibert
Greg Potts (WMATA)
Jennifer DeBruhl (DRPT)

Opening Remarks

Chair Cristol welcomed everyone to the November 4, 2021 NVTC meeting, which is also being shown on YouTube livestream for the public. Chair Cristol noted that it is a full agenda, which includes a Closed Session to discuss the executive director's annual performance review.

Commission Secretary Rhonda Gilchrest confirmed a quorum was present. Ms. Mattice reported that NVTC did not receive any public comments this month.

Minutes of the October 7, 2021 NVTC Commission Meeting

Mr. McKay moved, with a second by Ms. Palchik, to approve the minutes of the October 7, 2021 meeting. The vote in favor was cast by Commissioners Alcorn, Cristol, de Ferranti, Ebbin, Filler-Corn, Foust, Letourneau, McKay, Meyer, Palchik, Smedberg, Snyder, Sullivan, Turner and Walkinshaw.

Consent Agenda

Chair Cristol stated that there are two actions on the Consent Agenda:

- A. Approve the 2022 NVTC Meeting Schedule
- B. Authorize the Chair to Sign a Letter of Endorsement for Northern Virginia Transportation Authority Application for Arlington County

Ms. Mattice noted that regarding the 2022 Meeting Schedule, it is anticipated all meetings will be held at NVTC (no February meeting in Richmond); and the April meeting is likely to be canceled as it historically falls on the evening of several jurisdiction's budget hearings. Regarding the endorsement letter, Ms. Mattice explained that the Commission was asked to endorse Arlington's application for NVTA funding for the Ballston Second Entrance project. The endorsement by the Commission for NVTA funding does not imply any endorsement if Arlington applies to NVTC for Commuter Choice funding for this project.

Ms. Garvey arrived at 7:05 p.m. followed by Mr. Krizek at 7:06 p.m.

Ms. Palchik moved, with a second by Mr. Sullivan, to approve the Consent Agenda. The vote in favor was cast by Commissioners Alcorn, Cristol, de Ferranti, Ebbin, Filler-Corn, Foust, Garvey, Krizek, Letourneau, McKay, Meyer, Palchik, Smedberg, Snyder, Sullivan, Turner and Walkinshaw.

Transit Technology Program – Zero-Emission Bus Symposium Roundtable

Chair Cristol noted that there is regional interest in transitioning the transit fleets to electric and zero-emission buses. The entire Washington, DC region – through the Washington Metropolitan Council of Governments (MWCOG) - has ambitious goals on climate change that speak to both

the increased use of public transit as well as how the region can convert all vehicles to zero-emission. As there are many considerations on vehicle type and range, electric utility power and availability, and even opportunities for shared infrastructure, it is important that Commissioners be informed to be able to help their transit systems be smart in how they roll this out. This topic is also timely right now as the federal government is poised to make huge investments in zero-emission vehicles and the region's six bus systems are also working to understand how they can move to zero-emission or even full electric vehicles strategically and how to tap into key federal funding programs.

Chair Cristol stated that NVTC staff held a Zero-Emission Bus Symposium on October 22 providing Northern Virginia jurisdictions and transit partner staff a platform to discuss zero-emission bus planning, implementation and procurement and to better understand regional zero-emission bus visions and goals. The event was the beginning of a regional dialog with incredible opportunities for collaboration and maybe even shared infrastructure. She explained that for tonight's roundtable, DASH General Manager Josh Baker, NVTC Transit Technology Senior Program Manager Patricia Happ and NVTC Program and Policy Director Allan Fye will provide some highlights from the symposium.

Mr. Baker reviewed the goals of Alexandria's DASH zero-emission bus program, which includes environmental and fiscal goals. DASH's goal is to have a fully zero-emission fleet by 2035 with full phase out of diesel and hybrid buses beginning in 2027. DASH has been running electric buses in revenue service for over a year now. He gave an overview of the successes and challenges. From a maintenance and operating standpoint, they are coming in at half the costs compared to diesel buses. The biggest challenge has been the charging of the buses, due to unreliability of the chargers. The concern going forward is how to resolve this issue. Heating the buses is also an issue.

Mr. Baker stated that next steps include service design to elevate productivity, sustainable contract sources and joint procurement, ongoing training, data collection and analysis, pursuing ongoing technical assistance, identifying sustainable funding sources, seeking alternate sources of energy, and driving partnership with utility providers. He also talked about funding issues.

Ms. Happ provided an overview of NVTC's efforts on zero-emission buses. NVTC held a virtual Zero-Emission Bus Symposium on October 22. Fifty people participated, including jurisdictional and regional staff. It provided a platform to discuss zero-emission bus planning, implementation and procurement. Some of the takeaways include:

- End-to-end planning is essential;
- Prepare and establish needs and priorities;
- Partnering with utilities;
- Build a plan for funding;
- Regional partners are seeking information on specifics of bus performance, charging infrastructure, workforce planning and grid resiliency;
- There is no "one size fits all" solution;
- There is a big opportunity to benefit from economy of scale across the region by working together.

Ms. Happ explained that NVTC's model is to provide an integrated effort of working together regionally while allowing for local flexibility for each transit operator's needs. All of NVTC's regional partners are interested in zero-emission buses and most are developing studies or pilot programs for a larger zero-emission bus deployment in the future.

Mr. Fye discussed NVTC's role moving forward. He first acknowledged and thanked Ms. Happ and her team for the work they did on the symposium. A great deal was learned but one of the biggest things is that the region is just at the "tip of the iceberg" and a lot of work needs to be done. He noted that during these presentations the words "regional," "planning" and "coordination" keep floating to the top, which is what NVTC does so well. Moving forward, NVTC would like to continue to engage with transit providers regarding plans to transition to zero-emission buses, identify resources to support and coordinate planning and implementation, provide regular updates to NVTC Commission and committees, and identify changes to the Commuter Choice program at the appropriate time. Staff is looking at possibly applying for a DRPT Technical Assistance Grant for FY 2023 to develop a Northern Virginia Zero/Low-Emission Bus Strategic Plan.

Mr. Walkinshaw agreed that zero-emission buses are an important effort, but for those systems that have longer routes, there may be some practical challenges. He is also struck by the number of county staff (building inspectors, code enforcers, etc.) who are driving alone in county-owned vehicles each and every day. Their per-passenger-mile emissions is more significant than a diesel bus filled with passengers. He asked about the interoperability of charging stations. Mr. Baker explained that DASH has a mixed fleet, so interoperability is very important. The physical chargers for bus and cars are the same but there can be challenges with the different manufacturer's interfaces. The region will need to be proactive to advocate for interoperability with the different manufacturers.

Mr. Alcorn requested Alexandria DASH share as much information as possible about their zero-emission buses with others transit operators and the jurisdictions. Mr. Baker stated that he sees their role to answer questions and to support other operators. From a data collection standpoint, Alexandria is just beginning to analyze the data, but can begin to share it.

Mr. Turner stated that he would like to see a more structured regional effort led by NVTC, as a single Northern Virginia regional customer. The economy of scale is great if the region works together. Chair Cristol stated that this sounds like a Northern Virginia Zero/Low-Emission Bus Strategic Plan, which is what NVTC staff is contemplating as a grant application to support this type of work. The grant would require a 50% local match. Ms. Mattice stated that staff estimates the plan would cost about \$200,000 to complete. DRPT Director Mitchell stated that DRPT actually provides a statewide contract for purchasing electric buses that transit agencies can utilize, which is what DASH did. Currently there is a legislative issue that needs to be resolved before the contract can be reissued, but it is hoped that it can be addressed in the 2022 General Assembly Session.

Ms. Garvey expressed her opinion that a regional approach is a great idea. She asked some technical questions about charging infrastructure and power consumption. Mr. Smedberg stated

that the real challenge is getting the power to the facilities. Mr. Baker agreed and stated that this is a complexity that needs to be addressed. Currently DASH's facility is maxed out in available capacity of electricity coming into the transformer, which will need to be resolved before DASH can expand its fleet. It is important to think about how power gets to the facility, redundancy if power goes out, and sustainable power. If NVTC wishes to discuss power issues at a future meeting, he recommends inviting Alexandria's Energy Manager Bill Eger, who has been working on power issues for DASH. Mr. Smedberg stated that this would be helpful to add to a future meeting.

Mr. de Ferranti stated that he would like to see a "marker" – either a set date or process for joint procurement. Ms. Garvey and Mr. Meyer asked several questions about the batteries and charging stations. Mr. Baker stated that the overhead chargers that DASH uses can charge a bus in a short period of time. In the future, it may be possible to have charging stations scattered throughout a service area, maybe at Metro stations or wherever buses layover. Mr. Meyer asked if there are design considerations to have separate battery systems for other ancillary parts of the bus (lights, heating, etc.). Mr. Baker explained that currently zero-emission buses are maxed out in weight capacity, but there could be improvements in the future, such as heat pump technology which would consume less energy.

Mr. Turner stated that there is a way to bring sustainable energy into a specific region by setting up a Community Choice Aggregation (CCA) which allows counties and cities to aggregate electric energy.

Chair Cristol noted that there were no objections to staff bringing back a proposal for a DRPT Technical Assistance Grant for a Northern Virginia Zero-Emission Bus Strategic Plan.

Commuter Choice Program

Mr. Owen stated that the Commission is being asked to authorize the executive director to issue the Commuter Choice on the I-66 Corridor Round Five (FY 2023-FY 2024) call for projects. Projects selected for funding will be included in the Commonwealth's FY 2023 to FY 2028 Six Year Improvement Program (SYIP). He stated that NVTC anticipates a minimum of about \$12 million in funding over the two-year period, comprising transit payments from the I-66 Outside the Beltway Express Lanes concessionaire and carryover balances and de-obligations from projects that are expected to close out under budget. Staff is working with the Virginia Department of Transportation (VDOT) to determine if I-66 Inside the Beltway revenues are likely to increase to a point where VDOT could resume substantive net payments to NVTC during FY 2022 to support Round Five projects. As of September, VDOT's I-66 Inside the Beltway monthly toll revenues had climbed to about 50% of pre-COVID-19 levels.

Mr. Owen explained that the call for projects notice, which will include information about how to apply for funds, will be issued to eligible applicants next week and online applications will be accepted via the NVTC website from November 8, 2021 until January 28, 2022. Then, following staff's review of all applications for eligibility and scoring of all that are eligible, staff will develop a proposed Program of Projects for the NVTC Program Advisory Committee (PAC) to consider.

The PAC recommends a Program of Projects to the full Commission, which then adopts a program and refers it to the CTB for final approval and adoption into the SYIP. NVTC staff will conduct a public comment period and share comments with the PAC and Commission prior to any action to adopt a Program of Projects, which is anticipated for June 2022.

Mr. Meyer stepped out of the room at 7:52 p.m.

Mr. Owen also provided a brief update about the Commuter Choice on the I-395/95 Corridor Round Two (FY 2022-FY 2023) program which is now underway, following the Commonwealth Transportation Board's approval of the program in June and the start of the new fiscal year on July 1. OmniRide recently added trips to its Stafford County commuter bus routes to the Pentagon and downtown D.C. – which received continued funding from the program and have continued to post strong ridership during the COVID-19 public health emergency – and is preparing to launch incentives to rebuild the vanpool market in the I-395/95 Corridor. Fairfax County is preparing to begin work on a combined local bus route and bikeshare expansion in the Franconia-Springfield area, while Prince William County is accelerating its work to expand the Horner Road commuter lot, which was routinely full prior to the COVID-19 public health emergency.

Mr. Snyder moved, with a second by Mr. McKay, to authorize the executive director to issue a call for projects for I-66 Corridor Round Five. The vote in favor was cast by Commissioners Alcorn, Cristol, de Ferranti, Ebbin, Filler-Corn, Foust, Garvey, Krizek, Letourneau, McKay, Palchik, Smedberg, Snyder, Sullivan, Turner and Walkinshaw. (Mr. Meyer did not participate in the vote.)

Washington Metropolitan Area Transit Authority

Report from Virginia WMATA Board Members. Mr. Letourneau reported that the General Manager presented his proposed FY 2023 budget to the WMATA Finance and Capital Committee today. The proposed budget assumes ridership of 53% of pre-pandemic levels (currently levels are at 30-35%). The biggest issue is the application of federal funding. If WMATA continues operating at its current service level, revenue is not sustainable to fund the budget. Currently there is a budget gap for FY 2023 of \$715.8 million. That gap can be filled using federal funding, but the issue is what happens in the following years since the federal funds will run out in FY 2024. If ridership does not bounce back as anticipated, more federal dollars would be used sooner. He explained that the Congress' intent in providing these funds was to keep the system running and keep people employed. It would seem to violate the trust of the federal government if WMATA decreased service and laid off workers.

Mr. Meyer returned to the discussion at 7:58 p.m.

Mr. Letourneau reviewed several proposed fare changes as part of the budget. The proposed budget also includes a 3% subsidy increase for the jurisdictions, with several exclusions (Juneteenth holiday, some safety issues, Silver Line Phase 2 and the Potomac Yard Station). He reminded Commissioners that this is just the beginning of the WMATA budget process.

Mr. Letourneau also announced that the Metropolitan Washington Airports Authority (MWA) made a declaration today that the Silver Line Phase 2 project is substantially completed, although this does not include the rail yard. He stated that this is good news and progress has been made, but WMATA cannot operate service without the rail yard. Mr. Smedberg reviewed the extensive testing process, which will be followed by certification by the Metro Safety Commission (MSC) before it comes to the WMATA Board for approval.

Regarding the October 12 Blue Line derailment, Mr. Smedberg stated that the National Transportation Safety Board (NTSB) is conducting an ongoing investigation and is controlling the information, including what WMATA can and cannot say. WMATA staff are cooperating fully with the investigation. WMATA staff also submitted a plan today to the Metro Safety Commission to get the 7000-series railcars back into service. As part of that plan, WMATA would inspect the trains every eight days. A safety advisor will also be hired for the WMATA Board to make sure the Board is analyzing things correctly and asking the right questions regarding safety issues, and how to address safety issues as a Board and organization moving forward. He also announced that the Federal Transit Administration (FTA) issued a national alert for other transit systems nationwide that have similar wheelsets.

Chair Cristol asked about the report submitted to the MSC today and how soon the 7000-series railcars could be put back into service. Mr. Smedberg explained that the MSC will need to certify the plan and then it could take another 2-3 weeks before getting the railcars back into the rotation. Mr. Letourneau also noted that the NTSB will also need to approve the plan, so it is unclear how fast this all could occur.

In response to a question from Mr. Sullivan, Mr. Letourneau explained how WMATA came up with the specific 53% ridership estimate for the budget. It is a complex formula and process. Ms. Palchik asked about projections of increased ridership with the proposed fare discounts. Mr. Letourneau stated that he asked for this information and can provide it when he receives it. Mr. Smedberg stated that price is not generally a determining factor in getting people to use transit and it's more about reliability and headways. Mr. Turner observed that it is a challenge to incentivize people to use transit when teleworking has significantly increased. Ms. Garvey thanked NVTC's WMATA Board members for their hard work and noted that it is a good idea to try different fare discounts to see what works.

Mr. Snyder asked if the WMATA Board would consider reducing service in FY 2023 so it does not create a fiscal cliff in FY 2024. He also asked if WMATA is willing to work with the Northern Virginia bus systems on implementing zero-emission buses. Mr. Letourneau stated it is a legitimate question but the challenge regarding the budget is that the only way WMATA can save significant money is to lay off workers, which is not the intent of the federal funding. Also, with today's labor market, trying to get skilled workers back would be difficult. Regarding zero-emission buses, he explained that WMATA views itself as a hub for the region and has the staff and expertise to work on zero-emission issues. WMATA is transitioning to zero-emission buses in D.C. first because that bus facility is next for rehabilitation. Mr. Smedberg stated that the information shared tonight at the roundtable discussion will be very helpful.

Chair Cristol reminded Commissioners that to keep meeting lengths manageable, NVTC has shifted more discussion and much of the work to the committee level, so she encouraged all Commissioners to participate in the next WMATA Committee meeting scheduled for December 16 at 6:00 p.m. That meeting will focus on the proposed FY 2023 budget.

Report from the Chair of the NVTC WMATA Committee. Chair Cristol noted that Mr. Aguirre had a conflict and could not attend NVTC's meeting. She asked Andrew D'huyvetter to present the Annual Report on the Performance and Condition of WMATA.

Mr. D'huyvetter stated that NVTC is required by state code to submit an annual report on the performance and condition of WMATA to the governor and General Assembly. The report contains safety, reliability, financial, and ridership performance data, as well as the uses of Virginia's dedicated capital funding to WMATA. The part of the report that involves the most guidance from the Commission is the chapter on strategies to reduce the growth in costs and improve efficiencies. NVTC staff has worked with the NVTC WMATA Committee to update these for the 2021 annual report. Notable strategies for this year include:

- Leveraging federal coronavirus relief aid to assist in the pandemic ridership recovery;
- Communicating and encouraging a safe return to transit;
- Implement fare and parking policy changes that improve revenue and ridership and retain newly returning riders;
- Adapting rail service to anticipate demand; and
- Continuing to focus on previous NVTC recommendations to reduce the growth in costs.

Mr. D'huyvetter stated that next steps include NVTC staff updating the remaining safety, reliability, ridership and financial performance data in the report. Staff is incorporating feedback from the WMATA Committee to make sure the report is current with the appropriate context around the Blue Line derailment as well as WMATA's predicted gradual ridership recovery and the extent of the federal aid remaining. The final report will be presented to the Commission for action at the December meeting to submit to the governor and General Assembly by the December 15 deadline.

Legislative Update

Legislative and Policy Committee Chair David Meyer noted that both the federal and state landscape has been changing. He stated that Aimee Perron Seibert will discuss legislative issues at the state level, including an overview of the election and outlook for the 2022 General Assembly Session followed by Kate Mattice providing the latest on Congressional activities.

State Legislative Update. Ms. Perron Seibert stated that with the election results, there are transition plans as the administration changes hands. This is a different landscape than what has been for the last administration, so it will be important to look at the Legislative and Policy Agenda, as well as making plans to educate new legislators on all the good work on transit that is being done in Northern Virginia.

Chair Cristol opened the discussion and asked for remarks from legislators. Ms. Filler-Corn stated that there are still two delegate races that have not been determined. Results should be finalized by November 5, so then they will know which party has control of the House or if it will be a 50/50 power sharing scenario. Chair Cristol noted that back in 2018 the region had powerful friends in the business community championing Metro and the critical nature of transit, so the region will probably be relying on those same friends to advocate for transit in the future.

Federal Update. Ms. Mattice noted that while the reconciliation bill text is not finalized, but there is potential that a final bill could happen soon. She stated that she is moderately comfortable saying that, for purposes of NVTC priorities, the transportation and infrastructure language will not be materially altered by the Senate although there can always be last-minute changes. Staff will continue to watch closely and brief the Commission as updates come in.

Annual Joint NVTC-PRTC Legislative Briefing. Ms. Mattice announced that save the date invitations have gone out for the annual Joint NVTC-PRTC Legislative Briefing, which will be held on Monday, December 6 at 8:30 a.m. at the Embassy Suites by Hilton Springfield. The event will provide an overview of federal and state issues affecting transit in Northern Virginia. USDOT Deputy Secretary Polly Trottenberg and Virginia Secretary of Transportation Shannon Valentine have been invited to give remarks. In addition, NVTC staff has confirmed WMATA General Manager Paul Wiedefeld, and VRE Chief Executive Officer Rich Dalton, will join NVTC Executive Director Kate Mattice and PRTC Executive Director Bob Schneider, to preview the policy issues and concerns of transit in Northern Virginia.

Draft 2022 NVTC Legislative and Policy Agenda. Ms. Mattice invited all Commissioners to participate in the next Legislative and Policy Committee meeting on November 12 at 8:30 a.m. The final 2022 Legislative and Policy Agenda will be presented for action at the December meeting.

Mr. McKay stated that with the recent election results it is even more important that Commissioners receive a copy of the updated Legislative and Policy Agenda. He will reiterate what he said at last month's meeting that it is important to have NVTC coordinate with the Northern Virginia Transportation Authority (NVTA), the Northern Virginia Regional Commission (NVRC), the Potomac and Rappahannock Transportation Commission (PRTC) and jurisdictional legislative staff on specific language of the state legislative agenda so all are synched together and the region has "one voice," especially on language pertaining to transportation infrastructure and transit funding. Mr. Meyer agreed and stated that staff will get the updated legislative agenda out as soon as possible after the November 12 meeting. He agreed with Mr. McKay, that it is important to have a unified voice.

Virginia Railway Express

Chair Cristol stated that VRE Operations Board Chair Elizabeth Bennett-Parker was not able to attend tonight's meeting, but she asked James Walkinshaw, VRE Operations Board Secretary, to introduce the VRE items, following the VRE CEO Report. There are no VRE action items this month.

VRE CEO Report. Mr. Dalton reported that systemwide on-time performance was 86% for the month of October. Ridership continues to slowly increase to about 3,000 average daily riders. VRE continues to monitor the return-to-work projections. As more people return to work, VRE anticipates ridership will increase. VRE staff continues to primarily work remotely.

VRE Debt Issuance. Mr. Walkinshaw stated that VRE Chief Financial Officer Mark Schofield is present to provide more information on the financing analysis for the proposed CROC-backed debt issuance. Mr. Walkinshaw explained that VRE committed to this issuance as part of the Funding Agreement that was executed in March 2021 between VRE and the Department of Rail and Public Transportation (since assigned to the Virginia Passenger Rail Authority). The financing analysis is being led by VRE's Financial Advisor, PFM.

Mr. Walkinshaw stated that VRE will return to the Commission in December 2021 with an action item requesting authorization to move forward with the preferred financing alternative. In early 2022, the Commission will be asked to give final approval to the financial and legal structure of the debt issuance.

Mr. Schofield stated that VRE has been working with VRE's financial advisor, PFM, as well as NVTC's Director of Finance Scott Kalkwarf, on a financing analysis which has two primary components: 1) a credit assessment, which examines how the market is likely to view the creditworthiness of a financing backed by the Commuter Rail Operating and Capital Fund (C-ROC); and 2) an overview of financing options, which evaluates various alternatives and programs for accessing the public debt markets. They are confident that VRE come in at an investment grade of an AA bond rating.

Mr. Schofield explained that on behalf of VRE, PFM investigated five financing options for the CROC-backed financing:

1. Public bond issue
2. Virginia Pooled Financing Program of the Virginia Resources Authority (VRA)
3. Transportation Infrastructure Finance and Innovation Act (TIFIA) Program of the USDOT
4. Railroad Rehabilitation and Improvement Financing (RRIF) Program of the USDOT
5. Virginia Transportation Infrastructure Bank (VTIB)

Of these five options, three were removed from consideration. Of the remaining two options, a TIFIA loan would produce greater total proceeds (i.e., available project funds) as a result of its lower interest cost, but a public bond issue would have other benefits to VRE and VPRA, including a shorter timeframe and greater control over the bond covenants. Mr. Schofield explained that with the concurrence of VPRA, it is anticipated that VRE will recommend to the Commission that a public bond issue is the preferred alternative. PFM will update the financial analysis to reflect market conditions as of early November, and VRE will present these updated results as part of the action item in December.

Chair Cristol noted that this debt issuance has no liability to the jurisdictions as it will be fully backed by the C-ROC Fund. Mr. Snyder stated that he will be looking for a legal written opinion on this. He asked what would happen if the gas tax were eliminated. Mr. Schofield stated that at

a certain level, anyone buying the bonds understands they are undertaking the appropriated risks associated with the C-ROC Fund. Chair Cristol suggested VRE staff, as well as bond and legal counsel, be prepared at the December meeting to walk the Commission through what recourse a buyer might have if the gas tax is eliminated.

VRE 2022 Legislative Agenda. Mr. Walkinshaw stated that VRE's 2022 Legislative Agenda serves as guidance for staff and the contracted legislation liaisons during the legislative session. It also includes federal legislative and regulatory issues that are relevant to transit and commuter rail in the U.S., and VRE specifically. VRE's Legislative Agenda aligns with NVTC's Legislative and Policy Agenda, which was also introduced earlier in tonight's agenda. Both NVTC and PRTC are scheduled to act on their respective Legislative Agendas, as well as VRE's, at their December meetings.

Department of Rail and Public Transportation

DRPT Director Mitchell encouraged Commissioners to read her written report. She announced that at its October 20 meeting, the Commonwealth Transportation Board (CTB) approved a resolution agreeing with DRPT's summary and analysis of WMATA's compliance and reporting for FY 2021. DRPT found that WMATA met the requirements of the statute and CTB policy and recommended no enforcement actions.

DRPT Director Mitchell then introduced DRPT Chief of Public Transportation Jennifer DeBruhl to give an update on the Transit Equity and Modernization Study. Ms. DeBruhl stated that as required by HJR 542 of the 2021 General Assembly, DRPT is required to complete a needs assessment and action plan for advancing equitable and modern public transit, with an emphasis on engagement opportunity for under-represented and under-served communities. There are six topic areas that must be addressed in the study, which include transit accessibility, adequacy of infrastructure, emerging technologies, transit safety, and system engagement and governance.

Regarding the timeline, Ms. DeBruhl explained that the interim study report is due December 2021, and the final report is due to be submitted in August 2022. Findings from the Baseline Conditions Assessment and Interim Study Report will inform the development of a Study Action Plan. This will include recommendations and implementation strategies that address barriers by topic area and will describe specific actions, next steps, coordination required, timeline for implementation and responsible agencies. DRPT anticipates the Study Action Plan will advise changes to DRPT funding programs and policies and other future plans.

Mr. Snyder asked when NVTC can seriously look at the Study Action Plan and provide input. Ms. DeBruhl stated that DRPT welcomes any engagement by staff and Commissioners. Mr. Snyder stated that it is very important for NVTC to weigh in if funding formulas could change. Ms. Mattice noted that the Transit Service Delivery Advisory Board (TSDAC) will begin meeting again starting next month and taking a deep dive in reviewing the recommendations. She can keep the Commission updated on what is happening at TSDAC.

Executive Director Report

Ms. Mattice encouraged Commissioners to read her Executive Director Newsletter. She announced that after six plus years at NVTC, Dan Goldfarb has left NVTC to pursue his love of travel forecasting and modeling at the MITRE Corporation. NVTC is already actively recruiting a new program manager to take over the Route 7 and data analysis/visualization efforts. She also recognized Chair Cristol for the great job she did speaking at the October 28th Northern Virginia Transportation Alliance “What You Need to Know about Transportation” Event.

Ms. Filler-Corn left the meeting at 9:05 p.m. and did not return.

Ms. Mattice highlighted some upcoming meetings:

- On Friday November 12 at 8:30 a.m. the Legislative and Policy Committee will be meeting in NVTC’s Conference Room.
- NVTC’s next Commission meeting is on December 2 at 7:00 pm; Executive Committee will meet at 6:00 p.m.
- The NVTC/PRTC Joint Legislative Briefing is being held in-person at the Embassy Suites Hotel on December 6 starting at 8:30 a.m.
- The WMATA Committee is also scheduled to meet on Thursday December 16 at 6:00 p.m. here in this space.

Ms. Mattice noted that the Financial Report for September 2021 was provided to Commissioners in their meeting materials. There were no questions from Commissioners.

Closed Session

Chair Cristol reviewed the Closed Session procedures for the benefit of the listening public. She stated that the livestream will resume when the Commission returns to Open Session. Ms. Cristol moved, with a second by Ms. Palchik, the following motion to go into Closed Session:

Pursuant to the Virginia Freedom of Information Act (Section 2.2-3711.A.1 of the Code of Virginia), the Northern Virginia Transportation Commission moves to convene a Closed Session to discuss a personnel matter concerning the executive director’s performance evaluation.

The vote in favor was cast by Commissioners The vote in favor was cast by Commissioners Alcorn, Cristol, de Ferranti, Ebbin, Foust, Garvey, Krizek, Letourneau, McKay, Meyer, Palchik, Smedberg, Snyder, Sullivan, Turner and Walkinshaw.

The Commission entered into Closed Session at 9:05 p.m. and returned to Open Session at 9:47 p.m. Mr. Alcorn and Ms. Mitchell left during the Closed Session and did not return.

Chair Cristol moved, with a second by Mr. McKay, the following certification:

The Northern Virginia Transportation Commission certifies that, to the best of each member's knowledge and with no individual member dissenting, at the just concluded Closed Session:

- 1) Only public business matters lawfully exempted from open meeting requirements under the Freedom of Information Act were discussed; and
- 2) Only such public business matters as were identified in the motion by which the closed session was convened were heard, discussed or considered.

The vote in favor was cast by Commissioners The vote in favor was cast by Commissioners Cristol, de Ferranti, Ebbin, Foust, Garvey, Krizek, Letourneau, McKay, Meyer, Palchik, Smedberg, Snyder, Sullivan, Turner and Walkinshaw.

Chair Cristol moved, with a second by Mr. Ebbin, to create a fifth amendment to the executive director's employment contract to increase her annual base salary by 3%. The vote in favor was cast by Commissioners Cristol, de Ferranti, Ebbin, Foust, Garvey, Krizek, Letourneau, McKay, Meyer, Palchik, Smedberg, Snyder, Sullivan, Turner and Walkinshaw.

Adjournment

Without objection, Chair Cristol adjourned the meeting at 9:49 p.m.

Approved this 2nd day of December 2021.

Katie Cristol
Chair

Dalia Palchik
Secretary-Treasurer

TO: Chair Cristol and NVTC Commissioners
FROM: Kate Mattice
DATE: November 24, 2021
SUBJECT: Consent Agenda (subject to approval of chair)

At the December meeting the Commission will be asked to approve the Consent Agenda, which includes one action.

ACTION ITEM: Approve the CONSENT AGENDA

A. Authorize the Executive Director to Issue a Request for Proposals (RFP) for Audit Services

The Commission is asked to authorize the Executive Director to issue an RFP for auditing services for NVTC, and on behalf of VRE and PRTC, with an expected contract term of three years with options to extend for two additional two-year periods. Because of the relationship between NVTC, VRE and PRTC, a joint procurement and the selection of the same firm by all entities will be a more cost effective and efficient approach than each entity contracting with different audit firms. Each entity will enter into separate contracts with the selected firm.

NVTC's contract for auditing services with PBMares, LLP (formally PBGH, LLP) expires with the completion of the FY 2021 audit. This contract was the result of a joint procurement with VRE and PRTC in early 2015. Each entity entered into separate contracts with PBMares, with all three contracts structured the same with three base years, and the option of two additional two-year periods which were exercised.

As joint owners of VRE, NVTC and PRTC each recognize a portion of VRE as a fund in their audited financial statements. Contracting all three engagements with the same firm will result in the most cost effective approach and will help to ensure timely completion of the audits.

The best practices recommended by the Government Finance Officers Association (GFOA) include the recommendation to enter into multi-year agreements of at least five years in duration. Such agreements allow for greater continuity and help to minimize the potential for disruption in connection with the audit. Multi-year agreements can also help to reduce audit costs by allowing auditors to recover certain "start-up" costs over several years, rather than over a shorter period. At the conclusion of the contract, a competitive procurement process is recommended whereby participation of all qualified firms, including the current auditors, is sought.

While the perception that auditor independence may be enhanced by required audit firm rotation at the end of the audit contract, the GFOA recognizes the frequent lack of competition among audit firms fully qualified to perform public-sector audits and meeting a government's unique selection criteria. The GFOA further recommends that the audit procurement process should be structured so that the principal factor in the selection of an auditor is the auditor's ability to perform a quality audit. Accordingly, the GFOA does not recommend the mandatory rotation of auditors.

NVTC, VRE and PRTC each require an audit of their financial statements to be performed annually in accordance with *Government Auditing Standards*. The selected firm will issue an audit opinion on the financial statements, a report on the internal control over financial reporting and on compliance, and a report on compliance for major federal programs (except VRE where federal programs are audited through PRTC). If requested, additional accounting or auditing services may be provided at the option of the audit firm, but only if the firm's independence is not impaired by performing those services.

A selection committee will be established with representatives from NVTC, PRTC and VRE to evaluate the proposing firms. Upon evaluation of the proposals, staff will request Commission authorization to execute a contract.

TO: Chair Cristol and NVTC Commissioners
FROM: Kate Mattice, Scott Kalkwarf and Coletha Quarles
DATE: November 24, 2021
SUBJECT: NVTC's FY 2021 Audited Financial Statements and Compliance Reports

ACTION ITEM: Accept and Authorize Distribution of NVTC's FY 2021 Audited Financial Statements and Compliance Reports

At the December meeting representatives from PBMares will meet with the Executive Committee (serving as the Audit Committee) prior to the Commission meeting and will then make a presentation to the full Commission to describe the results of their annual audit. The Commission will be asked to accept the [FY 2021 Audited Financial Statements and Compliance Reports](#) and to authorize staff to release the information to the member jurisdictions, regulatory agencies and the public.

NVTC's audit firm, PBMares, LLP, issued an unqualified (clean) opinion that NVTC's financial statements, in all material respects, fairly and accurately present the financial position of the governmental activities, the business-type activities, each major fund, and the remaining fund information, and changes in financial position of NVTC.

PBMares also issued a clean report on the internal control of NVTC's financial reporting, compliance and other matters. Because NVTC received federal assistance during FY 2021, PBMares also performed a Single Audit and issued a report on the compliance with the requirements of each federal program, and internal control over compliance related to those federal funds. That report identified no findings. Further, PBMares did not identify any internal control deficiencies or other findings.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

Financial and Compliance Reports

Year Ended June 30, 2021



ASSURANCE, TAX & ADVISORY SERVICES

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Commission Board Members
Northern Virginia Transportation Commission

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the remaining aggregate fund information of the Northern Virginia Transportation Commission (Commission), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards and specifications require we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the remaining aggregate fund information of the Commission, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the Management's Discussion and Analysis on pages 4-15 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedules listed in the table of contents as supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards and supplementary information are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and supplementary information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2021 on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

PBMares, LLP

Harrisonburg, Virginia
November 19, 2021

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2021

NORTHERN VIRGINIA TRANSPORTATION COMMISSION MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of Northern Virginia Transportation Commission's (NVTC) financial performance provides an overview of NVTC's financial activities for the fiscal year that ended on June 30, 2021. Please read it in conjunction with the accompanying financial statements which follow this section.

FINANCIAL HIGHLIGHTS

Highlights for Government-wide Financial Statements

The government-wide financial statements report information about the NVTC reporting entity as a whole using the economic resources measurement focus and accrual basis of accounting.

- NVTC's net position totaled \$214.2 million on a government-wide basis as of June 30, 2021. Of this total, \$172.9 million is for business-type activities and \$41.3 million for governmental activities.
- For the fiscal year, grants, contributions and other revenue net of transfers of NVTC's governmental activities amounted to \$214.3 million. Expenses totaled \$211.2 million.
- For the fiscal year, revenues and transfers of NVTC's business-type activities were \$37.3 million. Expenses amounted to \$43.8 million.

Highlights for Fund Financial Statements

The fund financial statements provide detailed information about NVTC's funds using the current financial resources measurement focus and modified accrual basis of accounting.

- NVTC's governmental funds reported an increase in fund balance of \$3.2 million for fiscal year 2021, compared to an increase of \$12.5 million for fiscal year 2020. The governmental funds balance as of June 30, 2021 totaled \$41.7 million compared with \$38.5 million at the end of the previous fiscal year.
- During the fiscal year, the proprietary fund net position decreased by \$6.5 million, from \$179.4 million to \$172.9 million.
- NVTC's fiduciary funds reported an increase of \$2.9 million in net position. The Jurisdiction Trust Fund increased \$2.2 million. The Pension Trust Fund increased \$0.7 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements presented include all of the activities which are part of the NVTC reporting entity using the integrated approach as prescribed by the Governmental Accounting Standards Board (GASB).

The government-wide financial statements present the financial picture of NVTC's governmental and business-type activities from the economic resources measurement focus using the accrual basis of accounting. Excluded from these statements are the activities of the jurisdiction trust funds, which are considered fiduciary funds and, therefore, not part of the primary government.

The fund financial statements include a set of statements for each of the three categories of funds – governmental, proprietary and fiduciary. The governmental funds are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The proprietary fund and the fiduciary fund are prepared using the economic resources measurement focus and the accrual basis of accounting, same as the government-wide financial statements. Reconciliation of the fund financial statements to the government-wide financial statements is provided to explain the differences created by the integrated approach.

Government-Wide Financial Statements

The government-wide financial statements consist of the Statement of Net Position and the Statement of Activities, with the governmental activities and business-type activities shown separately. The Statement of Net Position presents the assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. The Statement of Activities shows in broad terms how the net position changed during the fiscal year.

Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the NVTC reporting entity is improving or declining. Net position is one way to measure financial position, but the reader should also consider other indicators, such as for the business-type activities, the rate of growth of operating subsidies, passenger fare levels, ridership, general economic conditions and the age and condition of capital assets.

Revenue is classified as program or general revenues. Program revenues are further classified as charges for services, operating grants and contributions, and capital grants and contributions. Expenses are reported by functions and programs. Transfers between the governmental activities and business-type activities are reported under the general revenues section.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The funds of the NVTC reporting entity are divided into three categories: governmental funds, a proprietary fund and a fiduciary fund.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year.

NVTC maintains four governmental funds: The General Fund, the Special Revenue Fund – Jurisdiction Transit, the Special Revenue Fund – I-66 Toll Revenue, and the Special Revenue Fund – I-395/95 Toll Revenue. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for each of these funds. The General Fund includes the administrative, planning and project activities of NVTC. The Special Revenue Fund – Jurisdiction Transit, reports the intergovernmental revenue received by NVTC and allocated to the member jurisdictions by a formula maintained by NVTC. Once the allocation is determined, the funds are remitted to the fiduciary fund. The Special Revenue Fund – I-66 Toll Revenue, reports Toll Revenue received from the Commonwealth of Virginia according to an agreement entered into between NVTC and the Commonwealth. The Special Revenue Fund – I-395/95 Toll Revenue, reports an annual transit investment received by the Commonwealth of Virginia from the facility's concessionaire toll revenue receipts for NVTC and PRTC according to an agreement entered into between NVTC, PRTC and the Commonwealth. The two statements included for the governmental funds are the Balance Sheet, and the Statement of Revenues, Expenditures and Changes in Fund Balances.

Proprietary Fund. The proprietary fund is used to account for NVTC's share of the Virginia Railway Express (VRE) joint venture. The fund is used to account for the same functions reported as business-type activities in the government-wide financial statements. The three statements included for the proprietary fund are the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows.

Fiduciary Funds. The Fiduciary Funds are used to account for resources held by NVTC for the benefit and restricted use of the programs of other governments, and the participants of NVTC pension trust. Additions to the jurisdiction fiduciary fund consist of revenue remitted from the Special Revenue Fund, state operating and capital assistance for transit contracted directly with the NVTC WMATA Compact member jurisdictions, and investment income. Deductions from the jurisdiction fiduciary fund are disbursements directed by the individual member jurisdictions for restricted purposes. Additions to the pension fiduciary fund consists of participant and employer contributions and the increase in fair value of investments. Deductions from the pension trust fiduciary fund are distributions to plan participants. The accounting methods used for the fiduciary funds are much like that used for proprietary funds. The two statements included for the fiduciary funds are the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position.

Notes to the Basic Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Supplementary Information

Additional information is presented as a supplement to the basic financial statements. Although not required to be presented and not part of the basic financial statements, the schedules are included to provide additional information of interest to certain financial statement users.

FINANCIAL ANALYSIS OF THE NVTC REPORTING ENTITY AS A WHOLE

Statement of Net Position

The following table presents a summary of the Statement of Net Position for the NVTC reporting entity as of June 30, 2021 and 2020:

Summary Statements of Net Position June 30,

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Assets:						
Current and other assets	\$ 47,785,206	\$ 42,209,718	\$ 60,776,560	\$ 66,320,481	\$ 108,561,766	\$ 108,530,119
Capital assets, net	71,954	87,333	163,002,885	167,509,925	163,074,837	167,597,258
Deferred outflows	-	-	362,566	393,423	362,566	393,423
Total assets	<u>47,857,160</u>	<u>42,297,051</u>	<u>224,142,011</u>	<u>230,106,025</u>	<u>271,999,169</u>	<u>264,387,260</u>
Liabilities:						
Current and other liabilities	6,201,640	3,790,869	6,278,161	6,115,258	12,479,799	9,906,127
Long-term liabilities	419,539	348,041	44,929,100	48,631,573	45,348,639	48,979,614
Total liabilities	<u>6,621,179</u>	<u>4,138,910</u>	<u>51,207,261</u>	<u>54,746,831</u>	<u>57,828,438</u>	<u>58,885,741</u>
Net position:						
Net investment in capital assets	71,954	87,333	115,424,594	116,435,860	115,496,548	116,523,193
Restricted	41,065,681	37,897,537	8,389,995	8,439,810	49,455,676	46,337,347
Unrestricted	98,346	173,271	49,120,161	54,601,328	49,218,507	54,774,559
Total net position	<u>\$ 41,235,981</u>	<u>\$ 38,158,141</u>	<u>\$ 172,934,750</u>	<u>\$ 179,476,998</u>	<u>\$ 214,170,731</u>	<u>\$ 217,635,139</u>

As noted earlier, net position may serve as a useful indicator of a government's financial position. As shown above, net position totaled \$214.2 million as of June 30, 2021, a decrease of \$3.5 million over the previous fiscal year. The largest portion of net position, \$115.5 million or 53.9 percent, represents the net investment in capital assets (e.g., land, building, improvements, rolling stock, equipment and software), accumulated depreciation and amortization, less the related indebtedness outstanding used to acquire those capital assets. These assets are used to provide service to riders; consequently, these assets are not available for future spending. The resources required to repay this debt must be provided annually from operations and federal, state and local support since it is unlikely that the capital assets themselves will be liquidated to pay liabilities.

A portion of the net position, \$49.5 million or 23.1 percent represents resources that are restricted, which includes \$41.1 million of toll revenue and the balance for the commuter rail service.

Current assets consist primarily of grant revenue and motor vehicle fuel sales tax due from the Commonwealth of Virginia and restricted cash for governmental activities, non-restricted cash, cash equivalents, inventory, trade accounts receivables, and investments for the business-type activities. As of June 30, 2021, approximately \$11.2 million was due from the Commonwealth of Virginia, of which \$3.6 million is for motor vehicle fuel sales tax, and \$7.6 million for grant and other state revenue. This is a \$0.8 million decrease from the previous fiscal year, of which grant revenue decreased \$1.8 million, toll revenues decreased \$0.8 million, and motor vehicle fuel sales tax receivables increased \$1.8 million. The decrease in the receivable for grant revenue is due a decrease in capital grant reimbursements due from the Commonwealth. The decrease in the receivable for toll revenue is due to the impact of COVID-19 on toll revenues in the fourth quarter,

and the increase in motor vehicle fuel sales tax receivable is due to rebounding revenues compared to the prior year.

As of June 30, 2021, \$6.5 million of the amount due from the Commonwealth was for the commuter rail service, \$3.6 million for jurisdiction transit funding, and \$1.1 million for general and administrative and projects. Cash and cash equivalents decreased approximately \$2.4 million and totaled \$44.1 million as of June 30, 2021, of which all but \$442,088 was for the business-type activities. Restricted cash, cash equivalents and investments totaled \$50.7 million as of June 30, 2021, with \$41.6 million for governmental activities, and \$9.1 million for business-type activities. This is a \$2.8 million increase from the prior year, of which just about all is due to toll revenue for governmental activities.

The net positions of the jurisdiction trust fund and the pension trust fund are not reported in the entity-wide Statement of Net Position, as they are considered fiduciary funds and held for others than the NVTC reporting entity. The jurisdiction trust fund resources are held in trust for the NVTC member jurisdictions restricted use, while the pension trust fund resources are held for the participants of the pension trust.

Statement of Changes in Net Position

The following table shows the revenues and expenses and the change in net position of the NVTC reporting entity for the fiscal years ended June 30, 2021 and 2020.

Summary Statements of Changes in Net Position Years Ended June 30,

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ -	\$ 2,857,134	\$ 16,264,440	\$ 2,857,134	\$ 16,264,440
Operating grants and contributions	181,924,631	165,759,023	7,010,421	7,488,750	188,935,052	173,247,773
Capital grants and contributions	-	-	5,307,713	4,885,925	5,307,713	4,885,925
General revenues:						
Intergovernmental:						
Commuter rail	21,237,702	25,483,921	-	-	21,237,702	25,483,921
Motor vehicle fuel sales tax	17,674,274	27,444,860	-	-	17,674,274	27,444,860
Toll revenue	15,375,000	25,642,199	-	-	15,375,000	25,642,199
Interest	60,985	498,471	103,836	750,426	164,821	498,471
Other	77	-	-	-	77	-
Transfers	(21,980,341)	(26,396,564)	21,980,341	26,396,564	-	-
Total revenues	214,292,328	218,431,910	37,259,445	55,786,105	251,551,773	274,218,015
Expenses:						
General and administration	8,136,261	6,062,195	-	-	8,136,261	6,062,195
Jurisdiction transit	191,553,814	187,440,409	-	-	191,553,814	187,440,409
Toll funded project costs	11,524,413	12,598,831	-	-	11,524,413	12,598,831
Commuter rail	-	-	43,801,693	48,242,769	43,801,693	48,242,769
Total expenses	211,214,488	206,101,435	43,801,693	48,242,769	255,016,181	254,344,204
Change in net position	3,077,840	12,330,475	(6,542,248)	8,915,715	(3,464,408)	21,246,190
Beginning net position	38,158,141	25,827,666	179,476,998	170,561,283	217,635,139	196,388,949
Ending net position	\$ 41,235,981	\$ 38,158,141	\$ 172,934,750	\$ 179,476,998	\$ 214,170,731	\$ 217,635,139

For the fiscal year ended June 30, 2021, revenues totaled \$251.6 million, compared to \$274.2 million in the preceding year, a decrease of \$22.6 million or 8.3 percent. Expenses increased \$0.7 million, or 0.3 percent. A discussion of the key components of these revenue and expense changes is included in the funds analysis.

FINANCIAL ANALYSIS OF THE REPORTING ENTITY'S FUNDS

Governmental Funds

General Fund. The General Fund reports the project, planning and administrative activities of NVTC. The unreserved fund balance represents the net resources available for spending at the end of the fiscal year.

NVTC adopts an annual operating budget for the planning and administrative activities of the General Fund for the purpose of determining the annual contributions from the member jurisdictions required to fund these activities. In addition, the various projects included in the General Fund have individual budgets. While certain administrative expenditures such as payroll and payroll related expenses are part of the annual operating budget, they may be included in project costs if they were incurred directly for a project. Since non-administrative project expenditures are generally fully funded from sources other than those for the planning and administrative activities, the unreserved fund balance is mainly the result of the planning and administrative activities of the General Fund.

As of June 30, 2021, the General Fund had a total fund balance of \$590,431 of which \$90,032 was nonspendable and \$500,399 was unassigned. The fund balance decreased by \$815 or 0.1 percent from the preceding year.

During fiscal year 2021, NVTC's regional projects incurred a total of \$5.0 million in direct costs. Three of these projects were funded with federal and state sources totaling \$4.6 million. The balance of other funding sources includes direct local contributions from the NVTC member jurisdictions and regional agencies, local contributions from allocated state assistance, and contributions from NVTC primarily in the form of payroll and payroll related costs.

Special Revenue Fund – Jurisdiction Transit. Prior to fiscal year 2013, this special revenue fund reported intergovernmental revenue for the jurisdictions' transit programs, including local bus systems and the operating and capital subsidies of the Washington Metropolitan Area Transit Authority (WMATA). The intergovernmental revenue included state operating assistance, state capital assistance, and the motor vehicle fuel sales tax. In fiscal year 2013 and 2014, the state contracted directly with the NVTC member jurisdictions for the state operating and capital assistance. Accordingly, in fiscal year 2014 the special revenue fund recognized only the capital assistance contracted with NVTC prior to fiscal year 2013, as well as the motor vehicle fuel sales tax. Beginning in fiscal year 2015, the state contracted again with NVTC for the operating and capital assistance for WMATA. Accordingly, in fiscal year 2021 the special revenue fund recognized state operating and capital assistance for WMATA, capital assistance contracted with NVTC prior to fiscal year 2013, and the motor vehicle fuel sales tax.

As the revenue is recognized by the Special Revenue Fund, it is allocated using the Subsidy Allocation Model formula (SAM). This formula, which is defined and established by NVTC board resolution and the *Code of Virginia*, is maintained and updated annually by NVTC. After the revenue has been allocated by the SAM and each jurisdiction's share has been identified, the funds are remitted to the Jurisdiction Trust Fund for the restricted use by the member jurisdictions individually to support the programs of their respective locality.

The fiscal year 2021 intergovernmental revenues totaled \$191.6 million, an increase of approximately \$4.1 million or 2.2 percent from the previous fiscal year. The increase is composed of a \$13.9 million increase, or 8.7 percent in state assistance, and a \$9.8 million decrease, or 35.6 percent in motor vehicle fuel sales tax revenue due to the COVID-19 Novel Coronavirus (COVID) pandemic and increased withholding by the Commonwealth for the WMATA Capital Fund.

Special Revenue Fund – I-66 Toll Revenue. As part of a 40-year agreement with the Commonwealth of Virginia, NVTC has been assigned the authority to administer a program of projects to be funded using revenue generated by the tolling of I-66 inside the Beltway. The agreement calls for NVTC to receive the toll revenues collected by the Commonwealth, net of certain costs charged against those funds, on a quarterly basis for multi-modal projects which benefit the toll payers of the I-66 inside the beltway facility. In accordance with the agreement, NVTC has established a special revenue fund to account for the toll revenue and related projects separately from its other activities. The agreement also calls for the advance payment of up to \$10 million to fund an initial round of projects before tolling commenced in December 2017. The agreement was amended effective fiscal year 2021 for NVTC to instead receive a \$10 million escalating annual payment subject to available toll revenue.

Through fiscal year 2021, NVTC has rated, selected and approved projects totaling \$41.7 million. Toll revenue and interest earned in excess of project costs incurred is classified as a restricted fund balance. This balance is available exclusively for the reimbursement of approved project costs. During fiscal year 2021, the special revenue fund did not recognize any revenue since due to the COVID-19 Novel Coronavirus (COVID) pandemic, toll revenues were insufficient for any payments to be made to NVTC. The special revenue fund recognized \$7.4 million in project costs, including transfers to the General Fund for NVTC administration of the program. As of June 30, 2021, the restricted fund balance totaled \$19.6 million, a decrease of \$7.4 million over the prior year balance.

Special Revenue Fund – I-395/95 Toll Revenue. In December 2017, NVTC entered into a 68-year agreement with the Commonwealth of Virginia and PRTC whereby the commissions will receive an annual transit investment (ATI) from toll revenue from the operations of the I-395/95 HOT Lanes which commenced during fiscal year 2020. The ATI equals \$15 million in the commencement year, increasing at 2.5% annually, and is to be used to fund transit and multimodal investments which will benefit users in the I-395/95 corridor.

In January 2019, NVTC and PRTC entered into an agreement that among other things provides details of the commissions project selection process, specifies that NVTC will be the designated recipient of the ATI fund, and that NVTC will administer the program on behalf of the commissions. NVTC has established a special revenue fund to account for the ATI toll revenue and related projects for both Commissions, separately from the Commissions' other activities.

The agreement between the Commonwealth, NVTC and PRTC states that the ATI funds are to be split pro rata based on each commission's population as determined by the most recent population figures of the Weldon Cooper Center. In fiscal year 2021, NVTC received \$15,375,000 in ATI funds, as specified in the agreement. The allocation of the funds between NVTC and PRTC results in \$10.2 million and \$5.2 million in revenues for NVTC and PRTC respectively. The fund recognized \$4.8 million in project costs, including transfers to the General Fund for NVTC administration of the program. The allocation of the expenditures between NVTC and PRTC equals \$3.0 million and \$1.5 million respectively. The activity to date results in an ending fund balance of \$21.4 million, with \$14.2 million allocated to NVTC and \$7.2 allocated to PRTC.

Proprietary Fund

The proprietary fund captures NVTC's portion of the financial activity of the joint venture Virginia Railway Express (VRE) commuter rail service. Assets owned by NVTC and the Potomac and Rappahannock Transportation Commission (PRTC) for the VRE operations have been funded by a variety of sources including federal assistance with PRTC as grantee, Commonwealth of Virginia assistance with NVTC as grantee, local contributions, and various loans and other financing arrangements for which one or both Commissions have served as issuer, borrower, or in other related capacities. For financial statement reporting purposes, assets, liabilities and

operations are assigned and allocated to NVTC and PRTC based on asset ownership, named entity on debt instruments, and sources of funding.

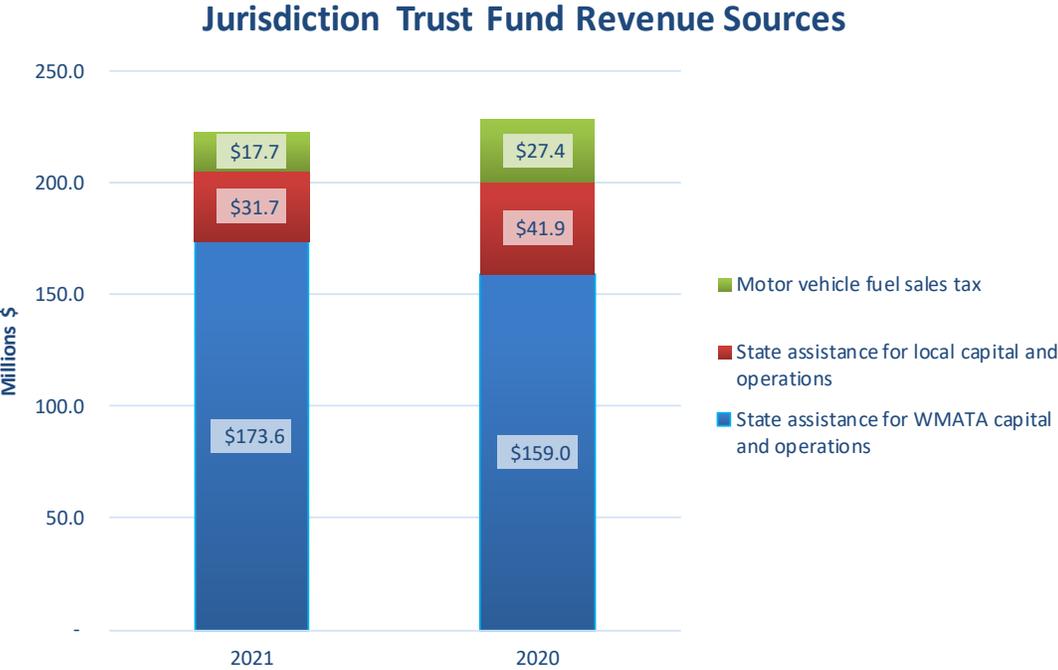
NVTC’s share of operating revenue decreased about \$13.4 million or 82.4 percent, while operating expenses decreased approximately \$5.0 million or 13.7 percent. For VRE operations as a whole, operating revenue decreased 78.8 percent, while operating expenses increased 4.2 percent. Ridership saw a decrease of 89.6 percent, reflecting the effects of the ongoing COVID-19 Novel Coronavirus pandemic throughout fiscal year 2021. The difference between the NVTC share and the VRE operations as a whole is the result of how the operations are split between the commissions.

In order to present a full and accurate picture of VRE operations, all financial transaction related to the commuter rail program reported separately in the financial statements of NVTC and PRTC are combined in a separate set of financial statements. These audited financial statements can be obtained from the Director of Finance and Administration of NVTC at 2300 Wilson Blvd., Suite 230, Arlington, VA 22201.

Fiduciary Funds

Jurisdiction Trust Fund. The Jurisdiction Trust Fund holds the assets that were remitted from the special revenue fund (contributions from government), as well as operating and capital assistance contracted with the NVTC member jurisdictions and received directly by the Jurisdiction Trust Fund from the Commonwealth (intergovernmental revenues). These funds are accounted for on an individual jurisdiction basis. As with the revenue from the Special Revenue Fund, the jurisdiction contracted revenue is allocated using the SAM. The funds are invested in the Virginia Local Government Investment Pool, and are available for disbursement for restricted purposes by instructions of the member jurisdictions.

The change in the fund balance from year to year is dependent upon the remittances from the special revenue fund, the state operating and capital assistance contracted directly with the jurisdictions and received by the fund, investment income, and the amount each member jurisdiction instructs NVTC to disburse from the Fund. The total additions to the Trust Fund, excluding investment income, decreased by \$5.3 million, or 2.3 percent from the previous year. An analysis of this change is shown below.



State assistance for local system operations is revenue from the state operating formula assistance program, which is a performance-based formula program. State assistance for local system capital expenditures is a competitive reimbursement program. Effective fiscal year 2019, the amount of funding NVTC receives for WMATA capital and operating needs is determined by a set percentage of the funding available in the Commonwealth's Mass Transit Trust Fund.

Effective fiscal year 2019, a minimum price floor was established for the motor vehicle fuel sales tax. The Virginia Code section that established the floor states that any gain attributable to the floor will revert to the Commonwealth as a funding source for the new WMATA Capital Fund for dedicated funding to WMATA, and the Commuter Rail Operating and Capital Fund (C-ROC) which benefits VRE. For fiscal year 2019, the gain was calculated as the difference between the monthly revenue to NVTC in fiscal year 2018 as compared to the actual collections for the same month in fiscal year 2019. Effective fiscal year 2020 the gain became fixed at the fiscal year 2019 level. Furthermore, the legislation changed the tax from a sales tax to an excise tax with a market price adjustment equal to the statewide distributor price for a gallon of regular gasoline. Effective fiscal year 2021 the amount withheld for the WMATA Capital Fund was fixed at \$22.183 million per year, an increase of approximately \$7.2 over the prior amount from the "gain". Motor Vehicle Fuel Sales tax revenue decrease by \$9.8 million, or 35.6 percent from the previous year due primarily to increase in withholding for the WMATA Capital Fund and the ongoing COVID-19 Novel Coronavirus pandemic throughout fiscal year 2021.

Pension Trust Fund. The Pension Trust Fund holds the assets contributed by NVTC on behalf of the pension plan participants, and the required plan participant contributions. Investments are participant directed in one or more separate investments available through the plan sponsor. Net assets available for benefits at the end of fiscal year 2021 equaled \$2.2 million, an increase of \$716,177 (46.8%) over the prior year. This increase is the result of \$488,823 an increase in fair value of investments and \$227,354 in plan contributions.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The details of capital assets as of June 30, 2021 and 2020 are as follows:

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Rolling stock	\$ -	\$ -	\$ 142,639,959	\$ 142,639,959	\$ 142,639,959	\$ 142,639,959
Vehicles	-	-	72,780	72,780	72,780	72,780
Facilities	-	-	56,404,725	56,404,725	56,404,725	56,404,725
Track and signal improvements	-	-	50,054,134	49,764,479	50,054,134	49,764,479
Equipment and software	-	-	6,515,559	6,063,333	6,515,559	6,063,333
Construction in progress	-	-	16,592,210	12,001,865	16,592,210	12,001,865
Equity in properties of others	-	-	2,893,644	2,893,644	2,893,644	2,893,644
Office equipment, furniture and software	198,931	193,619	3,129,324	3,194,727	3,328,255	3,388,346
	198,931	193,619	278,302,335	273,035,512	278,501,266	273,229,131
Less accumulated depreciation and amortization	126,977	106,286	115,299,450	105,525,587	115,426,427	105,631,873
Total capital assets, net	\$ 71,954	\$ 87,333	\$ 163,002,885	\$ 167,509,925	\$ 163,074,839	\$ 167,597,258

NVTC's investment in capital assets as of June 30, 2021 amounted to \$163.1 million (net of accumulated depreciation and amortization) which represents a decrease of \$3.5 million or 2.7 percent over last year due to new project construction and the recognition of annual depreciation and amortization.

The major completed projects during the fiscal year were the Fare Collection EMV Compliance Upgrade (\$1.05 million), completion of Crossroads to Hamilton Third Track Slope Stabilization (\$0.3 million) and implementation of the new Mobile Ticketing System (\$0.1 million).

The major additions to construction in progress during the fiscal year were costs related to the Crossroads Lifecycle and Overhaul and Upgrade Facility (\$4.4 million), development of the Crystal City station project (\$0.4 million), development of the Munis Enterprise Resource Planning (ERP) System (\$0.3 million), the Quantico station improvement project (\$0.3 million), the Broad Run station improvement project (\$0.25 million) the Alexandria station improvements project (\$0.3 million), development of the Franconia/Springfield platform project (\$0.25 million), development of the Manassas Park parking expansion project (\$0.25 million) and the VRE Headquarters Office Renovation project (\$0.15 million).

Debt Administration

At June 30, 2021, the Commissions had total debt outstanding of \$46.8 million for the VRE commuter rail service, of which \$43.3 million is reported by NVTC.

The NVTC and PRTC are co-lessees of the capital lease for rolling stock, which is secured by the related equipment. The promissory note with the Federal Railroad Administration for the purchase of 60 Gallery railcars was issued by NVTC, but both NVTC and PRTC were signatories. The note was secured by the revenues of VRE and the rolling stock.

In fiscal year 2018, a financing agreement was entered into with the Virginia Resources Authority (VRA) for the purposes of refunding the FRA promissory note and reducing VRE's debt service costs. As required by the authorizing resolutions of the Commissions and jurisdictions, the VRA refunding loan did not extend the term of the original borrowing and achieved net present value debt service savings of not less than three percent. The FRA note was refunded in full with the proceeds from the VRA financing, and VRE has pledged its revenues to the repayment of the principal, premium, and interest on the local bond purchased by VRA.

	2021	2020
Bond payable	\$ 39,770,000	\$ 42,120,000
Capital leases	3,492,484	4,270,958
Total	\$ 43,262,484	\$ 46,390,958

Economic Factors and Next Year's Budget

Population growth in Northern Virginia, especially in the outer suburbs, continues to remain robust. In combination with the congestion on major highways and on-going highway construction projects, this growth will continue to support long-term demand for VRE's service. The constraining factors to VRE growth in the near-term are the current COVID-19 pandemic and its effects, as well as station parking, availability of seats, storage capacity, and the availability of subsidy funds.

The local subsidy for fiscal year 2022 decreased by \$13,544,122 or 74.0 percent to \$4,756,658. Fares were held constant; the previous general fare increase was 3.0 percent in fiscal year 2020. In fiscal year 2019 VRE began to receive funding from the Commonwealth of Virginia Commuter Rail Operating and Capital (C-ROC) Fund, which will continue in fiscal year 2022. Additional sources of funding will be available in fiscal year 2022 from federal, state and regional sources, although the amounts received will continue to vary from year to year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of NVTC's finances for all those interested. If you have any questions about this report or need additional financial information, contact the Director of Finance and Administration, Northern Virginia Transportation Commission, 2300 Wilson Boulevard, Suite 230, Arlington, Virginia 22201, or by email to scottkalkwarf@novatransit.org.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
STATEMENT OF NET POSITION
June 30, 2021

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	Primary Government		Total Primary Government
	Governmental Activities	Business-type Activities	
Cash and cash equivalents	\$ 422,088	\$ 43,629,372	\$ 44,051,460
Due from other governments:			
Commonwealth of Virginia	11,194,664	-	11,194,664
Federal	983,568	-	983,568
Local jurisdictions	14,079	-	14,079
Trade accounts receivable, net	-	110,625	110,625
Other receivables	-	125,035	125,035
Inventory	-	1,110,712	1,110,712
Deposits and prepaid items	90,032	225,390	315,422
Restricted cash, cash equivalents and investments	41,571,784	9,084,417	50,656,201
Internal balances	(6,491,009)	6,491,009	-
Capital assets:			
Rolling stock	-	142,639,959	142,639,959
Vehicles	-	72,780	72,780
Facilities	-	56,404,725	56,404,725
Track and signal improvements	-	50,054,134	50,054,134
Equipment and software	-	6,515,559	6,515,559
Construction in progress	-	16,592,210	16,592,210
Equity in property of others	-	2,893,644	2,893,644
Office equipment, furniture and software	198,931	3,129,324	3,328,255
Less accumulated depreciation and amortization	(126,977)	(115,299,450)	(115,426,427)
Deferred outflows of resources, loss on refunding	-	362,566	362,566
Total assets and deferred outflows of resources	47,857,160	224,142,011	271,999,171

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
STATEMENT OF NET POSITION
June 30, 2021

LIABILITIES	Primary Government		Total Primary Government
	Governmental Activities	Business-type Activities	
Accounts payable	\$ 2,493,699	\$ 1,554,342	\$ 4,048,041
Accrued expenses	50,909	402,638	453,547
Accrued interest	-	496,534	496,534
Due to fiduciary fund	3,582,259	-	3,582,259
Unearned revenue	2,227	310,116	312,343
Contract retainage	-	182,301	182,301
Noncurrent liabilities:			
Due within one year:			
Compensated absences	72,546	42,615	115,161
Bond payable	-	2,475,000	2,475,000
Capital lease obligation	-	814,615	814,615
Due in more than one year:			
Lease liability	264,492	-	264,492
Compensated absences	155,047	277,860	432,907
Bond payable	-	41,973,371	41,973,371
Capital lease obligation	-	2,677,869	2,677,869
	<u>6,621,179</u>	<u>51,207,261</u>	<u>57,828,440</u>
Total liabilities	<u>6,621,179</u>	<u>51,207,261</u>	<u>57,828,440</u>
 NET POSITION			
Net investment in capital assets	71,954	115,424,594	115,496,548
Restricted for toll funded projects	41,065,681	-	41,065,681
Restricted for liability insurance plan	-	5,126,469	5,126,469
Restricted for debt service	-	1,998,519	1,998,519
Restricted grants or contributions	-	1,265,007	1,265,007
Unrestricted assets	98,346	49,120,161	49,218,507
	<u>98,346</u>	<u>49,120,161</u>	<u>49,218,507</u>
Total net position	<u>\$ 41,235,981</u>	<u>\$ 172,934,750</u>	<u>\$ 214,170,731</u>

The accompanying notes are an integral part of the financial statements.

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
STATEMENT OF ACTIVITIES**

Year Ended June 30, 2021

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total Primary Government
Primary government:							
Governmental activities:							
General and administration	\$ 8,136,261	\$ -	\$ 7,302,452	\$ -	\$ (833,809)	\$ -	\$ (833,809)
Toll funded project costs	11,524,413	-	-	-	(11,524,413)	-	(11,524,413)
Jurisdiction transit	191,553,814	-	173,879,540	-	(17,674,274)	-	(17,674,274)
Total governmental activities	<u>211,214,488</u>	<u>-</u>	<u>181,181,992</u>	<u>-</u>	<u>(30,032,496)</u>	<u>-</u>	<u>(30,032,496)</u>
Business-type activities:							
Commuter rail	43,801,693	2,857,134	7,010,421	5,307,713	-	(28,626,425)	(28,626,425)
Total business-type activities	<u>43,801,693</u>	<u>2,857,134</u>	<u>7,010,421</u>	<u>5,307,713</u>	<u>-</u>	<u>(28,626,425)</u>	<u>(28,626,425)</u>
Total primary government	<u>\$ 255,016,181</u>	<u>\$ 2,857,134</u>	<u>\$ 188,192,413</u>	<u>\$ 5,307,713</u>	<u>(30,032,496)</u>	<u>(28,626,425)</u>	<u>(58,658,921)</u>
General revenues:							
Intergovernmental revenue - commuter rail					21,980,341	-	21,980,341
Intergovernmental revenue - motor vehicle fuel sales tax					17,674,274	-	17,674,274
Intergovernmental revenue - toll revenue					15,375,000	-	15,375,000
Other revenue					77	-	77
Interest					60,985	103,836	164,821
Transfers					(21,980,341)	21,980,341	-
Total general revenues					<u>33,110,336</u>	<u>22,084,177</u>	<u>55,194,513</u>
Change in net position					3,077,840	(6,542,248)	(3,464,408)
Net position, beginning of year					<u>38,158,141</u>	<u>179,476,998</u>	<u>217,635,139</u>
Net position, end of year					<u>\$ 41,235,981</u>	<u>\$ 172,934,750</u>	<u>\$ 214,170,731</u>

The accompanying notes are an integral part of the financial statements.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund - Jurisdiction Transit	Special Revenue Fund - I-66 Toll Revenue	Special Revenue Fund - I-395/95 Toll Revenue	
ASSETS					
Cash and cash equivalents	\$ 422,088	\$ -	\$ -	\$ -	\$ 422,088
Due from other governments:					
Commonwealth of Virginia	7,583,944	3,610,720	-	-	11,194,664
Federal	983,568	-	-	-	983,568
Local jurisdictions	14,079	-	-	-	14,079
Due from fiduciary fund	28,461	-	-	-	28,461
Due from proprietary fund	25,127	-	-	-	25,127
Due from special revenue funds	196,150	-	-	-	196,150
Restricted cash	-	-	19,882,977	21,688,807	41,571,784
Deposits and prepaid items	90,032	-	-	-	90,032
Total assets	\$ 9,343,449	\$ 3,610,720	\$ 19,882,977	\$ 21,688,807	\$ 54,525,953
LIABILITIES					
Accounts payable	\$ 2,183,746	\$ -	\$ 163,822	\$ 146,131	\$ 2,493,699
Accrued salaries	50,909	-	-	-	50,909
Unearned revenue	2,227	-	-	-	2,227
Due to general fund	-	-	110,581	85,569	196,150
Due to proprietary fund	6,516,136	-	-	-	6,516,136
Due to fiduciary fund	-	3,610,720	-	-	3,610,720
Total liabilities	8,753,018	3,610,720	274,403	231,700	12,869,841
FUND BALANCES					
Nonspendable					
Deposits and prepaid items	90,032	-	-	-	90,032
Restricted					
Toll Revenues	-	-	19,608,574	21,457,107	41,065,681
Unassigned	500,399	-	-	-	500,399
Total fund balance	590,431	-	19,608,574	21,457,107	41,656,112
Total liabilities and fund balance	\$ 9,343,449	\$ 3,610,720	\$ 19,882,977	\$ 21,688,807	\$ 54,525,953

Reconciliation of fund balance on the Balance Sheet for the governmental funds to the net position of the governmental activities on the Statement of Net Position:

Fund balances - governmental funds	\$ 41,656,112
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$198,931 and the accumulated depreciation and amortization is \$126,977.	71,954
Lease liability only recognized in the government-wide financial statements.	(264,492)
Compensated absences are liabilities not due and payable in the current period and, therefore, are not reported in the governmental funds.	(227,593)
Net position - governmental activities	<u>\$ 41,235,981</u>

The accompanying notes are an integral part of the financial statements.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2021

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund - Jurisdiction Transit	Special Revenue Fund - I-66 Toll Revenue	Special Revenue Fund - I-395/95 Toll Revenue	
Revenues:					
Intergovernmental revenues:					
Grants and contributions:					
Commonwealth of Virginia, net of					
CROC funds attributable to PRTC	\$ 25,901,017	\$ 173,879,540	\$ -	\$ -	\$ 199,780,557
Federal	2,867,725	-	-	-	2,867,725
Local jurisdictions	434,051	-	-	-	434,051
Toll Revenue	-	-	-	15,375,000	15,375,000
Motor vehicle fuel sales tax	-	17,674,274	-	-	17,674,274
Project chargebacks	80,000	-	-	-	80,000
Other revenue	77	-	-	-	77
Interest	789	-	39,877	20,319	60,985
Total revenues	29,283,659	191,553,814	39,877	15,395,319	236,272,669
Expenditures:					
Current:					
General and administration	3,092,165	-	-	-	3,092,165
Project costs	4,949,295	-	-	-	4,949,295
Toll funded project costs	-	-	6,996,766	4,527,647	11,524,413
Payments to fiduciary fund	-	191,553,814	-	-	191,553,814
Capital outlay	5,312	-	-	-	5,312
Total expenditures	8,046,772	191,553,814	6,996,766	4,527,647	211,124,999
Other financing uses:					
Transfers in	742,639	-	(397,549)	(345,090)	-
Transfers	(21,980,341)	-	-	-	(21,980,341)
Change in fund balances	(815)	-	(7,354,438)	10,522,582	3,167,329
Fund balances, beginning of year	591,246	-	26,963,012	10,934,525	38,488,783
Fund balances, end of year	<u>\$ 590,431</u>	<u>\$ -</u>	<u>\$ 19,608,574</u>	<u>\$ 21,457,107</u>	<u>\$ 41,656,112</u>

Change in fund balances - total governmental funds \$ 3,167,329

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense.

Add - capital outlay	5,312
Deduct - depreciation and amortization expense	(20,691)

Amortization of lease liability is only recognized in the government-wide financial statements. (55,813)

The change in compensated absences included in the expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. (18,297)

Change in net position of governmental activities \$ 3,077,840

The accompanying notes are an integral part of the financial statements.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
STATEMENT OF NET POSITION
PROPRIETARY FUND
June 30, 2021

	Commuter Rail Service Fund
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Current Assets:	
Cash and cash equivalents	\$ 43,629,372
Accounts receivable:	
Due from general fund	6,491,009
Trade receivables, net of allowance for doubtful accounts	110,625
Other receivables	125,035
Inventory	1,110,712
Prepaid expenses and other	225,390
Restricted cash, cash equivalents and investments	9,084,417
Total current assets	60,776,560
Capital assets:	
Rolling stock	142,639,959
Vehicles	72,780
Facilities	56,404,725
Track and signal improvements	50,054,134
Equipment and software	6,515,559
Construction in progress	16,592,210
Equity in property of others	2,893,644
Furniture, equipment and software	3,129,324
	278,302,335
Less accumulated depreciation and amortization	(115,299,450)
Total capital assets, net	163,002,885
Deferred Outflows of Resources:	
Loss on refunding	362,566
Total assets and deferred outflows of resources	\$ 224,142,011

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
STATEMENT OF NET POSITION
PROPRIETARY FUND
June 30, 2021

	Commuter Rail Service Fund
LIABILITIES AND NET POSITION	
Current Liabilities:	
Accounts payable	\$ 1,554,342
Compensated absences	42,615
Accrued expenses	402,638
Accrued interest	496,534
Unearned revenue	310,116
Contract retainage	182,301
Current portion of bonds payable	2,475,000
Current portion of capital lease obligations	814,615
Total current liabilities	6,278,161
Noncurrent Liabilities:	
Compensated absences	277,860
Bonds payable	41,973,371
Capital lease obligations	2,677,869
Total noncurrent liabilities	44,929,100
Total liabilities	51,207,261
Net Position:	
Net investment in capital assets	115,424,594
Restricted for liability insurance plan	5,126,469
Restricted for debt service	1,998,519
Restricted grants or contributions	1,265,007
Unrestricted assets	49,120,161
Total net position	172,934,750
Total liabilities and net position	\$ 224,142,011

The accompanying notes are an integral part of the financial statements.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
Year Ended June 30, 2021

	Commuter Rail Service Fund
Operating Revenues:	
Passenger revenue	\$ 2,793,392
Equipment rentals and other	63,742
Total operating revenues	2,857,134
Operating Expenses:	
Contract operations and maintenance	10,833,908
Other operations and maintenance	6,010,605
Property leases and access fees	6,685,138
Insurance	2,735,003
Marketing and sales	377,240
General and administrative	4,877,397
Total operating expenses	31,519,291
Operating loss before depreciation and amortization	(28,662,157)
Depreciation and amortization	(10,559,083)
Operating loss	(39,221,240)
Nonoperating Revenues (Expenses):	
Subsidies:	
Jurisdictional contributions	6,746,387
Regional transportation funding	264,034
Interest income:	
Operating funds	41,481
Insurance trust	33,961
Commonwealth Rail Operating and Capital (CROC) Fund	25,043
Other restricted funds	3,351
Interest, amortization and other nonoperating expenses, net	(1,723,319)
Total nonoperating revenues, net	5,390,938
Loss before capital contributions and transfers	(33,830,302)
Capital contributions and transfers:	
Contribution from PRTC	5,307,713
Transfers in	21,980,341
Total capital contributions and transfers	27,288,054
Change in net position	(6,542,248)
Net Position, beginning	179,476,998
Net Position, ending	\$ 172,934,750

The accompanying notes are an integral part of the financial statements.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended June 30, 2021

	Commuter Rail Service Fund
Cash Flows From Operating Activities:	
Receipts from customers	\$ 2,662,928
Payments to suppliers	(27,710,398)
Payments to employees	(3,005,985)
Net cash used in operating activities	(28,053,455)
Cash Flows From Noncapital Financing Activities:	
Governmental subsidies	12,318,134
Cash Flows From Capital and Related Financing Activities:	
Acquisition and construction of capital assets	(6,287,610)
Principal paid on capital lease obligations	(778,474)
Principal paid on bonds	(2,350,000)
Interest paid on capital lease obligation	(187,205)
Interest paid on bond	(1,939,480)
Contribution from General Fund	24,636,109
Net cash provided by capital and related financing activities	13,093,340
Cash Flows From Investing Activities:	
Interest received on investments	103,836
Decrease in cash and cash equivalents	(2,538,145)
Cash and Cash Equivalents, beginning	55,251,934
Cash and Cash Equivalents, ending	\$ 52,713,789
Reconciliation of Operating Loss to Net Cash Used In	
Operating Activities:	
Operating loss	\$ (39,221,240)
Adjustments to reconcile operating loss to net	
cash used in operating activities:	
Depreciation and amortization	10,559,083
Write-off of construction in progress to expense	1,064,827
(Increase) decrease in:	
Trade receivables	165,657
Other receivables	175,997
Inventory	169,093
Prepaid items and other	(160,739)
Increase (decrease) in:	
Accounts payable and accrued expenses	(248,181)
Compensated absences	(22,092)
Unearned revenue	(535,860)
Net cash used in operating activities	\$ (28,053,455)
Schedule of Noncash Capital Activities	
Capital assets acquired through accounts payable	\$ 963,968
Capital assets acquired through accrued liabilities	276,343

The accompanying notes are an integral part of the financial statements.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2021

	Jurisdiction Trust Fund	Pension Trust Fund
ASSETS		
Cash and cash equivalents	\$ 191,203,314	\$ -
Due from special revenue fund - Motor vehicle fuel sales tax	3,606,054	-
Due from special revenue fund - Commonwealth of Virginia grants	4,666	-
Due from other governments - Commonwealth of Virginia grants	2,379,791	-
Investments held in trust at fair value	-	2,245,396
	<u>197,193,825</u>	<u>2,245,396</u>
LIABILITIES		
Due to member jurisdictions	8,229,056	-
Due to general fund	28,461	-
	<u>8,257,517</u>	<u>-</u>
NET POSITION		
Restricted for:		
Member jurisdictions	188,936,308	-
Plan participants	-	2,245,396
	<u>\$ 188,936,308</u>	<u>\$ 2,245,396</u>
Total net position	<u>\$ 188,936,308</u>	<u>\$ 2,245,396</u>

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
Year Ended June 30, 2021

	<u>Jurisdiction Trust Fund</u>	<u>Pension Trust Fund</u>
Additions:		
Contributions from government	\$ 191,553,814	\$ -
Intergovernmental revenues	31,435,599	-
Pension fund contributions		
Participants	-	36,293
Employer	-	191,061
	<hr/>	<hr/>
Total additions	222,989,413	227,354
	<hr/>	<hr/>
Investment income		
Increase in fair value of investments	-	488,823
Interest earned on investments	265,370	-
	<hr/>	<hr/>
Total income from investment activities	265,370	488,823
	<hr/>	<hr/>
Deductions:		
Funds disbursed to WMATA:		
Capital improvement program	13,471,061	-
Project development	625,246	-
Metrorail operating	88,783,955	-
Metrobus operating	47,892,105	-
Metroaccess operating	13,068,380	-
Metro debt service	4,667,283	-
Other funds disbursed:		
Other capital disbursements	8,982,117	-
Other operating disbursements	43,640,077	-
	<hr/>	<hr/>
Total deductions	221,130,224	-
	<hr/>	<hr/>
Change in net position	2,124,559	716,177
	<hr/>	<hr/>
Net position:		
Beginning of year	186,811,749	1,529,219
	<hr/>	<hr/>
End of year	<u>\$ 188,936,308</u>	<u>\$ 2,245,396</u>

The accompanying notes are an integral part of the financial statements.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The financial statements of the Northern Virginia Transportation Commission (NVTC) have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

A. Reporting Entity

The Northern Virginia Transportation District (the District) was created by the 1964 Acts of Assembly of the Commonwealth of Virginia, Chapter 630, to assume the powers and purposes of transportation districts under the Act. The transportation district comprises the cities of Alexandria, Fairfax, and Falls Church, and the counties of Arlington, Fairfax and Loudoun, and has all the powers granted transportation districts in the Act. The Act was created for the purpose of developing transportation systems necessary for the orderly growth and development of urban areas of the Commonwealth of Virginia for the safety, comfort, and convenience of its citizens and for the economical utilization of public funds. The District has no taxing power, although a tax imposed by the Virginia General Assembly is collected within the District's boundaries for its benefit. The Northern Virginia Transportation Commission is the governing body of the District, and was created pursuant to the Authorizing Legislation to manage and control the functions, affairs, and property of the District.

The NVTC and Potomac and Rappahannock Transportation Commission (PRTC) reporting entities each include a portion of the financial activity of the joint venture Virginia Railway Express (VRE) commuter rail service. Pursuant to a Master Agreement signed in 1989, NVTC and PRTC jointly (collectively referred to as the "Commissions") own and operate VRE. Assets for VRE operations have been purchased in the name of the Commissions and funded primarily by grants, loans or other financing arrangements for which one or both Commissions have served as grantee, issuer, borrower, or in other related capacities. VRE provides commuter rail service on two railroad lines originating in Fredericksburg and Manassas, Virginia and terminating at Union Station, Washington, D.C. The service uses existing tracks of the CSX Transportation Corporation (CSX), and the Norfolk Southern Railway Company under respective operating access agreements. Trains are operated and maintained pursuant to an agreement between the Commissions and Keolis Rail Services Virginia, LLC, and Amtrak provides the Commissions with access to storage at Union Station.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of NVTC. Governmental activities, which are supported by intergovernmental revenues, are reported separately from the business-type activities of the VRE joint venture, which rely to a significant extent on charges for services.

The government-wide Statement of Activities is designed to report the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues include charges to customers who use services provided by a given function, and grants and contributions are restricted to meeting the operational or capital requirements of a particular function.

The government-wide Statement of Net Position reports net position as restricted when externally imposed constraints on those net positions are in effect. Internally imposed designations of resources are not presented as restricted net position.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

B. Government-wide and Fund Financial Statements (Continued)

Separate fund financial statements are provided for governmental funds, proprietary fund, and fiduciary fund. The governmental funds are reported on a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances (fund equity). The proprietary fund is reported on a Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows. The fiduciary funds are reported on a Statement of Net Position and a Statement of Changes in Net Position. The fiduciary funds are not included in the government-wide statements. Eliminations have been made to minimize the double counting of internal activities.

C. Measurement Focus and Basis of Accounting

Government-wide Financial Statements – Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Intergovernmental revenues, consisting primarily of Federal and Commonwealth of Virginia grants, designated for payment of specific expenditures, are recognized at the time the expenditures are incurred. Any excess of revenues or expenditures at year-end are recorded as unearned revenue or accounts receivable, respectively. Derived tax revenues are recognized when the underlying transactions have occurred.

Governmental Fund Financial Statements – The Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. For this purpose, NVTC considers revenues to be available if they are collected within 90 days after year end. Revenues from grants that are expenditure based are recognized if the expenditure has been made and invoiced to the grant. Expenditures are recorded when a liability is incurred, as under the full accrual method of accounting. However, debt service expenditures, expenditures related to compensated absences, and claims and judgments are recorded only when payment is due.

Proprietary Fund – The financial statements of the proprietary fund are reported using the economic resources measurement focus and the accrual basis of accounting, similar to the government-wide statements described above. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses are those that result from providing services in connection with the principal ongoing operation. The principal operating revenues are charges to customers which result in passenger revenues. Passenger revenues are recorded as revenue at the time services are performed. Cash received for services in advance is deferred until earned. Operating revenues and expenses also include all revenues and expenses not associated with capital and related financing, noncapital financing, subsidies, or investing activities. Intergovernmental revenues, consisting primarily of Commonwealth of Virginia grants, designated for payment of specific expenses, are recognized at the time the expenses are incurred. Capital grants and assistance are recognized as additions are made to capital assets and other contributions are included in the Statement of Revenues, Expenses and Changes in Net Position when expended. Monetary and in-kind contributions are recorded as matching obligations to the jurisdictions or other construction partners as assessed. Any excess of grant revenues or expenses at year end are recorded as unearned revenue or accounts receivable, respectively.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

NVTC reports the following major governmental funds:

The General Fund is NVTC's primary operating fund and is considered a major fund. It accounts for all financial resources of NVTC except those required to be accounted for in another fund.

The Special Revenue Fund – Jurisdictional Transit Fund is used to account for intergovernmental revenue for the jurisdictions' transit programs, including local bus systems and operating and capital subsidies of the Washington Metropolitan Area Transit Authority (WMATA).

The Special Revenue Fund – I-66 Toll Revenue Fund is used to account revenues generated by the tolling of I-66 inside the Beltway to account for the toll revenue received at related projects.

The Special Revenue Fund – I-395/95 Toll Revenue Fund is used to account for the Annual Transit Investment (ATI) from toll revenue from the operations of the I-395/95 Hot Lanes and related projects for the NVTC and PRTC Commissions.

NVTC reports the following major enterprise fund:

Commuter Rail Service Fund

The Commuter Rail Service Fund accounts for NVTC's portion of VRE's operation and maintenance costs for commuter rail service, financed by charges for services, jurisdictional contributions, and operating and capital received from the Commonwealth of Virginia.

Fiduciary Funds – The financial statements of the fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting, similar to the government-wide statements described above. The Commission maintains two fiduciary funds, the Jurisdictional Trust Fund and Pension Trust Fund.

D. Budgeting

Although not statutorily required, NVTC adopts an annual operating budget for the planning and administrative activities of the General Fund. The budgeting process enables NVTC to determine the annual contributions required from the member jurisdictions to fund its planning and administrative activities. Accumulated fund balances in excess of anticipated minimum operating cash requirements are used as a revenue source in subsequent budgets.

E. Other Significant Accounting Policies

1. Cash and cash equivalents

Cash equivalents include all highly liquid investments with maturities of three months or less. Investments in U.S. government securities and commercial paper are carried at fair value based on quoted market prices. The investment in the Local Government Investment Pool (LGIP) is reported at amortized cost.

2. Investments

Investments are stated at fair value based on quoted market prices.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

E. Other Significant Accounting Policies (Continued)

3. Restricted cash, cash equivalents and investments

Restricted cash, cash equivalents, and investments as reported in the Statement of Net Position are comprised of funds related to the Virginia Resources Authority (VRA) financing compliance requirements, the balance in the Liability Insurance Plan, a small liability claims account, and toll revenue. The investment in the Virginia State Non-Arbitrage Program (SNAP) for VRA financing is reported at amortized cost.

4. Allowance for uncollectible accounts

The allowance for uncollectible accounts is calculated by using historical collection data and specific account analysis. The allowance was approximately \$13,900 at June 30, 2021 for the proprietary fund.

5. Inventory

An inventory of spare parts for rolling stock has been purchased and is maintained and managed at the Commissions' warehouse located at the Crossroads yard. Inventory is stated at cost, which approximates market, and is valued using the first-in-first-out method.

6. Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in the financial statements using the consumption method.

7. Capital assets

For constructed assets, all costs necessary to bring assets to the condition and location necessary for the intended use are capitalized. Asset costs include allocation of certain common construction costs based on the relationship of associated direct costs. Assets constructed directly by jurisdictions in satisfaction of system financial responsibilities have been capitalized at the estimated acquisition value as of the date of donation.

When assets are substantially complete and ready for use, these costs are transferred from construction in progress to property and equipment and depreciated or amortized. Major improvements and replacements of property are capitalized. Maintenance, repairs and minor improvements and replacements are expensed.

Costs of improvements to track, stations and signal facilities owned by the railroads have been capitalized in recognition of the increased efficiency afforded VRE operations over their useful lives. The Commissions retain a residual interest in these assets such the net salvage value will be reimbursed by the railroads upon cessation of commuter rail service. Similarly, shared investments in jurisdictional facilities ("equity in property of others") recognize the right of access for commuter rail patrons granted to the Commissions. This category also represents investment in Amtrak infrastructure and facilities that provides primary benefit to the commuter rail service and for which VRE has an expectation of continued use.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

E. Other Significant Accounting Policies (Continued)

7. Capital assets (Continued)

Interest is capitalized on qualifying construction in progress projects until they reached the point of substantial completion. For those projects financed with tax-exempt debt, the amount of capitalized interest equals the difference between the interest cost associated with the borrowing to finance the project and the interest earned from temporary investment of the debt proceeds. Capitalized interest is amortized using the straight-line method over the useful life of the asset.

Depreciation and amortization of all exhaustible equipment, buildings and intangibles is charged as an expense against operations using the straight-line method over the following estimated useful lives:

Rolling stock	8-25 years
Vehicles	5 years
Facilities	30-40 years
Track and signal improvements	5-30 years
Equipment and software	5 years
Equity in properties of others	3-35 years
Office equipment, furniture and software	3-10 years

When, in the opinion of management, certain assets are impaired, any estimated decline in value is accounted for as a non-operating expense. There were no impaired assets as of June 30, 2021.

8. Deferred outflows/inflows of resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resource (expenditure) until then. NVTC currently has one item that qualifies for reporting in this category. The deferred loss on refunding is reported as a deferred outflow of resources.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. NVTC currently has no items reported in this category.

9. Compensated absences

Vacation leave for NVTC employees is granted to all full and part-time employees and is earned, generally, based upon the length of employment. Employees with zero through nine years of service may carryover a maximum of 240 hours of accumulated leave while employees with 10 to 15 complete years of service may carryover a maximum of 320 hours of leave. For greater than 15 years of service, the maximum carryover is 360 hours of leave. The allowed accumulated leave earned, yet not paid has been recorded as a liability since the leave vests and an obligation to make payment exists if an employee terminates. The Executive Director may authorize the conversion of excess vacation leave to sick leave.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

E. Other Significant Accounting Policies (Continued)

9. Compensated absences (Continued)

Sick leave for NVTC employees may also be accumulated. After five years of service, NVTC employees are eligible to receive 25 percent of their accumulated sick leave at the then current wage rate for hours in excess of 450, without limit. Employees hired prior to January 3, 2008 have the option of receiving a payment for 25 percent of accrued hours of sick leave with a maximum of \$5,000. The calculation producing the largest amount for each eligible employee has been recorded as a liability. In prior years, the General Fund was responsible for paying the liability for compensated absences for general government employees.

The employees of the VRE joint venture are employees of PRTC and are subject to PRTC's leave policies. VRE employees are granted vacation leave based on length of employment. Employees with less than ten years of service may carry over a total of 225 hours of leave from year to year, while those with more than ten years may carry over 300 hours. Excess leave may convert to sick leave or may be paid out with the approval of the Chief Executive Officer.

VRE employees may accumulate sick leave without limitation. Employees who separate in good standing after five or more years of service will be paid for 25 percent of their sick leave credit in excess of 450 hours. Certain employees may accumulate compensatory leave for overtime worked. Compensated absences are accrued when incurred.

10. Fund equity

In the fund financial statements, the governmental fund reports classifications of fund balance as follows:

Nonspendable fund balance – amounts that are not in a spendable form or are required to be maintained intact (such as prepaid items, inventory, and the principal of a permanent fund that is legally or contractually required to be maintained intact).

Restricted fund balance – amounts that have constraints placed on the use of resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unassigned fund balance – residual balance of the General Fund that has not been restricted, committed, or assigned to specific purposes within the General Fund.

NVTC will consider the use of restricted, committed, or assigned funds prior to the use of unassigned fund balance.

11. Indirect expenditure allocation

Employee benefits are allocated to projects based on direct labor charges. Overhead and other indirect costs are not charged to NVTC projects in the financial statements.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

E. Other Significant Accounting Policies (Continued)

12. Net position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The net position caption "net investment in capital assets" consists of capital assets, net of accumulated depreciation and amortization, reduced by outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by NVTC or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

NVTC first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

13. Estimates and assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

14. Inter-fund transfers

Transactions among NVTC's funds would be treated as revenues and expenditures or expenses if they involved organizations external to NVTC government are accounted for as revenues and expenditures or expenses in funds involved.

Transactions, which constitute reimbursements to a fund for expenditures initially made from it, which are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

Transactions, which constitute the transfer of resources from a fund receiving revenues to a fund through which revenues are to be expended, are separately reported in the respective funds' operating statements.

15. Subsequent events

NVTC has evaluated subsequent events through November 19, 2021, which was the date the financial statements were available to be issued.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 2. Deposits and Investments

At June 30, 2021, cash, cash equivalents, and investments consisted of the following, stated at fair value.

	Governmental Activities	Business-type Activities	Fiduciary Funds	Total
Cash	\$ 234,869	\$ 5,366,495	\$ -	\$ 5,601,364
LGIP	187,219	38,262,877	191,203,314	229,653,410
Unit investment trusts – mutual funds	-	-	2,073,584	2,073,584
Unit investment trusts – group annuity contract	-	-	183,715	183,715
	<u>422,088</u>	<u>43,629,372</u>	<u>193,460,613</u>	<u>237,512,073</u>
Restricted:				
LGIP	41,571,784	1,987,802	-	43,559,586
VRA debt service fund	-	1,998,519	-	1,998,519
Insurance trust fund – pooled funds	-	5,098,096	-	5,098,096
Total	<u>\$ 41,993,872</u>	<u>\$ 52,713,789</u>	<u>\$ 193,460,613</u>	<u>\$ 288,168,274</u>

Maturities of all investments are less than one year.

Deposits

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400 et. seq. of the *Code of Virginia*. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50 percent to 130 percent of excess deposits. Accordingly, all deposits are considered fully collateralized.

Investments

Statutes authorize local governments and other public bodies to invest in obligations of the United States or its agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, “prime quality” commercial paper and certain corporate notes; bankers’ acceptances, repurchase agreements and the State Treasurer’s Local Government Investment Pool (LGIP).

As of June 30, 2021, the reporting entity had investments of \$273,212,996 in the LGIP for governmental activities, business-type activities, and the fiduciary funds. The LGIP is a professionally managed money market fund which invests in qualifying obligations and securities as permitted by Virginia statutes. Pursuant to Section 2.2-4605 *Code of Virginia*, the Treasury Board of the Commonwealth sponsors the LGIP and has delegated certain functions to the State Treasurer. The LGIP reports to the Treasury Board at their regularly scheduled monthly meetings. Investments in the LGIP are stated at amortized cost and classified as cash and cash equivalents. The LGIP has been assigned an “AAAm” rating by Standard & Poor’s. The maturity of LGIP is less than one year.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 2. Deposits and Investments (Continued)

Investments (Continued)

In accordance with the requirements of the Financing Agreement between the Virginia Resources Authority (VRA) and NVTC, a debt service reserve fund (DSRF) was established for the benefit of VRA. On the closing date of the VRA financing, \$2 million was transferred into the DSRF from existing cash reserves. The funds in the DSRF shall be used solely to cure any deficiencies in the payment of any principal, premium, or interest associated with the VRA financing. The funds in the DSRF are held in custody at U.S. Bank and are managed by PFM Asset Management LLC through the Virginia State Non-Arbitrage Program (SNAP). The Virginia Treasury Board sponsors SNAP to provide comprehensive investment management, accounting and arbitrage rebate calculation services for the proceeds of tax-exempt borrowings and other financings of Virginia Issuers subject to Section 148 (and related sections) of the Internal Revenue Code. The funds in the DSRF are invested in U.S. Treasury notes rated AA+ by Standard and Poor's maturing in under two (2) years and in the SNAP Fund, a AAAM rated local government investment pool that complies with GASB Statement 79. At June 30, 2021, the reporting entity had \$1,998,519 invested in the VRA Debt Service Reserve Fund.

The Commonwealth of Virginia Department of Treasury manages the VRE Insurance Trust. State statutes govern the portion of assets invested in the Commonwealth's pooled accounts, while the remainder is invested by an external portfolio manager. At June 30, 2021, a total of \$10,196,192 was invested in the Insurance Trust, of which \$5,098,096 is included in the NVTC reporting entity. In fiscal year 2021, earnings on the Insurance Trust in the amount of \$67,921 were credited to VRE, of which \$33,961 was included in the NVTC reporting entity. The Insurance Trust Fund has not been assigned a rating.

NVTC's investment authority and permitted instruments are contained in resolutions approved by the NVTC Board. NVTC's investment policy objectives are to generate revenue while balancing risk and ensuring the availability of cash to meet the Commission's and the jurisdictions' expenditure requirements. The objectives are prioritized in the following order: safety, liquidity, and return on investments. Allowable investments are restricted to instruments permitted by the *Code of Virginia*, with maximum percentages of the portfolio permitted in each of the following instruments:

LGIP	100%
U.S. Treasury Obligations	100%
Certificates of Deposit	75%
Bankers' Acceptances	50%
Repurchase Agreements	35%
Commercial Paper	25%

The VRE Operations Board has adopted a formal investment policy. The goal of the policy is to minimize risk and to ensure the availability of cash to meet VRE's expenditures, while generating revenue from the use of funds which might otherwise remain idle. The primary objectives of VRE's investment activities, in priority order, are: safety, liquidity and yield. The policy specifies eligible and ineligible investments; diversification requirements; maximum length of time for various types of investments; and the process for purchasing securities.

The NVTC Pension Trust allows for participant-directed investments in one or more of 12 separate unit investment trusts through the National Employers Retirement Trust (NERT). Each unit trust, with the exception of the MetLife Stable Value Fund, has a registered mutual fund that is the underlying investment and is reported at fair value based on the unit prices quoted by the fund. The Stable Value Fund is sponsored by the Metropolitan Life Insurance Company (MetLife) and is 100% invested in a MetLife group annuity contract which is held as part of the general assets of MetLife. The Stable Value Fund is reported at contract value as determined by MetLife.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Credit risk

The investment policy specifies credit quality for certain types of investments, in accordance with the *Code of Virginia*, and the policy specifies the qualifications for institutions providing depository and investment services.

Custodial credit risk

For deposits, custodial credit risk is the risk in the event of a failure of a depository financial institution, deposits may not be recovered. All cash of the reporting entity is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400 et. seq. of the *Code of Virginia* or covered by federal depository insurance. Under the Act, banks holding public deposits in excess of the amounts insured by FDIC must pledge collateral in the amount of 50 percent of excess deposits to a collateral pool in the name of the State Treasury Board. If any member bank fails, the entire collateral pool becomes available to satisfy the claims of governmental entities. With the ability to make additional assessments, the multiple bank collateral pool functions similarly to depository insurance. The Commonwealth of Virginia Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act.

Interest rate risk

In accordance with its investment policy, VRE manages its exposure to declines in fair values by limiting the maturity of various investment vehicles, as indicated in the chart below.

Concentration of credit risk

The Commuter Rail Service Fund's investment policy provides limitations on the percentage of the portfolio that can be invested in each type of security, as indicated in the following chart.

The limitations provided in the investment policy for maximum maturity and the percentage of the portfolio allowed for each category of investment are as follows:

Investment	Length of Maturity	Percent Allowed
Bonds, notes, and other evidence of indebtedness of the United States	60 months or less	100%
Bonds, notes, and other evidence of indebtedness of the Commonwealth of Virginia	60 months or less	100%
Bonds, notes, and other evidence of indebtedness of any county, city, town, district, authority or other public body of the Commonwealth of Virginia	36 months or less	100%
Bonds and notes of FNMA and FHLB	36 months or less	75%
Savings accounts or CDs of any bank or savings and loan association within the Commonwealth of Virginia	12 months or less	20%
Money market mutual funds	13 months or less	60%
Repurchase agreements	24 months or less	20%
Bankers' acceptances	24 months or less	10%
Prime Quality Commercial Paper (no more than 5% from one issuer)	270 days or less	35%
High Quality Corporate Notes	24 months or less	50%
Certificates representing ownership in treasury bond principal	24 months or less	50%
LGIP	N/A	100%
Negotiable CD's and negotiable bank deposit notes	24 months or less	25%

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 2. Deposits and Investments (Continued)

Fair Value Measurement

NVTC categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The three levels of the fair value hierarchy are described below.

Level 1	Valuation based on quoted prices in active markets for identical assets or liabilities.
Level 2	Valuation based on quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable data for substantially the full term of the assets and liabilities.
Level 3	Valuations based on unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of assets or liabilities.

The inputs or methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The following table shows NVTC's investments by fair value level as of June 30, 2021:

Investments by Fair Value Level	June 30, 2021	Level 1	Level 2	Level 3
Mutual funds (Pension Trust Fund)	\$ 2,073,584	\$ 2,073,584	\$ -	\$ -
Immediate Participation Guarantee Contract (Pension Trust Fund)	183,715	-	-	183,715
U.S. Treasury Securities (Commuter Rail Service Fund)	1,998,519	1,998,519	-	-

Note 3. Due From Other Governments

At June 30, 2021, due from other governments consisted of the following:

	Project and Administrative	Jurisdiction Transit	Total
Due from Commonwealth of Virginia:			
Motor vehicle fuel sales tax	\$ -	\$ 3,606,054	\$ 3,606,054
Grants	5,083,944	4,666	5,088,610
CROC	2,500,000	-	2,500,000
	<u>7,583,944</u>	<u>3,610,720</u>	<u>11,194,664</u>
Due from Federal Government:			
Grants	983,568	-	983,568
Due from Local Jurisdictions:			
Local grant match	14,079	-	14,079
	<u>\$ 8,581,591</u>	<u>\$ 3,610,720</u>	<u>\$ 12,192,311</u>

Amounts due from the Commonwealth for the Project and Administrative activities include \$6,516,136 for commuter rail and \$1,067,808 for other projects.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 4. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Increases	Deletions	Transfers	Ending Balance
Governmental activities:					
Capital assets being depreciated or amortized:					
Office equipment, furniture and software	\$ 193,619	\$ 5,312	\$ -	\$ -	198,931
Less accumulated depreciation or amortization	106,286	20,691	-	-	126,977
Governmental activities capital assets, net	\$ 87,333	\$ (15,379)	\$ -	\$ -	71,954
Business-type activities:					
Capital assets not being depreciated or amortized:					
Construction in progress	\$ 12,001,865	\$ 7,082,368	\$ (1,064,827)	\$ (1,427,196)	\$ 16,592,210
Capital assets being depreciated or amortized:					
Rolling stock	142,639,959	-	-	-	142,639,959
Vehicles	72,780	-	-	-	72,780
Facilities	56,404,725	-	-	-	56,404,725
Track and signal improvements	49,764,479	-	-	289,655	50,054,134
Equipment and software	6,063,333	34,502	(719,817)	1,137,541	6,515,559
Equity in property of others	2,893,644	-	-	-	2,893,644
Office equipment, furniture and software	3,194,727	-	(65,403)	-	3,129,324
Total capital assets being depreciated or amortized	261,033,647	34,502	(785,220)	1,427,196	261,710,125
Less accumulated depreciation or amortization for:					
Rolling stock	52,568,544	5,800,442	-	-	58,368,986
Vehicles	49,805	10,147	-	-	59,952
Facilities	24,049,878	1,671,810	-	-	25,721,688
Track and signal improvements	18,190,403	2,783,011	-	-	20,973,414
Equipment and software	6,060,335	120,209	(719,817)	-	5,460,727
Equity in property of others	2,066,549	82,297	-	-	2,148,846
Office equipment, furniture and software	2,540,073	91,167	(65,403)	-	2,565,837
Total accumulated depreciation or amortization	105,525,587	10,559,083	(785,220)	-	115,299,450
Total capital assets being depreciated or amortized, net	155,508,060	(10,524,581)	-	1,427,196	146,410,675
Business-type activities capital assets, net	\$ 167,509,925	\$ (3,442,213)	\$ (1,064,827)	\$ -	163,002,885

The chart above reflects the completion of the Fare Collection EMV Compliance Upgrade project at a value of \$2.1 million (NVTC reporting entity \$1.05 million), completion of the Crossroads to Hamilton Third Track Slope Stabilization project at \$0.6 million (NVTC reporting entity \$0.3 million), and implementation of the new Mobile Ticketing System at a value of \$0.2 million (NVTC reporting entity \$0.1million). The chart also reflects the direct purchase of \$69,000 (NVTC reporting entity \$34,500) in heavy duty utility carts.

The chart also represents the retirement of the original Mobile Ticketing System at a fully depreciated value of \$1.4 million (NVTC reporting entity (\$0.7 million) as well as the retirement of various fully

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

depreciated software and IT equipment assets at a collective value of \$0.1 million (NVTC reporting entity \$0.05 million).

Finally, the chart also reflects a reduction of approximately \$2.1 million (NVTC reporting entity \$1.05 million) in construction in progress reclassified to operating expense. This reduction was primarily related to three projects, all in the preliminary design and development phase, for second platforms at VRE's Brooke, Leeland Road and Lorton stations, at a total value of \$1.5 million (NVTC reporting entity \$0.75 million). The Commonwealth of Virginia is in the process of acquiring half of the CSX Transportation right of way in the VRE service area, with the objective of achieving near-total separation of freight and passenger rail service. With that change to operations in the corridor, these second platform projects were determined to be no longer necessary, and work on those design efforts was terminated. The additional \$0.6 million (NVTC reporting entity \$0.3 million) that was reclassified was for ongoing phase two development work on the original Mobile Ticketing System that was not completed or in-service at the time that system was retired from service.

Depreciation and amortization expenses for the year ended June 30, 2021 charged to the functions of the primary government are as follows:

	Governmental Activities	Business-type Activities
Primary government:		
General and administration	\$ 20,691	\$ -
Commuter rail	-	10,559,083

Note 5. Joint Venture – Virginia Railway Express

The NVTC reporting entity and the PRTC reporting entity contain their respective shares of the financial activity of the VRE joint venture. In order to present a full and accurate picture of VRE operations, all financial transactions related to the commuter rail program are combined in a separate set of financial statements. These audited financial statements can be obtained from the Director of Finance and Administration of NVTC at 2300 Wilson Blvd., Suite 230, Arlington, VA 22201.

Assets owned by the Commissions for the VRE operations have been funded by a variety of sources including federal assistance with PRTC as grantee, Commonwealth of Virginia assistance with NVTC-VRE as grantee, local contributions, and various loans and other financing arrangements for which one or both Commissions have served as issuer, borrower, or in other related capacities.

The federal grant agreements control the use and disposal of property acquired with federal grant funds. If property is removed from service prior to the end of its useful life, the grant recipient may be required to return to the grantor agency the federal assistance expended on that property. In addition, permission of the grantor agency is required if property is disposed of prior to the end of its useful life or at any time for an amount in excess of \$5,000.

The Master Agreement for the use of Commonwealth of Virginia Transportation Funds control the use and disposal of property acquired with state grant funds. If any project equipment is not used for the purpose for which they were purchased for the duration of their useful lives, the Commonwealth has the option of requiring the grantee to relinquish title to the project equipment or remit an amount equal to the proportional share of the fair market value based upon the ratio of participation by the state. For facilities, the Commonwealth requires an amount equal to the proportional share of fair market value based upon the ratio of participation by the state be remitted.

Pursuant to a Master Agreement signed in 1989, the Commissions own and operate VRE. VRE provides commuter rail service on two railroad lines originating in Fredericksburg and Manassas, Virginia and terminating at Union Station, Washington, D.C. The service uses existing tracks of CSX and the Norfolk Southern Railway Company under respective operating access agreements.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 5. Joint Venture – Virginia Railway Express (continued)

VRE is managed by the Commissions. Certain functions have been delegated to the VRE Operations Board, consisting of three commissioners appointed from each of NVTC and PRTC and one representative of the Commonwealth of Virginia's Department of Rail and Public Transportation. The system is not currently configured for fare revenues alone to produce positive net income. In addition to fares, the project is financed with proceeds from the Commuter Rail Revenue Bond issues, lease financing, Federal and Commonwealth of Virginia grants, and local jurisdictional contributions based on a population/ridership formula that is supplemented by voluntary donations from contributing jurisdictions.

Grants and contributions fund both operations and capital projects. Participating jurisdictions include the counties of Fairfax, Prince William, Spotsylvania, and Stafford; and the cities of Manassas, Manassas Park, and Fredericksburg, Virginia. Contributing jurisdictions include Arlington County and the City of Alexandria, Virginia.

In July 2007, the Commissions adopted amendments to the VRE Master Agreement that expanded the Operations Board to include all member jurisdictions and provided for board representation proportionate to system ridership, and weighted voting proportionate to jurisdictional subsidy. In addition, the amendments apportioned jurisdictional subsidies on system ridership only, rather than the then current 90 percent system ridership and 10 percent population formula. The amendment to the subsidy formula was phased in over four years, beginning in fiscal year 2008. The amendments also allowed for greater autonomy for the Operations Board, with progressively more decisions made by the Board without referral to PRTC and NVTC.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 5. Joint Venture – Virginia Railway Express (continued)

Financial information from VRE's fiscal year 2021 audited financial statements is shown below.

VIRGINIA RAILWAY EXPRESS STATEMENT OF NET POSITION June 30, 2021

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Current assets:	
Cash and cash equivalents	\$ 113,216,934
Accounts receivable:	
Due from PRTC	11,002,685
Federal CARES Act	5,403,201
Commonwealth of Virginia grants	4,016,137
Commonwealth Rail Operating and Capital (CROC) Fund	2,500,000
Trade and other, net of allowance	1,152,200
Inventory	2,883,469
Prepaid expenses and other	585,125
Restricted cash, cash equivalents and investments	14,781,469
Total current assets	<u>155,541,220</u>
Noncurrent assets:	
Capital assets (net of \$230,598,899 accumulated depreciation and amortization)	326,005,769
Total noncurrent assets	<u>326,005,769</u>
Total assets	
Deferred outflows of resources	1,718,418
Total assets and deferred outflows of resources	<u>\$ 483,265,407</u>

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

Current liabilities:	
Accounts payable and accrued liabilities	\$ 7,300,169
Unearned revenue	805,079
Current portion of:	
Compensated absences	110,631
Bonds payable	2,475,000
Capital lease obligations	1,629,230
Total current liabilities	<u>12,320,109</u>
Noncurrent liabilities:	
Pension liability	1,228,984
Other postemployment benefits	436,013
Capital lease obligations	5,355,739
Bonds payable	41,973,371
Compensated absences	721,340
Total noncurrent liabilities	<u>49,715,447</u>
Total liabilities	<u>62,035,556</u>
Deferred inflows of resources	47,629
Net position:	
Net investment in capital assets	274,934,995
Restricted for liability insurance plan	10,252,938
Restricted for debt service	1,998,519
Restricted grants or contributions	2,530,013
Unrestricted assets	131,465,757
Total net position	<u>421,182,222</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 483,265,407</u>

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 5. Joint Venture – Virginia Railway Express (Continued)

**VIRGINIA RAILWAY EXPRESS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
Year Ended June 30, 2021**

Operating revenues	\$	7,417,274
Operating expenses		81,823,228
Operating loss before depreciation and amortization		(74,405,954)
Depreciation and amortization		(21,118,165)
Operating loss		(95,524,119)
Nonoperating revenues (expenses):		
Subsidies:		
Commonwealth of Virginia grants		14,110,733
Federal grants – with PRTC as grantee		21,741,238
Federal CARES Act		28,305,131
Jurisdictional contributions		18,300,780
Commonwealth Rail Operating and Capital (CROC) Fund		15,000,000
Interest income:		
Operating funds		89,187
Insurance trust		67,921
Commonwealth Rail Operating and Capital (CROC) Fund		50,085
Other restricted funds		6,701
Interest, amortization and other nonoperating expenses, net		(1,904,569)
Total nonoperating revenues, net		95,767,207
Capital grants and assistance:		
Commonwealth of Virginia grants		2,339,034
Federal grants – with PRTC as grantee		8,738,493
Regional transportation funding (NVTA)		528,067
Local contribution		518,086
Total capital grants and assistance		12,123,680
Change in net position		12,366,768
Net position, beginning of year		408,815,454
Net position, ending	\$	421,182,222

Note 6. Intergovernmental Revenues, Commonwealth of Virginia

Intergovernmental revenues from the Commonwealth of Virginia include the regional motor vehicle fuel sales tax, NVTC project revenue, operating and capital assistance for NVTC's WMATA Compact members' local systems contracted prior to fiscal year 2013, operating and capital assistance for NVTC's WMATA Compact members' WMATA subsidies, and operating and capital assistance for the VRE commuter rail service.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 7. Pension Plans

Employees of the reporting entity are covered under two separate plans. The NVTC Pension Trust covers eligible employees of the governmental activities of NVTC, while the Virginia Retirement System covers the eligible employees of the business-type activities of the VRE joint venture through employment with PRTC.

NVTC – Target Benefit Plan

NVTC contributes to the Northern Virginia Transportation Commission Pension Trust (the Plan), a single employer public employees' retirement system established by NVTC, contributory target benefit pension plan covering all employees who have elected to participate. Under the terms of the Plan, the normal retirement date is the July 1st closest to the participant's 65th birthday. Early retirement may be elected if the participant has attained age 55 with ten years of continuous service. Employees vest in the employer's contributions at the rate of 20 percent for each year of service until fully vested.

The plan is funded in amounts determined by an actuarial consultant. Employer contributions for the year ended June 30, 2021 totaled \$191,061 (10.2 percent of covered payroll). Required employee contributions for the year ended June 30, 2021 totaled \$36,293 (1.9 percent of covered payroll). Since 1994, participants have been required to contribute 2.0 percent of covered salary, not to exceed 50 percent of the aggregate gross annual contribution for benefits. NVTC contributes the balance of the cost of the Plan. During the plan year ending June 30, 2021 there were 17 participants. NVTC's payroll for employees covered by the plan for the year ended June 30, 2021 was \$1,872,263.

Note 8. Operating Leases and Agreements

Governmental activities

NVTC amended the current office space lease under a 154-month agreement which commenced on March 15, 2019 and expires November 15, 2031, canceling the previous lease on the effective date of the amendment. The lease provides for 2.5 percent annual increases in base rent over the term of the lease, and the pass-through of a proportionate share of the annual increases in common building expenses after the first anniversary year. The lease contains a provision for the abatement of the first month's rent of the first seven years of the lease, and the additional abatement of approximately 29 percent of the leased space for the balance of the first year.

For the government-wide financial statements, the cumulative minimum rent for the entire lease is amortized on a straight-line basis over the lease term, with an equal amount of rent expense recognized each month. Rent expense for governmental activities as reported in the government-wide financial statements totals \$425,470 (\$369,657 paid plus \$55,813 amortization). The Statement of Net Position reported a liability of \$264,492 related to the lease.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 8. Operating Leases and Agreements (continued)

As of June 30, 2021, the minimum long-term lease commitments were as shown below:

<u>Year(s) Ending June 30,</u>	<u>Amount</u>
2022	\$ 373,884
2023	383,279
2024	392,844
2025	402,654
2026	450,972
2027-2031	2,429,584
2032	<u>194,702</u>
Total	<u>\$ 4,627,919</u>

Business-type activities

Operating Access Agreements with the CSX Transportation and Norfolk Southern railroads provide the Commissions the right to use tracks owned by the railroads in the provision of commuter rail passenger service. These agreements require the Commissions to pay the railroads a monthly base fee and to reimburse the railroads for any incremental cost incurred by the railroads as a result of providing tracks for commuter rail service. For the year ended June 30, 2021, annual track usage fees totaled approximately \$10,830,000, of which \$4,172,000 is recognized by the NVTC reporting entity, and facility and other identified costs totaled approximately \$583,000, of which \$225,000 is recognized by the NVTC reporting entity.

The agreement between Amtrak and the Commissions for access to and storage of equipment at Union Station and mid-day maintenance, electrical power and other services became effective on July 1, 2015 and ended June 30, 2020. A new agreement became effective on July 1, 2020. For the year ended June 30, 2021, costs for track access and equipment storage totaled approximately \$6,349,000, of which \$2,445,635 is recognized by the NVTC reporting entity and mid-day maintenance, utility and other services totaled approximately \$3,868,000, of which \$1,490,000 is recognized by the NVTC reporting entity. Cost adjustments will be made in fiscal year 2021 to reflect changes to various published cost indices and the number of trains that have access to and are stored and serviced at the terminal. After October 1, 2015, charges for terminal access will be in accordance with the cost-sharing arrangement for the Northeast Corridor passenger rail infrastructure mandated by the Passenger Rail Investment and Improvement Act of 2008 (PRIIA).

The Commissions have a contract with Keolis Rail Services Virginia, LLC for train operations and maintenance for a five-year period beginning July 1, 2015. Separate contracts for maintenance of equipment and facilities became effective for the period beginning July 1, 2016. The cost of train operations and maintenance for the year ended June 30, 2021 totaled approximately \$24,375,000, of which approximately \$9,389,000 is recognized by the NVTC reporting entity. Costs are based on an annual budget prepared in advance. Costs for fiscal year 2021 will be adjusted for service additions or deletions and annual changes to the Consumer Price Index.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 9. Long-Term Debt Obligations

The following is a summary of long-term liability activity for the year ended June 30, 2021:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	\$ 209,296	\$ 163,587	\$ (145,290)	\$ 227,593	\$ 72,546
Total governmental activities	<u>209,296</u>	<u>163,587</u>	<u>(145,290)</u>	<u>227,593</u>	<u>72,546</u>
Business-type activities:					
Capital leases	4,270,958	-	(778,474)	3,492,484	814,615
Bond payable	42,120,000	-	(2,350,000)	39,770,000	2,475,000
Unamortized premium	5,076,530	-	(398,159)	4,678,371	-
Compensated absences	342,567	103,429	(125,521)	320,475	42,615
Total business-type activities	<u>51,810,055</u>	<u>103,429</u>	<u>(3,652,154)</u>	<u>48,261,330</u>	<u>3,332,230</u>
Total Primary Government	<u>\$ 52,019,351</u>	<u>\$ 267,016</u>	<u>\$ (3,797,444)</u>	<u>\$ 48,488,923</u>	<u>\$ 3,404,776</u>

Federal arbitrage regulations apply to VRE's Gallery IV capitalized lease.

Capitalized Lease - Gallery IV (11 cars)

	Total	NVTC Reporting Entity
\$25,100,000 capitalized lease obligation (NVTC reporting entity, \$12,550,000); \$965,679 due semi-annually (NVTC reporting entity, \$482,840), interest at 4.59%, maturing in 2025, collateralized with Gallery IV railcars with a carrying value of \$11,820,777 (NVTC reporting entity, \$5,910,389)	<u>\$ 6,984,969</u>	<u>\$ 3,492,484</u>

Future minimum lease payments as of June 30, 2021 are as follows:

Year Ending June 30,	Total	NVTC Reporting Entity
2022	\$ 1,931,357	\$ 965,679
2023	1,931,357	965,679
2024	1,931,357	965,678
2025	1,931,357	965,678
Total minimum lease payments	<u>7,725,428</u>	<u>3,862,714</u>
Lease amount representing interest	740,459	370,230
Present value of lease payments	<u>\$ 6,984,969</u>	<u>\$ 3,492,484</u>

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 9. Long-Term Debt Obligations (continued)

Notes Payable – Gallery IV (60 cars)/VRA Bond Payable

In fiscal year 2008, an agreement in the name of NVTC was entered into with the Federal Railroad Administration for a loan of up to \$72.5 million to purchase 50 Gallery railcars; in fiscal year 2009 the terms were amended to include ten additional Gallery railcars. A series of sixteen promissory notes were originally authorized and during fiscal year 2012 the balance of the individual notes were combined into a consolidated note. The note was secured by the revenues of VRE and the railcars.

In fiscal year 2018, VRE entered into a financing agreement with the Virginia Resources Authority (VRA) for the purposes of refunding the FRA consolidated promissory note and reducing VRE's debt service costs. As required by the authorizing resolutions of the Commissions and jurisdictions, the VRA refunding loan did not extend the term of the original borrowing and achieved net present value debt service savings of not less than three percent. The FRA note was refunded in full with the proceeds from the VRA financing, and VRE has pledged its revenues to the repayment of the principal, premium, and interest on the local bond purchased by VRA.

VRA bond payable, \$46,640,000 Bond, due in variable bi-annual amounts, plus a bi-annual variable interest rate of 3.13% to 5.13% through October 1, 2032. The carrying value of the railcars was \$56,158,470 at June 30, 2021. \$ 39,770,000

Mandatory debt service requirements for the note consist of the following:

Year(s) Ending June 30,	Principal	Interest	Total Required
2022	\$ 2,475,000	\$ 1,815,841	\$ 4,290,841
2023	2,605,000	1,685,666	4,290,666
2024	2,745,000	1,548,572	4,293,572
2025	2,885,000	1,404,303	4,289,303
2026	3,040,000	1,252,475	4,292,475
2027-2031	17,745,000	3,713,197	21,458,197
2032-2033	8,275,000	305,109	8,580,109
Subtotal	39,770,000	11,725,163	51,495,163
Unamortized premium	4,678,371	-	4,678,371
Total	<u>\$ 44,448,371</u>	<u>\$ 11,725,163</u>	<u>\$ 56,173,534</u>

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 10. Risk Management and Liability Insurance Plan

NVTC and the VRE commuter rail operation is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; and natural disasters. Commercial insurance is purchased to address these risks, including workers' compensation and employee health and accidental insurance. The Virginia Department of Treasury, Division of Risk Management has established the terms of VRE's Commuter Rail Operations Liability Plan (the Insurance Plan). The Insurance Plan consists of a combination of self-insurance reserves and purchased insurance in amounts actuarially determined to meet the indemnification requirements of the Operating Access Agreements and the Purchase of Services Agreement and for liability and property damage. The Commissions indemnify each of the railroads in an amount up to the passenger rail liability cap (currently at \$295,000,000) for any claims against persons or property associated with commuter rail operations. Settled claims have not exceeded commercial coverage during any of the past three fiscal years. The liability for incurred but not reported claims was approximately \$123,000 at June 30, 2021, of which \$61,500 was included in the NVTC reporting entity.

The Division of Risk Management manages the Insurance Trust Fund pursuant to provisions of the Insurance Plan. Since November 2006, all plan assets have been invested in the Department of Treasury common pool. Activity in the Insurance Trust Fund for the year ended June 30, 2021 is as follows:

	Total	NVTC Reporting Entity
Beginning balance, July 1	\$ 10,263,540	\$ 5,131,770
Contribution to reserves	6,781,555	3,390,778
Insurance premiums paid	(6,788,505)	(3,394,253)
Claims mitigation and losses incurred	(92,862)	(46,431)
Investment income	67,921	33,961
Actuarial and administrative charges	(35,457)	(17,729)
Ending balance, June 30	\$ 10,196,192	\$ 5,098,096

An actuarial study is performed annually to determine the adequacy of the Insurance Trust Fund for the risk retained and to determine the required contribution to reserves.

Note 11. Significant Commitments and Contingencies

NVTC and the VRE joint venture have received proceeds from several federal and state grant programs. In the event of an audit of these grants certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such findings may result in the refund of grant monies to the grantor agencies. Based on the reporting entities policies and experience, management believes no refunds would be due in the case of an audit and accordingly no provision has been made in the accompanying financial statements for the refund of grant monies.

Governmental activities

Commonwealth of Virginia Grants and local funds are available to finance substantially all of the NVTC contracted services for the projects. Significant NVTC contracts include a sufficiency of funding clause in the event funding becomes unavailable.

All project expenditures are expensed as incurred, including expenditures for tangible assets, as the equipment becomes the property of the transit systems upon completion of the contract. Expenditures for jurisdiction grant funded and toll revenue funded projects are recognized when the reimbursement requests are submitted and approved by NVTC.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 11. Significant Commitments and Contingencies (Continued)

Business-type activities

At June 30, 2021, there were disputes between VRE and certain vendors. The amounts of any settlements, should they occur, are not determinable at this time. However, such amounts are not expected to be material in relation to the recorded amounts.

The Commissions have outstanding commitments for construction of facilities and equipment. A combination of Federal (with VRE as grantee) and Commonwealth of Virginia grants and local funds will be used to finance these capital projects. The following is a summary of the more significant contractual commitments, net of expenses incurred as of June 30, 2021:

Stations and parking lots	\$	23,954,513
Rolling stock		86,402,535
Maintenance and layover yards		34,640,018
Track and signal improvements		85,926
Other administrative		583,283
Total	\$	145,666,275

The federal grant agreements control the use and disposal of property acquired with federal grant funds. If property is removed from service prior to the end of its useful life, the grant recipient may be required to return to the grantor agency the federal assistance expended on that property. In addition, permission of the grantor agency is required if property is disposed of prior to the end of its useful life or at any time for an amount in excess of \$5,000.

The Master Agreement for the use of Commonwealth of Virginia Transportation Funds controls the use and disposal of property acquired with state grant funds. If any project equipment is not used for the purpose for which they were purchased for the duration of their useful lives, the Commonwealth has the option of requiring the grantee to relinquish title to the project equipment or remit an amount equal to the proportional share of the fair market value based upon the ratio of participation by the state. For facilities, the Commonwealth requires an amount equal to the proportional share of fair market value based upon the ratio of participation by the state to be remitted.

Note 12. Interfund Transfers

	General Fund	Commuter Rail	Total Transferred Out
Transfer from fund:			
Special Revenue Fund – I-66 toll revenue	\$ 397,549	\$ -	\$ 397,549
Special Revenue Fund – I-395/95 toll revenue	345,090	-	345,090
General Fund	-	21,980,314	21,980,314
Total transferred in	\$ 742,639	\$ 21,980,314	\$ 22,722,953

The transfer from the General Fund to the Commuter Rail Service Fund is for state grant activity in which NVTC serves as grantee on behalf of VRE.

The transfer from the Special Revenue Funds to the General Fund is for NVTC administration and outreach.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 13. Pending GASB Statements

At June 30, 2021, the Governmental Accounting Standards Board (GASB) had issued statements not yet implemented by the VRE reporting entity. The statements which might impact NVTC are as follows:

GASB Statement No. 87, *Leases*, will increase the usefulness of the NVTC's financial statements by requiring reporting of certain lease assets and liabilities and deferred inflows of resources for leases that previously were classified as operating leases. Statement No. 87 will be effective for fiscal years beginning after June 15, 2021.

GASB Statement No. 91, *Conduit Debt Obligation*, will provide a single method of reporting conduit debt obligations by issuer and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. Statement No. 91 will be effective for the fiscal years beginning after December 15, 2021.

GASB Statement No. 92, *Omnibus 2020*, will improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics, including intra-entity transfers, the effective date of No. 87, *Leases*, the applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits, the applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements, measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition, reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers, reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature, terminology used to refer to derivative instruments. Statement No. 92 will be effective for fiscal years beginning after June 15, 2021.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, will address accounting and financial reporting implications that result from the replacement of an interbank offered rate—most notably, the London Interbank Offered Rate (LIBOR), which is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. Portions of Statement No. 93 will be effective for fiscal years beginning after June 15, 2021, and December 31, 2021.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, will improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. Statement No. 94 will be effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, will provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). Statement No. 96 will be effective for fiscal years beginning after June 15, 2022.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 13. Pending GASB Statements (Continued)

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84*, and a supersession of GASB Statement No. 32, will (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Statement No. 97 will be effective for fiscal years beginning after June 15, 2021.

NVTC has not yet determined the effect of these statements on its financial statements.

Note 14. Subsequent Events

In July 2021, the VRE Operations Board authorized the Chief Executive Officer to execute a contract with UTCRAS, LLC of Morton, Pennsylvania, for Rehabilitation of Wheelsets and Traction Motor Assemblies in the amount of \$2,949,765, plus a 10 percent contingency of \$294,977, for a total amount not to exceed \$3,244,742. The contract will be for a base year and four option years, with the Chief Executive Officer exercising the option years at his discretion.

In July 2021, the VRE Operations Board authorized the Chief Executive Officer to execute a contract with TranSystems Corporation of Kansas City, Missouri, for Final Design for the VRE Broad Run Expansion Project in the amount of \$8,113,484, plus a 10 percent contingency of \$811,348, for a total amount not to exceed \$8,924,832.

In July 2021, the VRE Operations Board adopted “Relocation Processes and Procedures of the Virginia Railway Express” addressing the administration of the relocation assistance program for persons impacted by the acquisition of real property for VRE use. It is anticipated that multiple businesses will be displaced in conjunction with property acquisition for the Broad Run Expansion project and will be eligible for relocation assistance payments. These processes and procedure will ensure compliance with applicable federal and state law and ensure the consistent application of those requirements to those displaced and requiring relocation.

In July 2021, the VRE Operations Board recommended that the Commissions approve amended “Financial and Debt Management Principles,” which were originally adopted in 2013. The creation of the new Commuter Rail Operating and Capital (C-ROC) Fund in 2018 and the authorization for a debt issuance backed by C-ROC revenues warrants such a policy update. The objectives for updating and amending the Principles included aligning with the authorizing elements of the C-ROC statutes; reflecting the key provisions of the March 2021 Funding Agreement with the Virginia Department of Rail and Public Transportation; identifying parameters and guidelines for debt issuance; setting thresholds for affordability, such as debt service coverage; and ultimately supporting investment grade credit ratings. The amended Principles were subsequently approved by the Commission in September 2021.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 14. Subsequent Events (Continued)

In July 2021, the VRE Operations Board recommended that the Commissions approve and authorize the Chief Executive Officer to execute a Memorandum of Understanding with the Department of the Navy regarding an exchange of Commission owned property and Department owned property in the vicinity of the VRE Quantico Station in accordance with the terms of the Memorandum of Understanding

In September 2021, the VRE Operations Board authorized the Chief Executive Officer to execute a Contract Amendment for additional design services for the Lifecycle Overhaul and Upgrade Facility, with STV Incorporated of Fairfax, VA, in the amount of \$703,883, plus a 10% contingency of \$70,388, for a total contract value not to exceed \$4,379,310.

In September 2021, the VRE Operations Board authorized the Chief Executive Officer to amend the contract for Engineering and Environmental Services for VRE Crystal City Station Improvements to Vanasse Hangen Brustlin, Inc., to exercise Option A for Final Engineering Design Services in the amount of \$1,029,207, plus a 10 percent contingency of \$102,921, for a total increase of \$1,132,128. This will increase the authorization for this Task Order from \$1,368,716 to a total amount not to exceed \$2,500,844.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2021

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY JURISDICTION
JURISDICTION TRUST FUND
Year Ended June 30, 2021

	<u>City of Alexandria</u>	<u>Arlington County</u>	<u>City of Fairfax</u>	<u>Fairfax County</u>	<u>City of Falls Church</u>	<u>Loudoun County</u>	<u>Totals</u>
Additions:							
Contributions from government:							
Commonwealth of Virginia	\$ 28,145,770	\$ 43,055,414	\$ 2,293,085	\$ 99,200,690	\$ 1,184,581	\$ -	\$ 173,879,540
Motor Vehicle Fuel Sales Tax	1,463,421	1,260,597	993,584	8,209,316	834,572	4,912,784	17,674,274
Intergovernmental revenues, grants:							
Commonwealth of Virginia	7,085,167	7,936,219	366,566	15,857,926	189,721	-	31,435,599
Investment income	29,690	34,232	7,484	128,950	1,797	63,217	265,370
Total additions	<u>36,724,048</u>	<u>52,286,462</u>	<u>3,660,719</u>	<u>123,396,882</u>	<u>2,210,671</u>	<u>4,976,001</u>	<u>223,254,783</u>
Deductions:							
Funds disbursed to WMATA:							
Capital improvement program	-	10,242,579	715,355	2,292,452	220,675	-	13,471,061
Project development	-	123,319	8,614	490,657	2,656	-	625,246
Metrorail operating	21,563,584	21,424,894	995,275	43,757,584	1,042,618	-	88,783,955
Metrobus operating	15,461,056	520,000	471,645	30,494,345	945,059	-	47,892,105
Metroaccess operating	1,348,192	-	329,650	11,294,577	95,961	-	13,068,380
Metro debt service	1,774,830	-	85,924	2,806,529	-	-	4,667,283
Other funds disbursed:							
Other capital disbursements	1,249,668	7,720,209	12,240	-	-	-	8,982,117
Other operating disbursements	-	9,754,840	40,203	33,831,701	13,333	-	43,640,077
Total deductions	<u>41,397,330</u>	<u>49,785,841</u>	<u>2,658,906</u>	<u>124,967,845</u>	<u>2,320,302</u>	<u>-</u>	<u>221,130,224</u>
Change in net position	(4,673,282)	2,500,621	1,001,813	(1,570,963)	(109,631)	4,976,001	2,124,559
Net position held in trust for member jurisdictions:							
Beginning of year	<u>26,441,628</u>	<u>32,017,744</u>	<u>4,814,417</u>	<u>81,426,223</u>	<u>1,679,373</u>	<u>40,432,364</u>	<u>186,811,749</u>
End of year	<u>\$ 21,768,346</u>	<u>\$ 34,518,365</u>	<u>\$ 5,816,230</u>	<u>\$ 79,855,260</u>	<u>\$ 1,569,742</u>	<u>\$ 45,408,365</u>	<u>\$ 188,936,308</u>

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SUPPLEMENTARY INFORMATION
SCHEDULE OF GENERAL, ADMINISTRATIVE AND PROJECT EXPENDITURES
GENERAL FUND
Year Ended June 30, 2021**

	Total	General and Administrative	Projects
Expenditures:			
Audit and Legal	\$ 56,007	\$ 56,007	\$ -
Capital outlay	5,312	5,312	-
Commissioners' per diem	14,000	14,000	-
Computer	17,576	17,576	-
Copier duplicating	5,075	5,075	-
Disability insurance	10,441	9,763	678
Employee group insurance	151,730	141,871	9,859
Employee retirement	194,141	181,526	12,615
Employer payroll taxes	136,040	127,201	8,839
Leave - annual, holiday, and sick	281,606	262,120	19,486
Memberships and subscriptions	1,463	1,463	-
Miscellaneous	8,170	8,170	-
Office supplies	1,718	1,718	-
Office rent	371,428	371,428	-
Insurance and liability bonds	6,439	6,439	-
Parking and transit	845	845	-
Postage and shipping	632	632	-
Consulting, other project costs	5,114,718	319,978	4,794,740
Public information	12,870	12,870	-
Salaries and wages	1,594,685	1,491,802	102,883
State liaison	45,200	45,200	-
Telephone and data	13,428	13,428	-
Training and conferences	2,301	2,106	195
Travel and meetings	947	947	-
Total expenditures	\$ 8,046,772	\$ 3,097,477	\$ 4,949,295

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SUPPLEMENTARY INFORMATION
SCHEDULE OF PROJECT REVENUES AND EXPENDITURES
GENERAL FUND
Year Ended June 30, 2021**

	Jurisdiction Grants & Projects	NTD Collection	Fare Collection	Route 7	Post Platform Shutdown Marketing	Totals
Revenues:						
Commonwealth of Virginia	\$ 1,120,985	\$ 152,279	\$ 184,846	\$ -	\$ 319,280	\$ 1,777,390
Federal	2,867,725	-	-	-	-	2,867,725
Local	-	-	69,806	-	79,998	149,804
NVTC match	-	2,117	137,001	10,004	5,253	154,376
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total revenue	<u><u>\$ 3,988,710</u></u>	<u><u>\$ 154,396</u></u>	<u><u>\$ 391,653</u></u>	<u><u>\$ 10,004</u></u>	<u><u>\$ 404,531</u></u>	<u><u>\$ 4,949,295</u></u>
Expenditures:						
Consulting	\$ -	\$ 152,279	\$ 139,612	\$ -	\$ -	\$ 291,891
Costs incurred	3,988,710	-	115,039	-	399,100	4,502,849
Fringe benefits	-	706	45,623	3,336	1,811	51,476
Salaries and wages	-	1,411	91,184	6,668	3,620	102,883
Training and conferences	-	-	195	-	-	195
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenditures	<u><u>\$ 3,988,710</u></u>	<u><u>\$ 154,396</u></u>	<u><u>\$ 391,653</u></u>	<u><u>\$ 10,004</u></u>	<u><u>\$ 404,531</u></u>	<u><u>\$ 4,949,295</u></u>

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SUPPLEMENTARY INFORMATION
SCHEDULE OF I-66 COMMUTER CHOICE TOLL FUNDED PROJECTS AND EXPENDITURES
SPECIAL REVENUE FUND I-66 TOLL REVENUE
Year Ended June 30, 2021**

<u>Project Sponsor</u>	<u>Project Title</u>	<u>Project Number</u>	<u>Approved Toll Revenue Funds</u>	<u>Prior Expenditures</u>	<u>FY 2021 Expenditures</u>	<u>Cumulative Expenditures</u>	<u>FY 2021 Deobligations</u>	<u>Remaining Balance</u>
Arlington County	Peak Period Service Expansion to Metrobus Route 2S	013-01-020-17	\$ 1,000,000	\$ 981,603	\$ -	\$ 981,603	\$ 18,397	\$ -
Arlington County	Peak Period Service Expansion to ART Bus Route 55	013-02-120-17	450,000	69,074	51,475	120,549	329,451	-
Arlington County	County Bus Stop Consolidation and Accessibility Improvements	013-03-010-17	462,000	408,639	53,361	462,000	-	-
Arlington County	Multimodal Real-Time Transportation Information	013-04-040-17	250,000	88,784	29,978	118,762	131,238	-
Fairfax County	Express Service from Government Center to State Department/Foggy Bottom	059-01-120-17	3,336,836	2,837,900	462,360	3,300,260	-	36,576
City of Falls Church	Expanded Transit Access through Bikeshare	610-01-010-17	500,000	126,275	91,193	217,468	-	282,532
PRTC	Gainesville to Pentagon Commuter Service	664-01-120-17	887,900	582,015	(245,804)	336,211	551,689	-
Subtotal - Fiscal Year 2017 Program, Round 1			6,886,736	5,094,290	442,563	5,536,853	1,030,775	319,108
Arlington County	I-66 Corridor Intelligent Transportation System Enhancements	013-01-18	400,000	215,496	-	215,496	184,504	-
Arlington County	Traffic Management Center	013-02-18	400,000	90,537	191,138	281,675	-	118,325
Arlington County	Expanded Transportation Demand Management Outreach to the I-66 Corridor	013-03-18	350,000	283,159	66,841	350,000	-	-
Fairfax County	Express Bus Service - Vienna/Fairfax-GMU and Pentagon Metrorail Stations	059-01-18	3,452,618	2,294,148	387,226	2,681,374	-	771,244
Fairfax County	I-66 Corridor Vienna/Merrifield Bike Share Expansion	059-02-18	497,100	-	54,849	54,849	-	442,251
Loudoun County	Transit Metro Connection Route 88X Extension to Dulles South	107-01-18	1,706,040	333,939	-	333,939	-	1,372,101
Loudoun County	Transit Metro Connection from New Purcellville Park and Ride	107-02-18	1,065,960	565,092	327,179	892,271	-	173,689
City of Fairfax	CUE Access and Technology Improvements	600-01-18	965,000	42,830	90,238	133,068	-	831,932
City of Falls Church	Metrobus Route 3T Extension and Service Expansion	610-01-18	845,754	528,250	(11,940)	516,310	329,444	-
PRTC	On-Demand Commuter Lot Shuttles in Prince William County	664-01-18	1,087,796	-	-	-	1,087,796	-
PRTC	Flexible Vanpool Program	664-02-18	317,600	-	-	-	317,600	-
PRTC	Linton Hall OmniRide Metro Direct Bus Service Enhancement	664-03-18	134,200	-	81,992	81,992	-	52,208
City of Manassas	Bicycle Parking Improvements at Manassas VRE Station	683-01-18	55,000	38,870	1,325	40,195	14,805	-
NVTC	I-66 Commuter Choice Marketing and Outreach	999-01-18	400,000	336,856	63,144	400,000	-	-
Subtotal - Fiscal Year 2018 Program, Round 2			11,677,068	4,729,177	1,251,992	5,981,169	1,934,149	3,761,750
Arlington County	Enhanced Bus Service on Metrobus 3Y: Lee Highway-Farragut Square	013-01-20	1,040,000	-	-	-	-	1,040,000
Arlington County	Expanded TDM Outreach to the I-66 Corridor	013-02-20	1,350,000	-	233,412	233,412	-	1,116,588
Fairfax County	Enhanced Bus Service from Government Center to DC	059-01-20	1,939,500	-	520,000	520,000	-	1,419,500
Fairfax County	New Bus Service from Stringfellow to L'Enfant Plaza	059-02-20	4,326,000	3,120,000	-	3,120,000	-	1,206,000
Loudoun County	Enhanced Bus Service from Stone Ridge to DC	107-01-20	532,031	-	-	-	-	532,031
Loudoun County	New Bus Service from Stone Ridge to Pentagon	107-02-20	1,257,226	-	640,000	640,000	-	617,226
Loudoun County	New Bus Service from Purcellville to DC	107-03-20	949,482	-	639,630	639,630	-	309,852
Prince William County	New TDM Outreach to the I-66 Corridor	153-01-20	200,000	-	-	-	-	200,000
PRTC	Enhanced Bus Service from Gainesville to DC	664-01-20	1,519,100	-	91,986	91,986	-	1,427,114
PRTC	Enhanced Bus Service from Gainesville to Pentagon	664-02-20	4,671,700	-	3,054,700	3,054,700	-	1,617,000
PRTC	New Bus Service from Haymarket to Rosslyn	664-03-20	776,700	-	185,629	185,629	-	591,071
PRTC	I-66 Slug Line Campaign	664-04-20	287,800	-	-	-	287,800	-
NVTC	Program Administration, Evaluation, Oversight, Marketing and Outreach	999-01-20	800,000	379,223	334,405	713,628	-	86,372
Subtotal - Fiscal Year 2020 Program, Round 3			19,649,539	3,499,223	5,699,762	9,198,985	287,800	10,162,754
Arlington County	Lee Highway HOV and Bus-Only Lane in Rosslyn	013-61-21	710,000	-	-	-	-	710,000
Fairfax County	McLean Metrorail Station North Entrance	059-61-21	1,000,000	-	-	-	-	1,000,000
Loudoun County	Renewal of Purcellville Metro Connection Bus Service	107-61-21	709,030	-	-	-	-	709,030
City of Fairfax	City of Fairfax Bike Share Implementation	600-61-21	460,000	-	-	-	-	460,000
PRTC	Renewal of Bus Service from Gainesville to Pentagon/Navy Yard	664-61-21	461,100	-	-	-	-	461,100
PRTC	Renewal of Bus Service from Haymarket to Rosslyn	664-62-21	137,100	-	-	-	-	137,100
Subtotal - Fiscal Year 2021 Program, Round 4			3,477,230	-	-	-	-	3,477,230
Total			\$ 41,690,573	\$ 13,322,690	\$ 7,394,317	\$ 20,717,007	\$ 3,252,724	\$ 17,720,842

Note: Expenditures are reimbursements made by NVTC to the sponsoring entity. Additional project expenditures may have been incurred by the sponsor, but not yet submitted for program reimbursement. Expenditures for NVTC administration and outreach totaling \$397,549 in the table above are reported as transfers in the "Statement of Revenues, Expenditures and Change in Fund Balance."

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SUPPLEMENTARY INFORMATION
SCHEDULE OF I-395/95 COMMUTER CHOICE TOLL FUNDED PROJECTS AND EXPENDITURES
SPECIAL REVENUE FUND I-395/95 TOLL REVENUE
Year Ended June 30, 2021**

<u>Project Sponsor</u>	<u>Project Title</u>	<u>Project Number</u>	<u>Approved Toll Revenue Funds</u>	<u>Prior Expenditures</u>	<u>FY 2021 Expenditures</u>	<u>Cumulative Expenditures</u>	<u>FY 2021 Deobligations</u>	<u>Remaining Balance</u>
Arlington County	Commuter Store at the Pentagon Transit Center New Bus Service to the Pentagon with Gambrill and Backlick North Park and	013-31-20	\$ 211,962	\$ 54,895	\$ 157,064	\$ 211,959	\$ 3	\$ -
Fairfax County	Ride Improvements	059-31-20	3,540,903	2,120,785	162,384	2,283,169	-	1,257,734
PRTC	Enhanced Bus Service from Dale City to Ballston	664-31-20	251,600	-	72,774	72,774	-	178,826
PRTC	Enhanced Bus Service on Prince William Metro Express	664-32-20	562,400	-	198,923	198,923	-	363,477
PRTC	Enhanced Bus Service on Route 1 Local	664-33-20	1,133,500	-	237,033	237,033	-	896,467
PRTC	New Bus Service from Staffordboro to Downtown D.C.	664-34-20	3,569,200	66,656	156,461	223,117	-	3,346,083
PRTC	New Bus Service from Staffordboro to the Pentagon	664-35-20	3,495,300	53,688	115,211	168,899	-	3,326,401
Alexandria Transit Co.	Enhanced Bus Service on AT-1 Plus: West End to Van Dorn Metro	997-31-20	3,040,000	948,148	1,882,373	2,830,521	-	209,479
Alexandria Transit Co.	Enhanced Bus Service on AT-9: Mark Center to Potomac Yard	997-32-20	1,949,000	539,770	1,409,230	1,949,000	-	-
NVRC	New TDM Outreach Campaign for Military Facilities	998-31-20	396,184	58,295	136,194	194,489	-	201,695
NVTC	Program Administration, Evaluation, Oversight, Marketing and Outreach	999-31-20	800,000	257,582	345,090	602,672	-	197,328
Subtotal - Fiscal Year 2020 Program, Round 1			18,950,049	4,099,819	4,872,737	8,972,556	3	9,977,490
Total			\$ 18,950,049	\$ 4,099,819	\$ 4,872,737	\$ 8,972,556	\$ 3	\$ 9,977,490

Note: Expenditures are reimbursements made by NVTC to the sponsoring entity. Additional project expenditures may have been incurred by the sponsor, but not yet submitted for program reimbursement. Expenditures for NVTC administration and outreach totaling \$345,090 in the table above are reported as transfers in the "Statement of Revenues, Expenditures and Change in Fund Balance."

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SUPPLEMENTARY INFORMATION
SCHEDULE OF ALLOCATED SPECIAL REVENUE FUND - I-395/95 ACTIVITY
BETWEEN NVTC AND PRTC
Year Ended June 30, 2021**

The agreement between the Commonwealth, NVTC and PRTC states that the annual transit investment funds ("ATI) from toll revenue are to be split pro rata based on each commission's population as determined by the most recent population figures of the Weldon Cooper Center. Allocating the ATI in this manner results in the following split between the commissions:

	<u>Total</u>	<u>NVTC</u>	<u>PRTC</u>
Revenues:			
Intergovernmental revenue:			
ATI funds (toll revenue)	\$ 15,375,000	\$ 10,186,144	\$ 5,188,856
Interest income	20,319	13,462	6,857
Total revenues	<u>15,395,319</u>	<u>10,199,606</u>	<u>5,195,713</u>
Expenditures:			
Current:			
Toll funded project costs	4,527,647	2,999,627	1,528,020
Total expenditures	<u>4,527,647</u>	<u>2,999,627</u>	<u>1,528,020</u>
Other financing uses:			
Transfers	<u>(345,090)</u>	<u>(228,627)</u>	<u>(116,463)</u>
Change in fund balance	10,522,582	6,971,352	3,551,230
Fund balance, beginning of year	<u>10,934,525</u>	<u>7,261,424</u>	<u>3,673,101</u>
Fund balance, end of year	<u>\$ 21,457,107</u>	<u>\$ 14,232,776</u>	<u>\$ 7,224,331</u>

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES OF COMMONWEALTH OF VIRGINIA AWARDS
Year Ended June 30, 2021**

Grant	Contract Date	Grant Number	Grant Award	Accrued (Deferred) Revenue 6/30/2020	Cash Received	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue 6/30/2021	Cumulative Expenditures
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Northern Virginia Transportation Commission

Virginia Department of Rail and Public Transportation (DRPT)

Capital:

Fiscal Year 2020	10/25/2019	72519-17	\$ 170,000	\$ -	\$ -	\$ 170,000	\$ 170,000	\$ 170,000	\$ 170,000
Fiscal Year 2018	6/16/2018	72517-09	406,318	-	-	118,201	118,201	118,201	118,201
Fiscal Year 2018	6/22/2018	72517-10	409,901	-	-	409,901	409,901	409,901	409,901
Fiscal Year 2017	2/15/2019	73016-83	1,641,316	-	115,038	115,038	115,038	-	221,105
Fiscal Year 2016	11/30/2015	72516-05	68,500	39,097	39,097	-	-	-	39,496
Fiscal Year 2016	11/30/2015	72513-34	460,561	-	7,748	7,748	7,748	-	460,561
Fiscal Year 2016	11/30/2015	72513-18	164,624	-	-	164,624	164,624	164,624	164,624
Fiscal Year 2015	11/12/2015	72512-08	460,000	-	-	-	-	-	-
Fiscal Year 2011	7/17/2012	72511-03	771,612	56,402	56,402	53,925	53,925	53,925	771,612
Fiscal Year 2011	10/5/2010	72511-04	100,000	24,404	24,404	60,358	60,358	60,358	84,762
Fiscal Year 2010	7/17/2012	72510-08	209,575	-	-	-	-	-	1,080
Fiscal Year 2014	1/7/2014	72510-15	221,540	704	23,257	22,553	22,553	-	115,793
Fiscal Year 2010	8/4/2011	72510-17	915,893	-	-	-	-	-	-
Fiscal Year 2010	12/28/2010	72510-18	221,540	-	81,710	131,768	131,768	50,058	131,768
Fiscal Year 2014	1/2/2014	72510-40	400,000	-	-	-	-	-	-
Fiscal Year 2010	7/2/2009	72509-22	190,190	-	-	-	-	-	-
Fiscal Year 2009	10/1/2010	72509-25	200,600	1,149	-	(1,149)	(1,149)	-	25,040
Fiscal Year 2008	8/12/2008	72508-09	175,560	-	141,235	141,235	141,235	-	141,235
Fiscal Year 2008	8/12/2008	72508-12	125,400	-	-	-	-	-	-
Fiscal Year 2008	8/12/2008	72508-16	59,500	-	-	-	-	-	750
Fiscal Year 2008	9/19/2008	72508-19	100,320	-	5,029	5,029	5,029	-	102,190
Fiscal Year 2008	4/5/2012	72508-52	320,000	2,663	26,027	28,030	28,030	4,666	75,796
Fiscal Year 2008	10/16/2007	73008-48	209,245	-	316	316	316	-	114,608
Fiscal Year 2007	8/12/2008	72507-31	118,973	1,365	1,945	580	580	-	56,963
Fiscal Year 2007	8/12/2008	72507-35	56,678	-	-	-	-	-	-
Fiscal Year 2007	7/2/2009	72507-29	166,563	26,397	84,602	58,205	58,205	-	171,693

Capital and Operating - WMATA:

Fiscal Year 2021	7/20/2020	73621-01	39,754,401	-	39,754,401	39,754,401	39,754,401	-	39,754,401
Fiscal Year 2021	10/1/2020	73621-02	39,754,401	-	39,754,401	39,754,401	39,754,401	-	39,754,401
Fiscal Year 2021	12/17/2020	73621-03	94,120,399	-	94,120,399	94,120,399	94,120,399	-	94,120,399

Special Projects:

Fiscal Year 2021									
Regional Mktng Camp.	9/1/2020	71321-01	320,000	-	304,763	319,280	319,280	14,517	319,280
Fiscal Year 2020									
Regional Fare Collect.	8/2/2019	71320-03	210,000	17,335	63,453	69,808	69,808	23,690	146,839
Fiscal Year 2019									
Regional Mktng Camp.	3/21/2019	71319-11	316,580	13,512	13,512	-	-	-	304,665

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF EXPENDITURES OF COMMONWEALTH OF VIRGINIA AWARDS (continued)
 Year Ended June 30, 2021**

<u>Grant</u>	<u>Contract Date</u>	<u>Grant Number</u>	<u>Grant Award</u>	<u>Accrued (Deferred) Revenue 6/30/2020</u>	<u>Cash Received</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>	<u>Accrued (Deferred) Revenue 6/30/2021</u>	<u>Cumulative Expenditures</u>
<u>Northern Virginia Transportation Commission (continued)</u>									
Virginia Department of Rail and Public Transportation (DRPT) (continued)									
Special Projects (continued):									
Fiscal Year 2021									
Intern Program	12/17/2020	71221-03	\$ 16,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fiscal Year 2020									
Intern Program	11/17/2019	71220-04	40,000	-	-	2,534	2,534	2,534	2,534
Total State Assistance - NVTC			\$ 182,876,190	\$ 183,028	\$ 174,617,739	\$ 175,507,185	\$ 175,507,185	\$ 1,072,474	\$ 177,779,697

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES OF COMMONWEALTH OF VIRGINIA AWARDS (Continued)**

Year Ended June 30, 2021

Grant*	Contract Date*	Grant Number	Grant Award	Accrued (Deferred) Revenue 6/30/2020	Cash Received	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue 6/30/2021	Cumulative Expenditures
Virginia Railway Express									
Virginia Department of Rail and Public Transportation (DRPT)									
Capital:									
Fiscal Year 2016-2020	12/13/17, 9/16/15	50012	\$ 11,469,882	\$ 751,488	\$ 751,490	\$ 2	\$ 2	\$ -	\$ 10,176,999
Fiscal Year 2019-2023	8/20/2018	50030	5,756,328	279,207	279,208	1	1	-	1,603,797
Fiscal Year 2022-2023		10021-63	-	-	-	33,583	33,583	33,583	33,583
Fiscal Year 2021-2023	3/10/2021	10021-23,24 / 50031	5,450,745	163,317	-	(163,317)	(163,317)	-	-
Fiscal Year 2020	9/23/2019	50034	2,893,400	658,751	658,752	1	1	-	2,619,763
N/A	N/A	10021-26 / 50037	-	710	-	(710)	(710)	-	-
Fiscal Year 2021-2026	2/4/2021	50043	5,569,390	-	824,974	824,974	824,974	-	824,974
Fiscal Year 2021	12/11/220	73021-65	374,000	-	-	-	-	-	-
Fiscal Year 2020	10/1/2020	73020-47	309,018	995,482	309,018	(531,955)	(531,955)	154,509	463,527
Fiscal Year 2021	10/1/2020	73020-48	670,613	-	670,613	670,613	670,613	-	670,613
Fiscal Year 2019	4/2/2019	10021-35 / 72519-26	23,483,000	-	-	-	-	-	-
Fiscal Year 2020	6/11/2021	72519-20	28,120,000	-	-	-	-	-	-
Fiscal Year 2020	5/27/2020	72519-22	64,287,000	-	-	-	-	-	-
Fiscal Year 2020	4/9/2020	72519-24	9,125,000	-	-	-	-	-	-
N/A	N/A	73019-86	-	13,715	-	64,602	64,602	78,317	78,317
Fiscal Year 2021	10/1/2020	73019-87	477,970	-	-	-	-	-	-
Fiscal Year 2019	9/10/2018	73018-72	582,214	2,229	17,434	15,205	15,205	-	529,336
Fiscal Year 2020	9/23/2019	73018-73	61,824	67,554	61,824	(5,730)	(5,730)	-	61,824
N/A	N/A	73018-74	-	59,806	-	(59,806)	(59,806)	-	-
Fiscal Year 2021	10/1/2020	73018-75	784,000	-	-	-	-	-	-
N/A	N/A	73017-73	-	174,963	-	(60,148)	(60,148)	114,815	114,815
Fiscal Year 2019	9/10/2018	73017-74	4,284,000	-	-	-	-	-	-
Fiscal Year 2020	9/23/2019	73017-75	784,000	168,301	158,085	342,656	342,656	352,872	510,957
Fiscal Year 2017	2/5/2018	73017-77	192,000	-	64,122	64,122	64,122	-	192,000
Fiscal Year 2017	10/14/2016	73017-82	497,005	-	-	-	-	-	-
Fiscal Year 2017	12/7/2016	73017-83	19,461	-	19,461	19,461	19,461	-	19,461
Fiscal Year 2020	9/23/2019	73117-62	46,368	46,368	46,368	-	-	-	46,368
N/A	N/A	76517-01	-	420,637	-	(420,637)	(420,637)	-	-
Fiscal Year 2016	10/19/2016	73016-85	1,320,960	-	-	-	-	-	276,606
Fiscal Year 2016	2/5/2019	73016-87	464,000	138,063	173,359	35,296	35,296	-	225,541
Fiscal Year 2016	2/5/2018	73016-88	120,000	684	147	(537)	(537)	-	39,336
N/A	N/A	73015-75	-	-	-	207,571	207,571	207,571	207,571
Fiscal Year 2015	2/29/2016	73015-94	1,705,189	-	-	-	-	-	1,472,288
Fiscal Year 2015	2/8/2016	73015-95	840,000	36,134	15,803	20,723	20,723	41,054	498,470
Fiscal Year 2015	10/14/2016	73015-96	64,000	-	64,000	64,000	64,000	-	64,000

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES OF COMMONWEALTH OF VIRGINIA AWARDS (Continued)
Year Ended June 30, 2021**

Grant*	Contract Date*	Grant Number	Grant Award	Accrued (Deferred) Revenue 6/30/2020	Cash Received	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue 6/30/2021	Cumulative Expenditures
Virginia Railway Express (continued)									
Virginia Department of Rail and Public Transportation (DRPT) (continued)									
Capital (continued)									
Fiscal Year 2015	10/14/2016	73015-98	\$ 879,572	\$ 114,392	\$ 363,654	\$ 1,166,872	\$ 1,166,872	\$ 917,610	\$ 1,591,783
Fiscal Year 2019	9/10/2018	73115-72	2,720,428	-	-	125,466	125,466	125,466	125,466
Fiscal Year 2014	3/29/21, 2/2/16	10021-30 / 72514-07	200,000	-	-	-	-	-	-
Fiscal Year 2013	1/6/2014	72513-12	400,000	5,464	-	(5,464)	(5,464)	-	100,394
Fiscal Year 2010	3/29/21, 1/6/14	10021-28 / 72510-68	200,000	27,112	-	(27,112)	(27,112)	-	-
Fiscal Year 2010	1/21/2011	10021-29 / 72510-75	821,902	137,315	137,127	193,954	193,954	194,142	571,787
Operating:									
Fiscal Year 2021	7/20/2020	72021-23	2,418,033	-	2,418,033	2,418,033	2,418,033	-	2,418,033
Fiscal Year 2021	9/25/2020	72021-54	2,418,033	-	2,418,033	2,418,033	2,418,033	-	2,418,033
Fiscal Year 2021	12/17/2020	72121-14	7,189,737	-	7,189,737	7,189,737	7,189,737	-	7,189,737
IPROC									
N/A	N/A	10021-17 / 78016-07	-	385,431	445,393	424,131	424,131	364,169	1,392,032
Rail Enhancement Fund:									
N/A	N/A	10021-04 / 76518-04	707,000	35,547	-	657,546	657,546	693,093	693,093
N/A	N/A	10021-05 / 76518-05	2,226,000	34,050	-	(4,406)	(4,406)	29,644	29,644
Third Track Spotsylvani	5/10/2013	10021-39 / 76513-11	13,856,292	246,982	262,131	15,149	15,149	-	13,619,062
Gainsville-Haymarket	5/10/2013	10021-38 / 76509-02	2,785,714	475,174	501,074	25,900	25,900	-	2,785,714
Eligible expenditures accrued, not yet assigned to specific grants									
		N/A	N/A	(23,651)	-	732,943	732,943	709,292	695,576
Total State Assistance - VRE			206,574,078	5,415,225	17,849,840	16,450,752	16,450,752	4,016,137	54,360,500
Total State Assistance - NVTC and VRE			\$ 389,450,268	\$ 5,598,253	\$ 192,467,579	\$ 191,957,937	\$ 191,957,937	\$ 5,088,611	\$ 232,140,197

*N/A indicates contract not executed as of June 30, 2021.

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES OF COMMONWEALTH OF VIRGINIA AWARDS
Year Ended June 30, 2021**

Grant / Contracted Jurisdiction	Contract Date	Grant Number	Grant Award	Accrued (Deferred) Revenue 6/30/2020	Cash Received	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue 6/30/2021	Cumulative Expenditures
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Northern Virginia Transportation Commission, Jurisdiction Trust Fund (contracted directly with individual jurisdictions)

Virginia Department of Rail and Public Transportation (DRPT)

Capital:

Fiscal Year 2021

Arlington County	3/7/2021	73021-53	\$ 312,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Arlington County	3/7/2021	73021-54	353,600	-	-	-	-	-	-
Arlington County	3/7/2021	73021-55	503,880	-	-	44,572	44,572	44,572	44,572
Arlington County	3/7/2021	73021-56	1,647,923	-	-	-	-	-	-
City of Fairfax	2/8/2021	73021-57	2,040,000	-	-	-	-	-	-
City of Fairfax	2/8/2021	73021-58	24,480	-	-	-	-	-	-
Fairfax County	3/5/2021	73021-59	170,000	-	-	-	-	-	-
Fairfax County	3/5/2021	73021-60	816,000	-	352,435	352,435	352,435	-	352,435
Fairfax County	3/5/2021	73021-61	1,955,000	-	-	-	-	-	-
Fairfax County	3/5/2021	73021-62	102,000	-	-	-	-	-	-
Fairfax County	3/5/2021	73021-63	68,000	-	-	-	-	-	-
Fairfax County	3/5/2021	73021-64	102,000	-	96,154	96,154	96,154	-	96,154

Fiscal Year 2020

Arlington County	10/11/2019	73020-26	350,200	44,795	217,960	173,165	173,165	-	350,200
Arlington County	10/11/2019	73020-28	54,400	-	54,400	54,400	54,400	-	54,400
Arlington County	10/11/2019	73020-30	250,240	-	146,329	146,329	146,329	-	146,329
City of Alexandria	10/11/2019	73020-31	612,000	-	151,832	151,832	151,832	-	151,832
City of Alexandria	10/11/2019	73020-32	1,659,921	1,659,921	1,659,921	-	-	-	1,659,921
City of Alexandria	1/28/2020	73020-33	4,486,633	-	2,247,375	4,486,633	4,486,633	2,239,258	4,486,633
City of Alexandria	1/28/2020	73020-34	660,000	-	-	-	-	-	-
City of Fairfax	9/23/2019	73020-37	42,742	30,432	30,432	-	-	-	30,432
City of Fairfax	3/26/2020	73020-38	12,240	-	12,240	12,240	12,240	-	12,240
Fairfax County	10/11/2019	73020-39	544,000	-	544,000	544,000	544,000	-	544,000
Fairfax County	10/11/2019	73020-40	102,000	-	33,459	33,459	33,459	-	33,459
Fairfax County	10/11/2019	73020-41	51,000	-	-	-	-	-	-
Fairfax County	10/11/2019	73020-42	306,000	-	-	-	-	-	-
Fairfax County	10/11/2019	73020-43	306,000	-	43,690	43,690	43,690	-	43,690
Fairfax County	10/11/2019	73020-44	1,700,000	-	-	-	-	-	-
Fairfax County	10/11/2019	73020-45	326,400	-	-	-	-	-	260,016

Fiscal Year 2019

Arlington County	11/8/2018	73019-32	306,000	-	-	-	-	-	-
Arlington County	11/8/2018	73019-33	5,962,928	2,048,354	2,118,042	69,688	69,688	-	5,755,953
Arlington County	11/8/2018	73019-34	1,020,000	20,916	128,854	132,145	132,145	24,207	153,797
Arlington County	11/8/2018	73019-35	148,000	5,908	5,908	-	-	-	121,639
Arlington County	11/8/2018	73019-36	190,000	15,363	106,015	162,406	162,406	71,754	203,437
Arlington County	11/8/2018	73019-37	126,310	-	-	-	-	-	-
City of Alexandria	6/20/2019	73019-38	2,635,680	995,106	995,106	-	-	-	2,570,428

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES OF COMMONWEALTH OF VIRGINIA AWARDS (continued)
Year Ended June 30, 2021**

Grant / Contracted Jurisdiction	Contract Date	Grant Number	Grant Award	Accrued (Deferred) Revenue 6/30/2020	Cash Received	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue 6/30/2021	Cumulative Expenditures
Northern Virginia Transportation Commission, Jurisdiction Trust Fund (contracted directly with individual jurisdictions) (continued)									
Virginia Department of Rail and Public Transportation (DRPT) (continued)									
Capital (continued):									
Fiscal Year 2019 (continued)									
City of Alexandria	10/25/2019	72519-17	\$ 170,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fairfax County	12/14/2018	73019-41	2,210,000	-	31,698	31,698	31,698	-	1,227,404
Fairfax County	8/6/2019	73019-42	5,950,000	-	1,293,055	1,293,055	1,293,055	-	1,293,055
Fairfax County	8/6/2019	73019-43	3,740,000	-	63,508	63,508	63,508	-	1,768,874
Fairfax County	12/14/2018	73019-45	76,500	-	75,586	75,586	75,586	-	75,586
Fairfax County	12/14/2018	73019-47	1,020,000	-	-	-	-	-	-
Fairfax County	8/6/2019	73019-48	357,000	-	80,023	80,023	80,023	-	203,294
Fairfax County	4/20/2020	73019-88	1,124,651	-	-	-	-	-	-
Fairfax County	4/20/2020	73019-89	930,750	-	-	-	-	-	-
Fiscal Year 2018									
Arlington County	9/19/2017	73018-50	1,979,140	-	-	-	-	-	-
Arlington County	9/19/2017	73018-54	979,880	63,050	189,648	126,598	126,598	-	299,378
Fairfax County	12/14/2017	73018-60	8,500,000	-	129,494	129,494	129,494	-	8,498,026
Fiscal Year 2017									
Arlington County	10/26/2016	73017-57	172,380	-	17,183	17,183	17,183	-	53,419
Arlington County	10/26/2016	73017-58	2,210,000	-	-	-	-	-	647,042
City of Alexandria	6/22/2018	72517-09	406,315	-	-	-	-	-	-
City of Alexandria	6/22/2018	72517-10	409,901	-	-	-	-	-	-
City of Alexandria	6/20/2017	73117-58	204,000	-	-	-	-	-	60,480
Fiscal Year 2016									
City of Alexandria	11/2/2015	73016-70	816,000	-	29,017	29,017	29,017	-	327,661
Fairfax County	9/24/2015	73016-73	1,870,000	-	19,180	19,180	19,180	-	1,846,406
Operating									
Fiscal Year 2021									
Arlington County	12/1/2020	72021-19	1,778,048	-	1,778,048	1,778,048	1,778,048	-	1,778,048
Arlington County	12/1/2020	72121-10	1,983,194	-	1,983,194	1,983,194	1,983,194	-	1,983,194
City of Alexandria	9/10/2020	72021-20	2,084,168	-	2,084,168	2,084,168	2,084,168	-	2,084,168
City of Alexandria	11/12/2020	72021-51	2,621,533	-	2,621,533	2,621,533	2,621,533	-	2,621,533
City of Fairfax	7/20/2020	72021-21	377,830	-	377,830	377,830	377,830	-	377,830
City of Fairfax	2/4/2021	72121-12	461,687	-	461,687	461,687	461,687	-	461,687
Fairfax County	12/17/2020	72021-22	7,807,954	-	7,807,954	7,807,954	7,807,954	-	7,807,954
Fairfax County	12/17/2020	72121-53	8,297,808	-	8,297,808	8,297,808	8,297,808	-	8,297,808
Total State Assistance - Jurisdiction Trust Fund			\$ 88,487,116	\$ 4,883,845	\$ 36,284,766	\$ 33,780,712	\$ 33,780,712	\$ 2,379,791	\$ 58,784,414

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021**

	Federal Assistance Listing Number	Grant Number	Grant Award	Accrued (Deferred) Revenue 6/30/2020	Cash Received	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue 6/30/2021	Cumulative Expenditures	
<u>Northern Virginia Transportation Commission</u>										
Federal Transit Administration										
	King Street Access Improvements	20.507	VA 95-0082	\$ 4,144,941	\$ -	\$ 1,115,626	\$ 1,115,626	\$ 1,115,626	\$ -	\$ 4,144,941
	Potomac Yard Transitway	20.507	VA 95-0106	3,028,000	-	-	-	-	-	2,053,962
	Eisenhower Ave. Intermodal Station	20.500	VA 04-0022	1,442,203	5,462	7,782	2,320	2,320	-	205,032
	Alexandria Potomac Yard Busway	20.500	VA 04-0024	997,710	-	-	-	-	-	788,990
	Falls Church Intermodal	20.500	VA 04-0029	1,668,154	-	346,958	547,188	547,188	200,230	1,309,063
	Alexandria Transit Service Improvements	20.500	VA 04-0033	1,761,000	179,225	179,225	-	-	-	777,080
	Eisenhower Ave Bus Loop	20.500	VA 04-0048	1,640,700	4,598	7,626	3,028	3,028	-	112,104
	Alexandria VanDorn/Beauregard AA/EA	20.522	VA 39-0004	800,000	-	-	-	-	-	658,856
	Alexandria BRT Potomac Yards-NWST	20.500	VA 03-0117	1,490,000	-	-	-	-	-	1,416,342
	King Street Metrorail Station Improvements	20.507	VA 2017-021	2,468,105	-	416,225	1,199,563	1,199,563	783,338	1,199,563
	Total Federal Assistance - NVTC			\$ 19,440,813	\$ 189,285	\$ 2,073,442	\$ 2,867,725	\$ 2,867,725	\$ 983,568	\$ 12,665,933

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

COMPLIANCE SECTION

YEAR ENDED JUNE 30, 2021

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021**

Federal Grantor / Program Title	Federal Assistance Listing Number	Passed Through to Subrecipients	Total Federal Expenditures
Department of Transportation			
Direct Payments			
Federal Transit Cluster:			
Federal Transit Capital Investment Grants:			
VA 04-0029	20.500	\$ 547,188	\$ 547,188
VA 04-0022	20.500	2,320	2,320
VA 04-0048	20.500	3,028	3,028
Total Federal Capital Investment Grants		<u>552,536</u>	<u>552,536</u>
Federal Transit Formula Grants:			
VA 95-0082	20.507	1,115,626	1,115,626
VA 2017-021	20.507	1,199,563	1,199,563
Total Federal Transit Formula Grants		<u>2,315,189</u>	<u>2,315,189</u>
Total Federal Transit Cluster		<u>2,867,725</u>	<u>2,867,725</u>
Total Department of Transportation		<u>2,867,725</u>	<u>2,867,725</u>
Total Expenditures of Federal Awards		<u>\$ 2,867,725</u>	<u>\$ 2,867,725</u>

The accompanying note is an integral part of this financial statement.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Northern Virginia Transportation Commission (NVTC) under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of NVTC, it is not intended to and does not present the financial position or changes in net position of NVTC.

Federal Financial Assistance – The Single Audit Act Amendments of 1996 (Public Law 104-156) and Uniform Guidance define federal financial assistance as grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations or other assistance.

Direct Payments – Assistance received directly from the Federal government is classified as direct payments on the Schedule.

Pass-through Payments – Assistance received in a pass-through relationship from entities other than the Federal government is classified as pass-through payments on the Schedule.

Major Programs – The Single Audit Act Amendments of 1996 and the Uniform Guidance establish the criteria to be used in defining major programs. Major programs for NVTC were determined using a risk-based approach in accordance with the Uniform Guidance.

Federal Assistance Listing – The Federal Assistance Listing is a government-wide compendium of individual federal programs. Each program included in the catalog is assigned a five-digit program identification number (Federal Assistance Listing Number), which is reflected in the accompanying Schedule.

Cluster of Programs – Closely related programs that share common compliance requirements are grouped into clusters of programs. A cluster of programs is considered as one federal program for determining major programs. The following cluster is administered by NVTC: Federal Transit Cluster.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 2. Summary of Significant Accounting Policies (Continued)

For fiscal year 2021, NVTC recognized amounts in the Schedule associated with prior year expenditures. Expenditures should be recognized in the fiscal year spent for reporting purposes. In the current fiscal year, \$1,545,702 of prior year expenditures associated with the Federal Transit Cluster were included in the Schedule. Prior year expenditures associated with the cluster were reflected in the current year due to timing in which NVTC received draw down requests and supporting documentation from the NVTC member jurisdictions in which NVTC manages the federal grants.

Note 3. Indirect Cost Rate

NVTC has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.



**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Honorable Commission Board Members
Northern Virginia Transportation Commission

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, each major fund, and the remaining aggregate fund information of Northern Virginia Transportation Commission (Commission), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated November 19, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility a material misstatement of the Commission's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PBMares, LLP

Harrisonburg, Virginia
November 19, 2021



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

To the Honorable Commission Board Members
Northern Virginia Transportation Commission

Report on Compliance for Each Major Federal Program

We have audited the Northern Virginia Transportation Commission's (Commission) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Commission's major federal programs for the year ended June 30, 2021. The Commission's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Commission's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for its major federal program. However, our audit does not provide a legal determination of the Commission's compliance.

Opinion on Each Major Federal Program

In our opinion, the Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Commission's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

PBMares, LLP

Harrisonburg, Virginia
November 19, 2021

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2021

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weaknesses identified? _____ Yes √ No
Significant deficiencies identified? _____ Yes √ None Reported
Noncompliance material to financial statements noted? _____ Yes √ No

Federal Awards

Internal control over major programs:

Material weaknesses identified? _____ Yes √ No
Significant deficiencies identified? _____ Yes √ None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?

_____ Yes √ No

Identification of major programs:

Federal Assistance Listing Number	Name of Federal Program or Cluster
Federal Transit Cluster:	
20.500	Federal Transit – Capital Investment Grants (Fixed Guideway Capital Investment Grants)
20.507	Federal Transit – Formula Grants (Urbanized Area Formula Program)

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? √ Yes _____ No

II. FINANCIAL STATEMENT FINDINGS

None

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2021

There were no audit findings reported in the prior year's single audit.

TO: Chair Cristol and NVTC Commissioners
FROM: Kate Mattice, Scott Kalkwarf and Allan Fye
DATE: November 24, 2021
SUBJECT: NVTC FY 2023 General and Administrative Budget and 2022-2023 Work Plan

At the December meeting the proposed FY 2023 General and Administrative Budget and 2022-2023 Work Plan will be presented to the Commission. The Commission will be asked to take action on the budget and Work Plan at the January meeting following a public hearing.

General and Administrative Budget

The proposed FY 2023 General and Administrative Budget includes resources to accomplish the NVTC Work Plan, including the administration of the I-66 and the I-395/95 Commuter Choice programs, oversight of WMATA, and increased financial management activities. The proposed budget totals \$3,920,200, including \$754,300 for the administration of the Commuter Choice program, which is funded entirely with toll related revenue, and \$3,165,900 for the remaining operating program, which is funded by other sources, primarily from state aid to the member jurisdictions.

Total expenses are proposed to increase by \$86,700, or 2.3% over the approved FY 2022 budget. The FY 2023 budget maintains staff levels constant with the prior year. A provision for cost-of-living (COLA) and performance-based increases for existing staff is included.

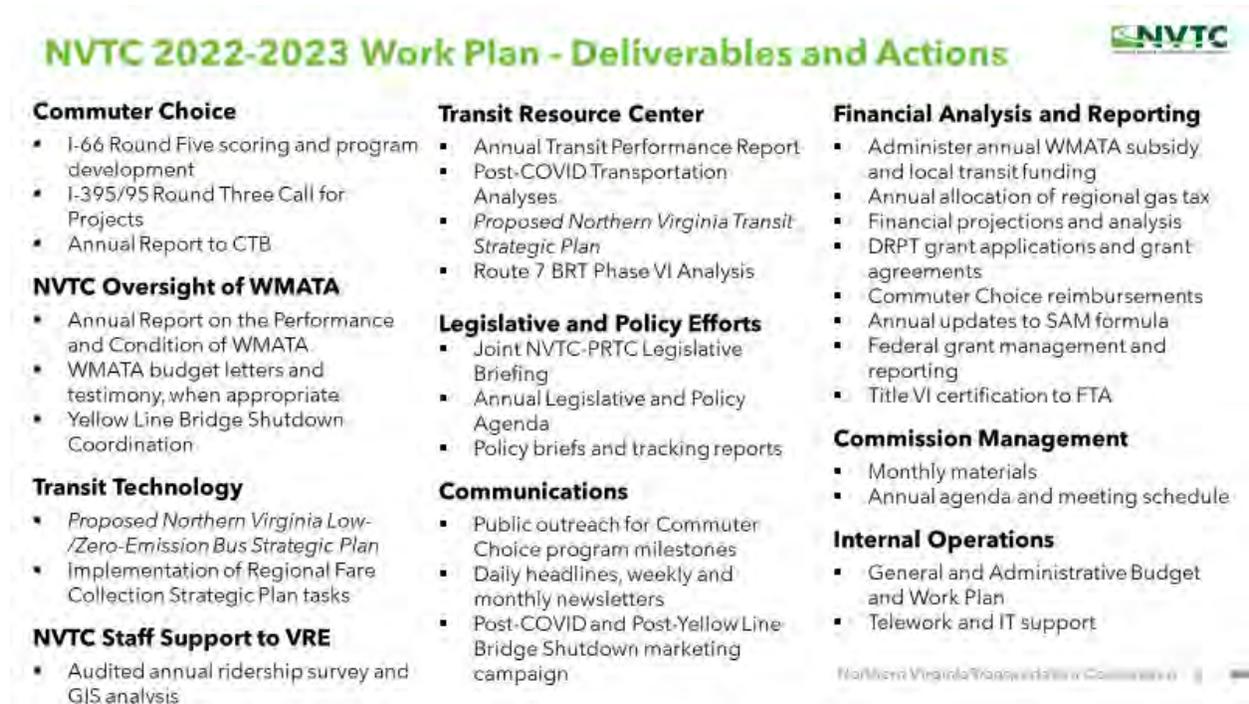
At the Commission's direction, a new line is included in FY 2023 to provide funding for NVTC in-house research efforts. Staff will seek direction and approval from the Commission for the individual projects to be undertaken. Also at the Commission's direction is an increase in the professional development line to aid in staff retention and to provide funding for executive development and special opportunities.

The budget is funded by direct contributions from the NVTC member jurisdictions, and an amount taken off the top of state assistance as it becomes available to NVTC, as well as toll revenues from the Commuter Choice program. Project chargebacks include revenue covering the budgeted Commuter Choice program costs for anticipated staff time, contracted support and related costs. Appropriated surplus above NVTC's minimum operating requirement is also included as a source of revenue, which is the result of positive budget variances in prior years. The \$304,400 increase in jurisdiction contributions as compared to the FY 2022 approved budget is comprised of \$94,400 in funding for the increase in the base operating program (excluding Commuter Choice), plus the addition of the Commission directed new research support line and additional professional development totaling \$210,000.

2022-2023 Work Plan

The proposed [NVTC 2022-2023 Work Plan](#) provides an overview of the programmatic and operational work conducted by staff to support the goals and objectives of the Commission. The proposed Work Plan covers the period from January 2022 to June 2023 reflecting comments from the Management Advisory Committee. A public hearing for the Work Plan will be held at the January 6, 2022 Commission meeting.

Proposed NVTC staff actions and deliverables for 2022 and 2023 include the following:



The slide features a title 'NVTC 2022-2023 Work Plan - Deliverables and Actions' in green text at the top left, with the NVTC logo at the top right. The content is organized into three columns of bulleted items under various sub-headers. The footer includes the text 'Northern Virginia Transportation Commission' and a navigation bar with a right-pointing arrow.

NVTC 2022-2023 Work Plan - Deliverables and Actions



- Commuter Choice**
 - I-66 Round Five scoring and program development
 - I-395/95 Round Three Call for Projects
 - Annual Report to CTB
- NVTC Oversight of WMATA**
 - Annual Report on the Performance and Condition of WMATA
 - WMATA budget letters and testimony, when appropriate
 - Yellow Line Bridge Shutdown Coordination
- Transit Technology**
 - Proposed Northern Virginia Low-/Zero-Emission Bus Strategic Plan*
 - Implementation of Regional Fare Collection Strategic Plan tasks
- NVTC Staff Support to VRE**
 - Audited annual ridership survey and GIS analysis
- Transit Resource Center**
 - Annual Transit Performance Report
 - Post-COVID Transportation Analyses
 - Proposed Northern Virginia Transit Strategic Plan*
 - Route 7 BRT Phase VI Analysis
- Legislative and Policy Efforts**
 - Joint NVTC-PRTC Legislative Briefing
 - Annual Legislative and Policy Agenda
 - Policy briefs and tracking reports
- Communications**
 - Public outreach for Commuter Choice program milestones
 - Daily headlines, weekly and monthly newsletters
 - Post-COVID and Post-Yellow Line Bridge Shutdown marketing campaign
- Financial Analysis and Reporting**
 - Administer annual WMATA subsidy and local transit funding
 - Annual allocation of regional gas tax
 - Financial projections and analysis
 - DRPT grant applications and grant agreements
 - Commuter Choice reimbursements
 - Annual updates to SAM formula
 - Federal grant management and reporting
 - Title VI certification to FTA
- Commission Management**
 - Monthly materials
 - Annual agenda and meeting schedule
- Internal Operations**
 - General and Administrative Budget and Work Plan
 - Telework and IT support

Northern Virginia Transportation Commission



PROPOSED BUDGET

**FISCAL YEAR
2023**

(July 1, 2022 – June 30, 2023)

December 2, 2021

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SCHEDULE OF REVENUE
Proposed Budget FY 2023

	FY 2021 Actual	Approved Budget FY 2022	Proposed Budget FY 2023	Increase (Decrease)
Local Share from State Aid (Note 1)	\$ 2,140,753	\$ 2,359,253	\$ 2,663,653	\$ 304,400
Local Direct Contributions (Note 1)				
Alexandria	39,567	41,964	44,387	2,423
Arlington	64,369	66,434	66,211	(223)
City of Fairfax	4,651	4,453	4,788	335
Fairfax County	163,471	160,006	160,532	526
Falls Church	2,099	2,064	2,067	3
Loudoun	10,090	9,325	6,262	(3,063)
Total Local Direct	<u>284,247</u>	<u>284,247</u>	<u>284,247</u>	<u>-</u>
Total Contributions	2,425,000	2,643,500	2,947,900	304,400
Interest and Other Revenue	865	10,000	3,000	(7,000)
Project Chargebacks (Note 2):				
Commuter Choice Program	742,639	960,000	754,300	(205,700)
VRE	80,000	80,000	80,000	-
Project Grant Billings (Note 3)	2,534	40,000	40,000	-
Appropriated Surplus (Note 4)	19,730	100,000	95,000	(5,000)
Total Revenue	<u>\$ 3,270,768</u>	<u>\$ 3,833,500</u>	<u>\$ 3,920,200</u>	<u>\$ 86,700</u>
<i>Commuter Choice Programs (Note 25)</i>	742,639	960,000	754,300	(205,700)
<i>Operating Program, Excluding C.C.</i>	<u>\$ 2,528,129</u>	<u>\$ 2,873,500</u>	<u>\$ 3,165,900</u>	<u>\$ 292,400</u>

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SCHEDULE OF EXPENDITURES
Proposed Budget FY 2023

	FY 2021 Actual	Approved Budget FY 2022	Proposed Budget FY 2023	Increase (Decrease)
<u>Personnel Costs</u>				
Salaries and Wages (Note 5)	\$ 1,891,420	\$ 2,052,700	\$ 2,115,300	\$ 62,600
Fellow Program (Note 5)	3,168	50,000	50,000	-
Total Personnel Costs	<u>1,894,588</u>	<u>2,102,700</u>	<u>2,165,300</u>	<u>62,600</u>
<u>Benefits</u>				
Employer's Contributions				
FICA and Medicare (Note 6)	133,668	144,000	148,500	4,500
Group Health Insurance (Note 7)	144,205	183,100	191,000	7,900
Retirement (Note 8)	194,141	170,000	170,000	-
Workers & Unemployment Comp.	4,005	5,500	4,900	(600)
Life Insurance	5,893	6,800	6,600	(200)
Long Term Disability Insurance	10,441	11,000	11,900	900
Total Benefit Costs	<u>492,353</u>	<u>520,400</u>	<u>532,900</u>	<u>12,500</u>
<u>Administrative Costs</u>				
Commissioners Per Diem (Note 9)	14,000	14,500	14,700	200
Rents:	372,891	408,200	418,400	10,200
Office Rent (Note 10)	372,046	379,600	394,900	15,300
Parking / Metrochek	845	28,600	23,500	(5,100)
Insurance:	6,439	7,400	7,300	(100)
Public Official Bonds	2,100	2,300	2,300	-
Liability and Property (Note 11)	4,339	5,100	5,000	(100)
Travel, Training and Development	3,248	44,000	55,800	11,800
Conferences / Prof. Devel (Note 12)	2,301	27,100	37,100	10,000
Non-Local Travel	-	2,500	2,500	-
Local Travel, Meetings (Note 13)	947	14,400	16,200	1,800
Communication:	14,060	16,000	16,700	700
Postage (Note 14)	632	1,400	1,400	-
Telephone and Data (Note 15)	13,428	14,600	15,300	700
Publications & Supplies	18,601	28,900	28,900	-
Office Supplies (Note 16)	656	3,000	2,500	(500)
Duplication and Printing (Note 17)	5,075	10,900	8,900	(2,000)
Public Engagement (Note 18)	12,870	15,000	17,500	2,500
Operations:	24,697	37,700	52,900	15,200
Furn. and Equip. (Capital) (Note 19)	6,374	13,000	25,500	12,500
Repairs and Maintenance	747	1,000	1,000	-
Computer Operations (Note 20)	17,576	23,700	26,400	2,700
Other General and Administrative	8,884	10,000	10,000	-
Memberships	1,463	1,600	1,600	-
Fees and Miscellaneous	7,421	6,900	6,900	-
Advertising (Note 21)	-	1,500	1,500	-
Total Administrative Costs	<u>462,820</u>	<u>566,700</u>	<u>604,700</u>	<u>38,000</u>
<u>Contracting Services and Other</u>				
Auditing (Note 22)	23,925	25,100	27,600	2,500
Contract Services & Support (Note 23)				
Commuter Choice	290,332	463,600	234,700	(228,900)
Research Support (Note 24)	-	-	200,000	200,000
Other Technical	74,667	120,000	120,000	-
Legal (Note 25)	32,083	35,000	35,000	-
Total Contract Services	<u>421,007</u>	<u>643,700</u>	<u>617,300</u>	<u>(26,400)</u>
Total Operating Program	<u>\$ 3,270,768</u>	<u>\$ 3,833,500</u>	<u>\$ 3,920,200</u>	<u>\$ 86,700</u>
<i>Commuter Choice Programs</i>	<i>742,639</i>	<i>960,000</i>	<i>754,300</i>	<i>(205,700)</i>
<i>Operating Program, Excluding C.C.</i>	<u>\$ 2,528,129</u>	<u>\$ 2,873,500</u>	<u>\$ 3,165,900</u>	<u>\$ 292,400</u>

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
Notes to Fiscal Year 2023 Proposed Budget

1. Revenue: Jurisdictional Contributions

Revenue from Local Direct Contributions

Each NVTC jurisdiction is assigned a share of the local portion of NVTC's administrative budget based on its share of revenue received by NVTC on behalf of jurisdictions from all sources in the previous year. This procedure is required by state statute and results in changes in contributions from one year to another that vary for each jurisdiction depending on relative shares of revenue received. The allocation in this FY 2022 budget is based on the FY 2020 revenue and Subsidy Allocation Model (SAM) formula.

Revenue from State Assistance

NVTC receives state operating and capital assistance for its WMATA compact members' annual commitments to WMATA and those jurisdictions' local transit systems. NVTC allocates this revenue among the jurisdictions based on NVTC's SAM and holds the funds in trust for the jurisdictions' transit use. Before the funding is allocated, NVTC's SAM resolution states that amounts are to be applied to certain NVTC projects, and a portion of the general and administrative budget of NVTC. The amount used for NVTC's general and administrative expenses is determined each year by NVTC's approved budget.

2. Revenue: Project Chargebacks

This category includes reimbursable expenses related to the administration of the Commuter Choice programs, and charges for NVTC staff support for VRE and reimbursed from VRE's budget.

3. Revenue: Project Grant Billings

The FY 2023 budget assumes a grant from DRPT's Intern Program that provides funding at 80% of payroll and related costs of NVTC's Transit Fellows program.

4. Revenue: Appropriated Surplus

Included as a source of revenue in the FY 2023 budget is projected excess accumulated surplus that is available to offset the budget expenses, which is the result of prior year favorable budget variances. This available surplus is in excess of the Commission's anticipated minimum operating requirements.

5. Personnel Costs

Salaries and Wages

The FY 2023 budget holds staff levels constant with the prior year budget and includes a provision for Merit and COLA increases for existing staff.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
Notes to Fiscal Year 2023 Proposed Budget

Fellows Program

The budget continues the NVTC Fellows Program, which began in FY 2015, by building NVTC's technical capacity and strengthening its ties with members of the research network. The budget assumes grant funds from DRPT's Intern Program will be available to provide 80% of payroll and related costs of this program.

The Fellows Program provides a cost efficient and flexible way to employ new graduates and mid-career professional to complete specific short-term projects over a one- to six-month period. While the primary purpose is to provide high-priority technical expertise for specific projects and products, it has also served as a valuable recruitment tool and created opportunities to connect with university programs within Virginia and nationally.

6. FICA and Medicare

NVTC's budgeted share of FICA and Medicare taxes is a function of budgeted payroll and the current tax rates.

7. Group Health Insurance

A provision for health insurance coverage is included for all NVTC staff positions, with the exception of the executive director position, regardless of whether or not the current employees in those positions participate in NVTC's health insurance plan. Unless all eligible employees participate in NVTC's health insurance program, actual expenditures will be less than budgeted. The budgeted amount is based on actual rates with a provision for increasing premiums.

8. Retirement

The budgeted amount of employer pension contributions for the NVTC Target Benefit Pension Plan is based on actuarial formulas using budgeted staff and salary levels for FY 2023. Because the formulas take into account factors in addition to payroll costs, such as years to retirement and investment return, changes in budgeted contributions do not necessarily change directly with budgeted payroll. The estimated liability is reduced by non-vested funds that were forfeited by former plan participants and are expected to be available during the fiscal year.

9. Commissioners' Per Diem

The FY 2023 budget is based upon the FY 2021 actual expenditures with a provision for increased Commission and committee meeting attendance. Commissioners, other than senators and delegates, are paid by NVTC at the statutory rate of \$50.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
Notes to Fiscal Year 2023 Proposed Budget

10. Office Rent

The administrative office lease was renewed during FY 2019 for a larger space effective March 15, 2019 to accommodate NVTC's increasing staff levels. Rent expense included in the FY 2023 budget is based upon the fixed costs of the lease, which increase at 2.5% per year, plus an estimate of pass-through expenses and real estate taxes. The lease contains a provision for the abatement of the first month's rent for the first seven years of the lease, and the additional abatement of approximately 29% of the leased space for the balance of the first lease year ending March 14, 2020. Off-site file storage is also included in this budget line.

11. Insurance: Liability and Property

The FY 2023 budget is based on the most recent premium year with a provision for increasing costs.

12. Conference / Professional Development

Included in this line for FY 2023 are the estimated registration fees for conferences, professional development, in-house training, and accreditation and related travel costs. The budget assumes NVTC staff will participate in training opportunities and speaking engagements at the Governor's Transportation Conference, the Virginia Transit Association Conference, the Transportation Research Board, and the Virginia chapter of the American Planning Associations, as well as represent the Commission at events hosted by a variety of organizations. These funds will also allow our professional staff to maintain the required trainings to keep their professional accreditations as well as funding for executive development and special opportunities. Wherever possible, NVTC will continue to minimize travel expenditures through locally sponsored events, online conferences, and events where the registration fee is discounted or waived.

13. Local Travel, NVTC and Other Meetings

This line includes the costs of NVTC Commission meetings, hosting regional meetings and events, and the costs of NVTC staff traveling to meetings elsewhere in the region.

14. Postage

This item is based on an average of prior years' actual costs.

15. Telephone and Data

This line includes the fixed contracted cost for phone and data service at NVTC's office, and mobile and data service for staff.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
Notes to Fiscal Year 2023 Proposed Budget

16. Office Supplies

The FY 2023 budget for this item is based on the average of prior years' actual costs.

17. Duplication and Printing

During FY 2016, NVTC negotiated a five-year copier lease and service contract. The FY 2023 budget is based on these agreements and projected usage levels.

18. Public Engagement

The budget includes a provision for costs related to public engagement on WMATA matters as required by HB1539, costs related to public engagement as required by HB1285, the costs to produce NVTC's annual report, and other public outreach costs such as social media.

19. Furniture and Equipment

This budget category provides for the replacement and acquisition of office furniture and equipment, including computer hardware.

20. Computer Operating Expense

Computer operating expenses include outside network consulting and services, software licensing fees, software upgrades and supplies, web hosting fees, hosted email, video conferencing services, cyber security assessment, and a provision for disaster recovery efforts. The FY 2023 budget is based on an average of prior year actual costs, recognizing an increase in NVTC's software and service requirements, with a provision for security enhancements.

21. Advertising (Personnel/Procurement)

The FY 2023 budget includes a provision for personnel and procurement advertising.

22. Auditing

NVTC entered into a three-year contract for auditing services beginning with the audit of FY 2015, with two, two-year options. The FY 2023 budget is based on the costs included in this contract.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
Notes to Fiscal Year 2023 Proposed Budget

23. Contract Services and Support

Commuter Choice Programs

I-66 Commuter Choice Program

As part of a 40-year agreement with the Commonwealth of Virginia, NVTC has been assigned the authority to administer a program of projects to be funded using revenue generated by the tolling of I-66 Inside the Beltway. In FY 2017 NVTC launched the initial year of the I-66 Commuter Choice Program. The FY 2023 budget assumes less need for outside contract services and support for the administration and outreach efforts.

I-395 Commuter Choice Program

In 201, NVTC and the Potomac and Rappahannock Transportation Commission (PRTC) entered into a 66-year agreement with the Commonwealth of Virginia to fund a program of projects to be funded by revenues generated by the tolling of I-95/I-395. The FY 2023 budget assumes less need for outside contract services and support for the administration and outreach efforts.

Other Technical

The FY 2023 budget includes a provision for technical support efforts, specialized analysis, related publications, and contracted human resource support. NVTC's state liaison activities contract is also funded in this line item.

Whenever possible, NVTC intends to leverage other funding sources and utilize contracts of other agencies in an effort to reduce costs.

24. Research Support

This new budget line includes a provision for NVTC funded policy research and required local match for grant funded projects. Staff will seek approval from the Commission for these projects.

25. Legal

In FY 2021, NVTC entered into an agreement with VRE to receive counsel services on all legal matters.



NVTC Work Plan

January 2022 to June 2023

The NVTC Work Plan serves as a guiding document for NVTC staff to support the mission of the Commission. This Work Plan identifies specific programs, projects and tasks that NVTC staff intend to perform during the period from January 2022 through June 2023 (FY 2023). It is intended to be a living document that can be updated as priorities and projects change.

This document supports NVTC's Strategic Framework, Implementation Plan and was developed in consultation with the Management Advisory Committee (MAC), the body of professional staff representing NVTC's jurisdictions and partners. The MAC is a forum to facilitate cooperative regional solutions, to keep local governments informed and to solicit feedback on ongoing programs, projects and initiatives.

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NVTC’s Mission, Vision and Strategic Goals

Mission: As the premier transit organization in Northern Virginia, NVTC brings the region together to plan, coordinate and secure funding for transit systems that are financially sustainable and high performing.

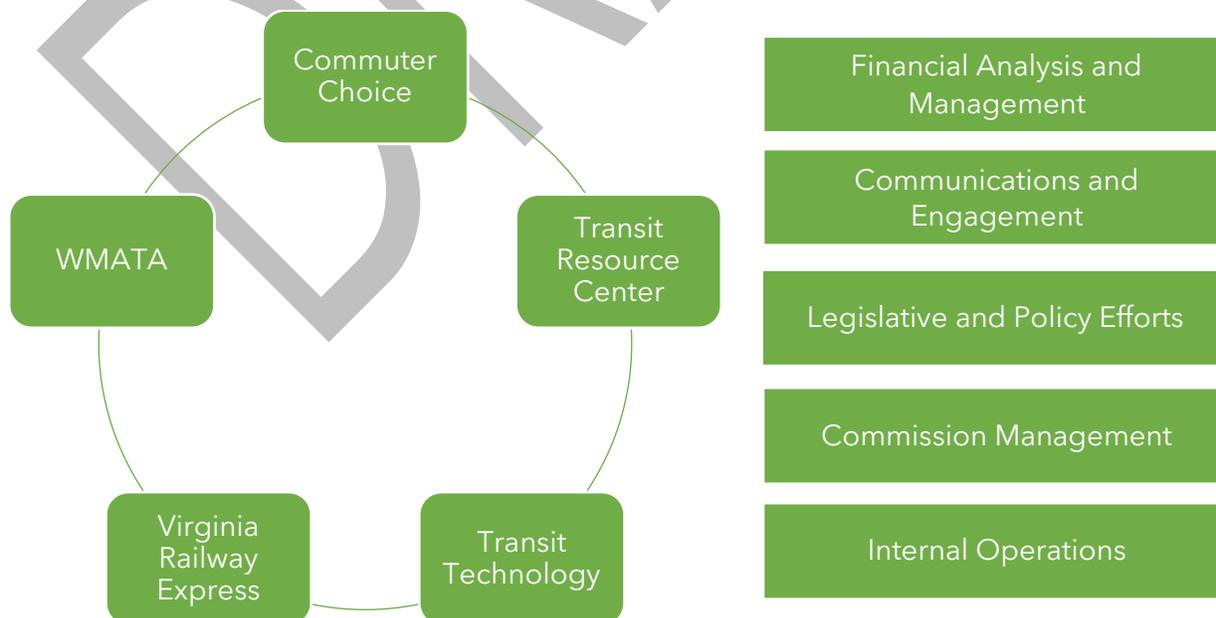
Vision: Northern Virginia businesses and residents are served by a high capacity, high quality network of transit systems that allows our diverse region to thrive economically.

Strategic Goals:

- Increase the capacity of the regional transit network by expanding and improving the quality, coverage, and frequency of new and existing systems, including Metro, VRE and new transit services.
- Improve the access and mobility throughout Northern Virginia by connecting the regional and local transit systems.
- Promote safe, reliable, and financially sound performance and management of regional transit systems.

Programs and Crosscutting Functions

NVTC has five programs that support the implementation of the Commission’s mission and vision. These programs provide technical assistance, enable data collection and analysis, facilitate regional engagement and jurisdictional coordination as well as manage a groundbreaking funding program. It is important to note that these programs interact with and support each other on a regular basis, enabling NVTC to provide comprehensive support to member jurisdictions, partner agencies and to the Commission. In addition, these programs provide the best representation for our jurisdictions and ensure NVTC’s work adds value for Northern Virginia, the greater DC region and the Commonwealth.



A. NVTC Committee Structure

NVTC has three standing committees. In addition to the Executive Committee, NVTC has the Program Advisory Committee (PAC), the WMATA Committee and the Legislative and Policy Committee. The scope of each of these committees is articulated in NVTC's By-Laws.

For all committees, NVTC staff is responsible for the development and distribution of Committee materials, meeting logistics (in coordination with the Commission Secretary) and all other responsibilities to support the needs of the Committee.

B. NVTC Programs

Commuter Choice

The Commuter Choice program is a groundbreaking program that invests toll revenue into transit service, transportation demand management and other multimodal improvements along the I-66 Inside the Beltway and I-395/95 toll corridors. NVTC, in partnership with the Potomac and Rappahannock Transportation Commission (PRTC), Virginia Department of Transportation (VDOT), Virginia Department of Rail and Public Transportation (DRPT) and the Commonwealth Transportation Board (CTB), manages this competitive funding program through the tasks outlined in the section below.

1) Program Management and Administration

- a) Provide ongoing administration of the Commuter Choice program (I-66 Inside the Beltway and I-395/95 Corridors) to ensure compliance with relevant Memorandums of Agreement (MOAs).
 - i. Work with staff and legal counsel on policy changes and decisions governing future calls for projects and program administration.
 - ii. Coordinate with regional and state agencies that administer other competitive funding programs to align program milestones.
 - iii. Coordinate with PRTC (as needed) on the ongoing management and administration of the Commuter Choice in the I-395/95 Corridor Program.
 - iv. Work with financial counsel and financial advisors on financing issues as needed.
 - v. Maintain and update the Commuter Choice program website to provide relevant, timely information for applicants, grantees, and stakeholders.
 - vi. Monitor program operations and communications with grantees to identify any needed policy changes or updates.
 - vii. Execution of Standard Project Agreements (SPA) and ongoing monitoring and reporting to ensure compliance with all SPA requirements.
 - viii. Coordinate with NVTC's WMATA program to further policy guidance to enable WMATA-operated / Commuter Choice-funded projects to be considered in WMATA's annual budget process, including potential adoption of policy guidance by the WMATA Board and/or Commission(s).

- ix. Support and participate in grantee-led events to highlight major project milestones, such as groundbreakings and openings.
- b) Prepare Commuter Choice annual report and program updates
 - i) Prepare and submit the fiscal year report to the CTB as required by the MOA.
 - ii) In coordination with NVTC's Transit Resource Center, prepare Corridor Transit Reports (subject to data availability) describing travel trends in the two program corridors for presentation to the PAC and Commission(s).
 - iii) Update (as needed) grantee handbook that provides a comprehensive guide to Commuter Choice program eligibility, policies, and procedures.
- 2) **Deliverables:** Commuter Choice Annual Report to the CTB; Corridor Transit Report update reflecting fall 2021 traffic volume and transit ridership data; updated program guidance materials as applicable; SPAs distributed to recipients for funded projects
- 3) Call for Projects and Project Selection Process
 - a) Prepare Commuter Choice application materials and secure Commission(s) approval to open calls for projects.
 - b) Hold workshops with eligible applicants while calls for projects are open. Provide technical assistance and guidance during application process.
 - c) Conduct (in coordination with DRPT) the initial eligibility screening, evaluation and scoring of project applications.
 - d) Provide program updates at Commission(s) meetings and present final program of projects for Commission(s) approval.
 - e) Coordinate with DRPT to receive Commonwealth Attorney General project eligibility concurrence and to prepare project list and supporting materials for CTB consideration.
 - f) Develop staff-recommended program of projects for consideration by the Program Advisory Committee (PAC)/Joint Commission Working Group (JCWG) and consideration by the Commission(s).
 - g) Hold public hearings or virtual town hall meetings and facilitate other online public outreach efforts to explain proposed projects to the public, answer questions about the program and maximize public input.

Deliverables: I-395/95 Round Three Call for Projects, Project Evaluation and Scoring, and Program Development and Selection, including workshops with eligible applicants, eligibility screening workshop with DRPT and PAC and JCWG briefings; begin preparations for I-66 Round Six Call for Projects
- 4) Reimbursement and Financial Reporting
 - a) Host quarterly meetings with grantees to receive required project level reports and ensure projects are meeting implementation, reporting and financial milestones.
 - b) Review and approve project reimbursement requests.
 - c) Track expenses and reimbursements by corridor, fiscal year program, project, grantee, etc.

- d) Coordinate with NVTC financial team to develop policy/programmatic solutions for financial-related questions/issues.

Internal Coordination: Transit Resource Center, NVTC's WMATA program, Financial Analysis and Management, Communications and Engagement, Legislative and Policy, Commission Management and Internal Operations

NVTC Oversight of Washington Metropolitan Area Transit Authority

NVTC exercises leadership through the appointment and support of Virginia's members of the Washington Metropolitan Area Transit Authority (WMATA) Board of Directors to promote safe, reliable and financially sound performance, management and oversight of WMATA. Staff supports the NVTC WMATA Committee to facilitate and represent jurisdictional interests and to ensure access to NVTC's WMATA principal director.

1) WMATA Committee Support

- a) Develop and implement the committee's annual work plan.
- b) Manage and staff the NVTC WMATA Committee to facilitate committee guidance and feedback, leading to committee endorsement and recommendation for the full Commission to approve of the *Annual Report on the Performance and Condition of WMATA*.
- c) Manage and staff the NVTC WMATA Committee to provide a venue for discussion of WMATA issues directly affecting the NVTC region and NVTC jurisdictions.
- d) Manage and lead a jurisdictional staff working group to provide staff support for NVTC's WMATA Board principal member and members of NVTC's WMATA Committee.
- e) Inform NVTC Commissioners of pending WMATA Board decisions of regional significance.

2) Annual Report on the Performance and Condition of WMATA

- a) Develop and submit to the General Assembly and the Governor by December 15 an annual report on the performance and condition of WMATA that includes the following:
 - a. The safety and reliability of the rapid heavy rail mass transportation system and bus network.
 - b. The financial performance of WMATA related to the operations of the rapid heavy rail mass transportation system, including farebox recovery, service per rider and cost per service hour.
 - c. The financial performance of WMATA related to the operations of the bus mass transportation system, including farebox recovery, service per rider and cost per service hour.
 - d. Potential strategies to reduce the growth in such costs and to improve the efficiency of WMATA operations.
 - e. Use of the funds provided from the Mass Transit Fund to improve the safety and condition of the rapid heavy rail mass transportation system.
 - f. Ridership of the rapid heavy rail mass transportation system and the bus mass transportation system.

- b) Manage technical staff to ensure that the report will meet expectations of the Commission, the General Assembly and the Administration.
 - c) As needed, communicate and present this report to the Commonwealth Transportation Board, Governor's Office, General Assembly and other interested stakeholders.
 - d) Publish the report and associated information on NVTC's website.
- 3) Annual Certification of WMATA Documents
- a) Request the following documents from WMATA annually:
 - a. Annual capital budget; annual independent financial audit;
 - b. National Transit Data annual profile; and
 - c. Single audit report issued in accordance with the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (2 C.F.R Part 200).
 - b) Certify the receipt of these documents to Commonwealth Comptroller no later than June 30 of each year.
- 4) Virginia WMATA Board Member Support
- a) Facilitate and support NVTC officers' and the Commission's annual appointment of Virginia's two principal and two alternate members of the WMATA Board of Directors (January).
 - b) Provide primary staff support on WMATA related meetings and issues to NVTC's WMATA Board principal member or their designated alternate.
 - c) Facilitate and lead NVTC WMATA Board member preparation calls in advance of WMATA Board and committee meetings. Participate in WMATA-run Board meeting preparation calls and provide input as necessary.
 - d) Ensure communication and facilitation between the Commonwealth and NVTC's principal WMATA Board members.
 - e) Provide staff support to WMATA Board members prior to NVTC Commission meetings.
 - f) Participate on WMATA's Jurisdictional Coordinating Committee (JCC).
 - a. Monitor and report on the development of WMATA's annual operating and capital budgets and multi-year CIP.
 - b. Coordinate with jurisdictional staff and DRPT on WMATA's compliance with CTB policy guidelines for the implementation of governance and funding reforms for WMATA.
 - c. Actively participate in the development of the Capital Funding Agreement.
- 5) Support for Northern Virginia Jurisdictions
- a) Participate and provide summaries on JCC deliberations and WMATA Board actions to Northern Virginia jurisdictions, as requested.
 - b) Facilitate jurisdictional issues with WMATA that rise to the attention of the NVTC WMATA Board principal member.

- c) Participate in WMATA-led planning studies, including but not limited to the Bus Transformation Project, Blue-Orange-Silver Capacity and Reliability Study, etc.
- 6) Fall 2022 Yellow Line Bridge Closure Coordination
 - a) Facilitate regional calls with WMATA and affected stakeholders to coordinate mitigation efforts and communications strategies.
 - b) Track and resolve issues identified during planning meetings and coordination calls.
 - c) Brief the Commission prior to and throughout the shutdown (as requested or needed) and document lesson learned.

Deliverables: Annual Report on the Performance and Condition of WMATA; Annual certification letter to Commonwealth

Internal Coordination: Transit Resource Center, Transit Technology, Commuter Choice, VRE, Legislative and Policy Efforts, Financial Analysis and Management and Internal Operations

Transit Resource Center

The Transit Resource Center provides technical assistance to member jurisdictions; collects, analyzes and reports data from all NVTC's programs; manages the Envision Route 7 Bus Rapid Transit (BRT) project; and supports coordination with other regional transportation organizations. An overview of the tasks within the Transit Resource Center are outlined below.

- 1) Regional Transit Data Collection, Analysis, and Visualization
 - a) Support data collection and visualization efforts.
 - a. Report the Washington Metropolitan Area Transit Authority's (WMATA) monthly ridership and parking utilization to comply with the Department of Rail and Public Transportation's (DRPT) OLGA reporting requirements.
 - b. Develop a short and long-term plan to 1) catalog, systematize and collect data that can be shared with stakeholders/archived for future use and 2) identify opportunities to use data sources to communicate NVTC's transit policies, positions and storytelling.
 - c. Coordinate with NVTC's communications team and external communications partners to share data analysis and visualization through reports, presentations, etc.
 - b) Conduct and Support Regional Transit Analysis
 - a. Perform in-depth regional and multijurisdictional analyses in support of Northern Virginia transit systems.
 - b. Develop scope of work, budget and funding plan to support NVTC-led transit policy analysis efforts, contingent on funding. FY 2023 efforts may include a Northern Virginia Regional Transit Strategic Plan and/or an update to NVTC's 'Value of Metrorail and VRE' study.
 - c. Conduct additional post-COVID and recovery-related analysis for presentation to the MAC, PAC, and Commission.

- d. Provide jurisdictional and regional transit performance data through materials and presentations, and post standardized, downloadable data on NVTC's website.
- e. Provide data analysis for NVTC jurisdictions and the Commission on regional and national issues that impact transit planning, operations, organizations and ridership.
- f. Disseminate findings through authoring reports and presentations.

Deliverables: Annual Transit Performance Report; Post-COVID Transportation Analysis Reports; Data and Policy Analysis Reports

2) Commuter Choice Corridor Analyses

- a) Coordinate with Commuter Choice Program Manager to conduct annual analysis on the transit ridership and other metrics to understand the performance of transit along the I-66 Inside the Beltway and I-395/95 Corridors, including the impacts of COVID-19 and recovery efforts (pending data availability).
- b) Coordinate with VDOT, Transurban and Transportation Planning Board to collect corridor-based data necessary for analyses.

3) Envision Route 7 Bus Rapid Transit (BRT) Study

- a) Manage Phase IV-1 Study.
 - a. Continue to coordinate with relevant jurisdictional and stakeholder staff to further the study of high-quality transit on Route 7.
 - b. Manage consultant contract and coordinate with NVTC staff regarding study-related public outreach efforts.
 - c. Assist in identifying financial resources for continued study and programming for BRT along the Route 7 Corridor.
- b) Manage the Envision Route 7 BRT Project Roadmap effort
 - a. Identify funding to support the development of a strategic framework that identifies key policy, governance and funding steps necessary to successfully design, construct and operate the system.
 - c. Brief the MAC, PAC and Commission at key milestones and decision points; prepare written updates as needed.

Deliverables: Phase IV-1 Deliverables (per scope), Envision Route 7 BRT Project Roadmap deliverables (per scope)

4) Regional Coordination and Collaboration

- a) Monitor NVTA (Northern Virginia Transportation Authority) regional planning efforts to ensure regional transit needs are included in their regional transportation plan (TRANSACTION).
- b) Participate regionally focused technical, program or study committees assisting in planning, funding, preliminary engineering and environmental analysis for transit in the region, including but not limited to:
 - a. Transportation Planning Board
 - b. Potomac and Rappahannock Transportation Commission
 - c. Northern Virginia Transportation Authority

- d. Northern Virginia Regional Commission
- e. Virginia Department of Rail and Public Transportation
- f. Virginia Department of Transportation
- g. Virginia Railway Express
- h. Metropolitan Washington Council of Governments
- i. Washington Metropolitan Area Transit Authority

Internal Coordination: NVTC's WMATA program, Grants Management, Commuter Choice, Communications and Engagement, Legislative and Policy Efforts and Internal Operations

Transit Technology

The Transit Technology program oversees the implementation of NVTC's Regional Fare Collection Strategic Plan and engages with regional, state and national transit technology stakeholders to build Commission knowledge about innovative transit mobility services and emerging technologies. An overview of the tasks within the Transit Technology Program are outlined below.

- 1) Implementation of the NVTC's 2021 Regional Fare Collection Strategic Plan
 - a) Provide updates to the MAC, PAC, and Commission on the status of milestones in the 2021 Strategic Plan.
 - b) Support Northern Virginia transit operators by facilitating regional coordination through the Regional Fare Collection and Off-Board/All-Door Fare Collection Working Groups, including coordination, planning, exchange of information as well as facilitating future plans.
 - c) Manage NVTC Technical Assistance: Transition and support the close-out of Technical Support Services for the Regional Fare Collection Program contract, transition strategic plan support and tasks in-house.
- 2) Regional Low/Zero-Emission Bus Coordination
 - a) Identify funding to support the development of a Northern Virginia Low/Zero-Emission Bus Strategic Plan; if funded, develop a scope of work, procure contractor support, and manage the project.
 - b) Facilitate regional discussions and information sharing related to the planning, funding, and implementation of low/zero-emission bus efforts.
 - c) Attend regional meetings on low/zero-emission bus efforts, including but not limited to TPB, WMATA, PRTC, APTA, and NVTA.
 - d) Identify role for NVTC to assist regional partners in regional implementation of low/zero-emission bus implementation, including coordination, technical assistance, and/or procurement coordination.
- 3) Zero/Reduced Fare Implementation Guide
 - a) Identify funding to support the development of a Northern Virginia-focused guide.
 - b) Develop scope of work, budget, and funding plan to procure technical support for the implementation guide (based on funding availability). If funded, develop a scope of work, procure contractor support, and manage the project. If not funded, develop the guide in-house.

4) Technology-related Symposia

- a) Plan, implement, and deliver at least two symposia per year on technology topics that are timely and relevant to the mission of the Commission.
- b) Provide regular updates to the MAC, PAC, and Commission on technology-related topics.
- c) Attend regional meetings on transit technology, including but not limited to TPB, WMATA, and NVTA.

5) Manage NVTC NTD Technical Assistance

- a) Work with local governments to coordinate collection of performance data for the Federal Transit Administration's (FTA) National Transit Database (NTD).
- b) Manage the contract for NTD data collection on behalf of Northern Virginia's transit systems. Oversee data collection efforts to facilitate the receipt of federal funds to the region.

Deliverables: Scopes of work, budgets, and grant application materials (for DRPT-funded efforts); Annual Work Plan for Transit Technology Program

Internal Coordination: NVTC's WMATA program, NVTC's VRE Support, Financial Analysis and Management, Transit Resource Center, Communications and Outreach and Internal Operations

NVTC Support of Virginia Railway Express

NVTC, as co-owner (with the Potomac and Rappahannock Transportation Commission) of the Virginia Railway Express (VRE), provides oversight of the railway to promote safe, reliable and financially sound performance and management.

1) VRE Operations Board Support

- a) Facilitate the annual appointment of NVTC's principal and alternate members of the VRE Operations Board.
- b) Provide staff support, in coordination with jurisdictional staff when necessary, to NVTC-appointed VRE Board members.
- c) Participate on VRE's Coordination Committee (VCC) and Chief Administrative Officer's Task Force and attend VRE Operations Board meetings.

2) Budget and Financial Management

- a) Facilitate NVTC's approval of VRE's annual operating and capital budgets, including the prioritization of the Commuter Rail Operation and Capital (C-ROC) Fund. Participate and provide technical support at budget review sessions.
- b) Apply and receive state and regional assistance on behalf of VRE, including DPRT transit capital and operating funding, Rail Enhancement Funds, SmartScale and NVTA funds.
- c) Assist VRE planning staff on ridership, travel forecasting, federal funding programs and other technical items.

3) VRE Customer Service and Annual Ridership Surveys

- a) Provide staff and technical support to VRE for the customer service surveys each spring by assisting with on-board survey distribution.
- b) Provide staff and technical support to VRE for the Master Agreement Annual Ridership Survey each fall by assisting with on-board survey distribution and conducting the survey address verification process using GIS technology.

4) Technical and Communications Support

- a) Amplify and actively share VRE public communications through NVTC social media.
- b) Serve on technical and legislative advisory committees, as requested.
- c) Review Operations Board materials for consistency with the Master Agreement and approved budgets. Maintain close communications with PRTC and VRE staff to coordinate the writing and presentation of VRE action items to the two Commissions.

Deliverables: Audited annual survey report and maps

Internal Coordination: NVTC's WMATA program, Legislative and Policy, Financial Analysis and Management, Transit Resource Center, Transit Technology and Internal Operations

C. Financial Analysis and Administration

Identify and implement cooperative strategies with member governments to maximize transit revenues aimed at achieving adequate, dedicated, stable and reliable financial support from the federal government, Commonwealth, region and private sector. Facilitate the fair and equitable allocation of transit assistance among governments. Manage grants, contracts and trust funds fairly and effectively, according to state and federal laws and NVTC's policies.

Support for Member Jurisdictions

- 1) Ensure the stability of the current sources of transit funding available to NVTC's local governments.
- 2) Serve as the central point of contact for Northern Virginia transit system financial information.
- 3) Analyze funding proposals produced by regional and statewide studies and identify policy issues for consideration by the Commission.
- 4) Identify and help obtain funding for new transit projects that are recommended by NVTC's jurisdictions.

Deliverables: Provide NVTC funding, local system and WMATA subsidy data to interested parties.

Financial Analysis

1) Regional Gas Tax Revenues

- a) Monitor NVTC's regional gas tax receipts from the Division of Motor Vehicles (DMV) for reasonableness of collections in total and by jurisdiction.
- b) Employ database and spreadsheet models to identify unanticipated discrepancies at the taxpayer level by jurisdiction and in total.
- c) Maintain communications with DMV regarding both unusual activities identified by NVTC and DMV audit activity. Make suggestions for improving the program.
- d) Brief the MAC as needed on processes, issues and solutions.

2) State Transit Revenues

- a) Participate in the Transit Service Delivery Advisory Committee (TSDAC) to assist DRPT in reviewing the distribution process for transit capital and operating funds.

3) Transit Funding Opportunities

- a) Produce financial projections and an analysis of the growing gap between transit operating and capital needs versus available financial resources.
- b) Participate in regional and statewide efforts to define public transit needs and identify funding sources.
- c) Identify and seek to implement stable, reliable, permanent and dedicated funding sources for operating and capital expenses for WMATA, VRE and local transit systems.
- d) Coordinate regional efforts and prepare analytic tools, communication materials and editorials to promote such funding.

Deliverables: Annual formula for allocation of gas tax revenue; Input to the DRPT funding process; Financial analysis and projections, as needed

Grants Management, Trust Funds, Contracts and Compliance

1) State Assistance

- a) Review and monitor DRPT assistance calculations of WMATA assistance to NVTC as grantee for NVTC jurisdictions' share of WMATA operating subsidies and capital requirements.
- b) Report WMATA annual ridership, and other information requested by DRPT as a requirement for receiving state assistance.
- c) Review and submit state operating and capital assistance applications for local systems through DRPT's Online Grant Administration (OLGA) system as agent for the NVTC jurisdictions.
- d) Manage NVTC and NVTC jurisdiction state grants, including the preparation and review of timely grant invoicing.
- e) Participate with VRE and NVTC jurisdictions in quarterly project status review meetings with DRPT.
- f) Work with DRPT and grantees to achieve the maximum funding available.

2) Commuter Choice in the I-66 and I-395/95 Corridors

- a) Monitor and reconcile net toll revenue receipts from VDOT with actual collections and Commonwealth Transportation Board (CTB) approved project funding levels.
- b) Review reimbursement requests for adequate support of eligible expenses; approve and disburse funds.
- c) Ensure recipient compliance with project agreement provisions.
- d) Account for direct costs of administering the program.
- e) Account for and report toll revenue activity as a separate Special Revenue fund.

3) NVTC Subsidy Allocation Model

- a) Maintain NVTC's subsidy allocation model (SAM) utilizing the most recent WMATA and local budget information on transit costs, revenues and subsidies.
- b) Determine each local government's share of NVTC assistance using the annual SAM percentages.
- c) Apportion shares of the direct local contributions to NVTC's administrative budget using the annual SAM percentages.
- d) Provide projections and other analysis of annual transit assistance to the NVTC jurisdictions for planning purposes.

4) NVTC Jurisdiction Trust Funds

- a) Allocate revenue to NVTC jurisdictions through the NVTC trust fund upon receipt using the annual SAM percentages.
- b) Prepare timely and accurate quarterly cash flow forecasts of available transit assistance sources and uses for the NVTC jurisdictions.
- c) Prepare quarterly reports of actual NVTC trust funds activity for use by NVTC jurisdictions.
- d) Manage and invest trust funds according to NVTC policy by safeguarding assets while maximizing liquidity and investment return.

5) Commuter Rail Operations and Capital Fund (C-ROC)

- a) Monitor collections of all C-ROC Funds from the Department of Motor Vehicles (DMV).
- b) Provide periodic reports to the Commissions about the funds in the C-ROC Fund, including monthly receipts, amounts expended, the amount of funds held and investment earnings.

6) Financial Reporting, Accounting, Audit, Compliance and Contracting

- a) Prepare the annual financial statements, disclosures and supplementary information for NVTC's annual audit.
- b) Manage a multi-year audit services contract.
- c) Accomplish unqualified auditors' opinions and provide financial and compliance reports to the appropriate regulatory agencies.

- d) Maintain up-to-date compilations of state and federal grant regulations and ensure staff is adequately trained in grant, contract and project management.
- e) Maintain current documents and policies to facilitate prompt procurement in compliance with state and federal laws.
- f) Perform internal accounting functions, including invoicing, accounts receivable, cash receipts, accounts payable, disbursements and transfers, payroll, general ledger, and reconciliations.

7) Federal Grants

- a) Apply for federal grants on behalf of member jurisdictions and manage grants as the designated recipient for FTA funds. Currently, NVTC is the designated recipient of federal grants for the cities of Alexandria and Falls Church. For these grants, NVTC will:
 - i. Maintain subrecipient agreements which outline terms, conditions and expectations.
 - ii. Ensure subrecipient agreements include all the information required by FTA and 2 CFR 200.
 - iii. Review reimbursement requests to ensure costs are reasonable, allocable and allowable in accordance with 2 CFR 200 and terms of the award.
 - iv. Host quarterly project management meetings with the subrecipient and FTA.
 - v. File quarterly financial and milestone reports (1/30, 4/30, 7/30, 10/30), semi-annual Disadvantaged Business Enterprise (DBE) reports (6/1, 12/1) and other required documentation in FTA's grants management system (TrAMS).
 - vi. Monitor subrecipients to ensure proper stewardship of federal funds and performance goal attainment.
 - vii. Provide technical assistance as needed.
 - viii. Close out completed grants.
- b) Report on NVTC's FFY 2021-2023 Overall DBE Goal attainment in accordance with 2 CFR 26.45.
- c) Prepare and submit NVTC's FFY 2023-2026 Title VI Program to FTA, which is required once every three years.
- d) Administer and ensure NVTC's compliance with Title VI and DBE Programs and provide technical assistance to subrecipients as needed.
- e) Ensure NVTC and subrecipients comply with all relevant FTA regulations and guidelines in numerous areas such as legal, financial management, technical capacity, continuing control, maintenance, procurement, civil rights and National Transit Database.
- f) Attend workshops and webinars presented by FTA to maintain awareness of changes in federal requirements and processes.
- g) Submit annual certifications and assurances to the FTA and maintain subrecipient's signed annual certifications and assurances on file.

Deliverables: DRPT grant applications and grant agreements for local and WMATA assistance; Commuter Choice program reimbursements; annual updates to SAM formula; Trust Fund revenue projections and reporting; annual audited financial statements including reporting by funds; submit NVTC's FFY 2023-2026 Title VI program to FTA

Internal Coordination: Commuter Choice, Transit Resource Center, Transit Technology, NVTC's VRE support, NVTC's WMATA program, Legislative and Policy Efforts, Commission Management and Internal Operations

D. Communications and Engagement

Improve the public's understanding and appreciation of transit's role in Northern Virginia and the Commonwealth and increase participation in transit-related decision-making.

1) Partnerships

- a) Identify opportunities to host or participate in transit-related events with Northern Virginia's chambers of commerce and other business representatives.
- b) Identify and apply for grants, in partnership with local jurisdictions and transit agencies, to support a multi-faceted marketing campaign designed to increase bus and rail ridership in Northern Virginia.
- c) Identify opportunities to host one or more transit tours of Northern Virginia for state legislators.
- d) Partner with government agencies, business groups and national, state and local associations to promote transit through educational programs, complementary messaging and attendance at conferences, seminars and workshops.
- e) Partner with WMATA, VRE and local transit agencies to promote advances in fare collection and innovative transit technology initiatives.
- f) Leverage network of jurisdictional and agency public information officers to facilitate the sharing of information, work on projects of mutual benefit and leverage resources.
- g) Serve on the Virginia Transit Association's (VTA) annual awards and conference planning committees.

2) Internal and External Relations

- a) Serve as the point of contact for the news media, interest groups, U.S. Congress and Virginia General Assembly and public for transit issues in Northern Virginia.
 - i. Keep the news media, interest groups and local jurisdictions apprised of Commission meetings and hearings, actions, analyses, research, reports and events.
 - ii. Share transit-related information from external sources - print/broadcast media, online publications and bloggers, transit agencies and state/local governments - with Commissioners, MAC, agency public information officers, transit advocacy groups, staff and through social media channels.

- iii. Participate and speak at chamber of commerce events, homeowner association meetings and jurisdictional governing-body and committee meetings as requested.
 - b) Develop and distribute information and resources necessary for Commissioners to fulfill their responsibilities, including the annual member manual, NVTC website, e-newsletters and monthly Executive Director reports.
 - c) Develop and distribute written and visual communications, such as project fact sheets, issue briefs, web content, frequently asked questions, news releases and targeted e-mail communications on transit-related topics, as well as testimony for Commissioners and NVTC senior leadership.
 - d) Provide experts for news media interviews on regional transportation and transit topics and conduct media training to support leadership and staff.
- 3) Commuter Choice Outreach and Marketing
- a) Plan and implement public meetings and public input process.
 - b) Plan and implement groundbreaking events in collaboration with local jurisdictions and transit providers.
 - c) Promote the Commuter Choice program and events through NVTC's social media and other venues.
 - d) Support ongoing updates and maintenance of the Commuter Choice sections of NVTC's website to provide both programmatic information as well as marketing resources for grantees, stakeholders, etc.

Deliverables: Public outreach report for I-66 Round Five and I-395/95 Round Three Programs of Projects; Content development for Commuter Choice Marketing website

- 4) Online Communication
- a) Maximize NVTC's online presence to further its mission.
 - a. Build NVTC's website as a research and information resource.
 - b. Expand NVTC's social media presence to drive traffic to novatransit.org and program pages; raise NVTC's profile and promote discussion of regional transit issues.
 - c. Maintain up-to-date project information on the website to inform the public and Commissioners on the latest project news.
 - d. Use online analytics and surveys to monitor the effectiveness of online communication and outreach efforts.
 - e. Develop new content, such as podcasts and videos, to enhance NVTC's reputation as the primary source of transit-related information in Northern Virginia and improve the public's understanding of both transit and NVTC's role in the region.
- 5) Public Outreach
- a) Develop and implement communications plans and budgets for transit studies and multimodal grant programs.

- a. Publicize and solicit public comment through multiple channels, such as meetings and hearings, advertising, pop-up events, online crowdsourcing, email, mail and telephone.
- b. Plan and promote public meetings and hearings in consultation with local jurisdictions, transportation agencies and transit providers.
- c. Design and create materials, such as flyers, handouts, infographics, email blasts, display boards, PowerPoint presentations and videos.
- b) Plan and implement activities that engage the public and promote NVTC programs and initiatives.
- c) Participate in and support the annual public meeting for Northern Virginia transportation organizations, as required by HB1285 (2018).
- d) Support and coordinate with Commuter Choice program outreach and marketing efforts.
- e) If awarded, implement FY 2022 DRPT grant for COVID-rebound marketing effort to return riders to transit (pending grant approval); analyze results to gain insights for potential future campaigns.
- f) Identify and apply for FY 2023 DRPT grant to support post-Yellow Line bridge marketing campaign (pending Commission approval).
- g) Update and streamline NVTC website to ensure user friendliness and adherence to usability standards.
- h) Unify NVTC outreach materials to ensure consistent branding and messaging across all platforms.
- i) Expand in-person outreach efforts through networking and attendance at public events.

Deliverables: Daily headlines email; Weekly updates for Commissioners and jurisdictional staff; Monthly newsletter; Annual organizational report; News releases and media relations; Website and social media posts; marketing campaign(s) scope and budget; Presentations and handouts

Internal Coordination: NVTC Programs, Legislative and Policy Efforts, Financial Analysis and Management and Internal Operations

E. Legislative and Policy Efforts

Legislative and Policy Committee Support

Per the Commission's By-Laws, the Legislative and Policy Committee is responsible for the development of the annual legislative and policy agenda and serves as a venue for discussion of legislative and policy matters that directly affect NVTC programs, the NVTC region, and transit in Northern Virginia. The committee is typically convened regularly between October and March.

NVTC staff is responsible for the development and distribution of committee materials, meeting logistics (in coordination with the Commission Secretary), and all other responsibilities to support the needs of the committee.

Development of Legislative and Policy Agenda

Devise, coordinate and implement legislative and policy strategies based on sound policy analysis in coordination with legislative staff from relevant jurisdictions, agencies and partner organizations.

1) State and Federal Legislative Policy Agenda

- a) Assist NVTC's Legislative and Policy Committee with adopting a state and federal legislative and policy agenda to guide NVTC's legislative support in the coming year.
- b) Develop strategies to effectively implement NVTC's annual legislative and policy agenda in collaboration with NVTC jurisdictions' legislative liaisons and the Virginia Transit Association (VTA).
- c) Work with delegations in Richmond and Washington D.C. as needed to promote NVTC's approved agenda. Focus should include, but not be limited to long term, sustainable transit capital funding and maintenance of existing NVTC programs and authorities.
- d) Identify transit issues that require policy decisions. Assemble data and perform policy analyses to facilitate those decisions (e.g. fare integration, development of new technology, service expansion, customer safety, system security and the business case for and value of public transit).
- e) Conduct an annual joint NVTC and PRTC legislative briefing.
- f) Develop messaging and a plan to educate the public about the need for transit funding in Virginia as well as the benefits of public transit throughout the Commonwealth.

2) Virginia General Assembly Session

- a) Prepare and support NVTC legislative and policy efforts before and during the General Assembly.
- b) Reach out to legislators to garner support for NVTC's legislative agenda and educate them about the benefits of public transportation, including identifying opportunities for tours of Northern Virginia transit investments (as noted in D.1.c above).
- c) Conduct NVTC's February meeting at the General Assembly in Richmond, pending an in-person General Assembly has resumed.
- d) Use an online legislative monitoring service and share access with member jurisdictions.
- e) Provide legislative alerts to Commissioners and local staff during the General Assembly Session.

3) Commonwealth Transportation Board

- a) If requested by the Commission, prepare written statements and deliver testimony at the CTB's semi-annual hearings on transit funding priorities and other hearings as appropriate.
- b) Advocate for NVTC's policies, including balanced transportation and stable and reliable funding.
- c) Support DRPT's Transit Service Delivery Advisory Committee (TSDAC) by following the Commonwealth transit funding reform process, facilitating discussions by jurisdictional staff and relaying feedbacks of transit agencies to TSDAC discussions.

4) Transit Industry Groups and Trade Associations

- a) Participate in analysis and dialogs on local, state and national transit issues with state and national transit industry associations and other bodies.
- b) Virginia Transit Association (VTA)
 - i. Contribute to VTA's state legislative strategy for the transit industry and strengthen VTA's response to Northern Virginia's concerns.
 - ii. Provide technical and communications support regarding the economic benefits of transit.
 - iii. Co-chair VTA events and encourage NVTC Commissioners to serve as VTA officers.
 - iv. Serve as VTA's member of the Transit Service Delivery Advisory Committee (TSDAC), providing technical guidance on performance-based funding for transit capital and operations.
 - v. Serve on VTA's awards and conference planning committees.
- c) American Public Transportation Association (APTA)
 - i. Provide technical assistance and feedback to APTA on federal transit program implementation issues.
 - ii. Participate in defining and implementing a federal legislative strategy as part of a broad, nationwide pro-transit coalition.
- d) Provide technical assistance and policy analysis support to state and national boards and committees, including, but not limited to:
 - i. DRPT's Transit Service Delivery Advisory Committee (TSDAC)
 - ii. VTA Executive Committee
 - iii. The General Assembly's Joint Committee on Transportation Accountability
 - iv. APTA Legislative Committee
 - v. APTA Policy and Planning Committee
 - vi. APTA Public Private Partnership Committee
 - vii. APTA Commuter Rail Committee
 - viii. Transit Cooperative Research Program (TCRP) Dissemination and Implementation of Research Findings Project Panel

Deliverables: Joint NVTC/PRTC Legislative Briefing; policy briefs and supporting information to support legislative priorities; legislative tracking reports

Internal Coordination: NVTC Programs, Communications and Engagement, Financial Analysis and Management, Commission Management and Internal Operations

F. Commission Management

Provide staff support and execute duties to ensure the smooth running of day-to-day operations of the Commission.

- 1) Develop and distribute information and resources necessary for Commissioners to fulfill their responsibilities, including the annual member manual, NVTC website, e-newsletters and monthly Executive Director reports.
- 2) Prepare materials for monthly Commission meetings. Coordinate with external speakers to present to the Commission when appropriate.
- 3) Schedule, oversee and record minutes of Commission meetings, as well as other NVTC events.
- 4) Provide accurate and timely responses to Commissioners, jurisdictional staff and the public.
- 5) Support NVTC's committees, through the development of agendas, meeting summaries and handouts.
- 6) Ensure the issuance of per diem payments for Commissioners.
- 7) Verify Commissioner compliance with state regulations regarding economic and financial disclosure statements.
- 8) Conduct new Commissioner orientations.
- 9) Maintain archival Commission materials and provide access to archival documentation when requested.
- 10) Respond to Freedom of Information Act (FOIA) requests.

Deliverables: Annual Commission Meeting Schedule; Monthly Commission kit

Internal Coordination: NVTC Programs, Financial Analysis and Management, Communications and Engagement, Legislative and Policy Efforts and Internal Operations

G. Internal Operations

Strengthen NVTC as an organization through improvements of internal policies to ensure a rewarding and equitable work environment.

1) Human Resources and Administration

- a) Develop the annual NVTC general and administrative (G&A) budget, in coordination with jurisdictional staff, for consideration by the Commission in the fall.
- b) Continue to leverage human resources support assistance to enhance and support human resource functions.
- c) Continue NVTC Transit Fellows Program to attract talent to supplement NVTC staff on specific projects.
- d) Develop and implement a professional development plan for staff, including appropriate training.
- e) Develop and implement a staff earning structure and align job descriptions and benefits, such as health and retirement, with NVTC's jurisdictions.
- f) Administer employee benefit programs, including retirement plan, 457 plan, group health insurance, group life insurance, disability insurance, flex benefit plan, bike share and Zip Car.

2) Telework and Office Space

- a) Provide technical support to staff to enable telework and other remote work activities.
- b) Resolve issues related to the office space (lease, maintenance, facilities, etc.).

3) Information Technology

- 1) Provide ongoing staff support, troubleshooting for all office software and hardware.
- 2) Provide ongoing information technology improvements to ensure a productive and secure working environment for staff, virtually and in the office.
- 3) Research, order or work with contractors to obtain staff equipment as requested.
- 4) Set up all new IT equipment for current or additional staff.

Deliverables: NVTC General and Administrative Budget; NVTC Work Plan

Internal Coordination: NVTC Programs, Communications and Engagement, Financial Analysis and Management; Commission Management

TO: Chair Cristol and NVTC Commissioners
FROM: Kate Mattice, Andrew D’huyvetter and Ronnetta Zack-Williams
DATE: November 24, 2021
SUBJECT: Washington Metropolitan Area Transportation Authority (WMATA)

Blue Line Derailment

On October 12 a 7000-series Blue Line train derailed between the Arlington Cemetery and Rosslyn Stations. On October 13 WMATA, the National Transportation Safety Board (NSTB), Federal Transit Administration (FTA) and Washington Metrorail Safety Commission (WMSC) launched an investigation into the derailment. The wheel assembly on the 7000-series railcar is suspected to be a factor in the derailment. On October 17 the [WMSC ordered WMATA](#) to remove the 7000-series railcars from service, develop a plan to assess the cause and provide for the detection and prevention of wheel gauge anomalies in 7000-series railcars, and implement a plan that provides for the safe return to revenue service of each 7000-series railcar. The reduction in the active railcar fleet caused WMATA to run reduced service. A full inspection of the 7000-series rail car fleet has been completed and WMATA along with the WMSC and Kawasaki, the 7000-series manufacturer, are working on a test plan to safely return these cars to passenger service. On November 4 WMATA began this process by submitting a [formal letter presenting a test plan to the WMSC](#). The WMSC had no technical objections to the revised test plan and WMATA began a road test of two 7000-series trains in simulated service. WMATA has created a [web page on the derailment investigation and related service impacts](#).

At the December meeting the Commission will receive reports from the Virginia WMATA Board members and the chair of the NVTC WMATA Committee. The Commission will be asked to authorize the executive director to send the NVTC 2021 the Report on the Performance and Condition of WMATA to the governor and the General Assembly.

A. WMATA COVID-19 Response

On March 13, 2020 WMATA implemented Phase 3 of its Pandemic Flu Plan, which is the highest level of response and includes all subsequent mitigation steps required during a public health emergency. WMATA expects to be at Phase 3 until further notice and has developed a [website](#) for customers to stay up to date with the latest information. The passage of three federal relief bills provided WMATA with the funding to address immediate needs related to the pandemic, providing necessary funding to avoid layoffs and service cuts, increase employee and rider protections, and maintain transit service. These funds have also enabled WMATA to support longer term relief and recovery.

As part of the region’s recovery, the WMATA Board approved several changes to bus and rail service to attract riders in 2021 which were implemented in early September. WMATA expanded frequent all-day service on weekdays and weekends on rail and improve late night service and hours. On Metrobus, WMATA is now operating 20 bus lines every 12 minutes or better and 16 bus lines every 20 minutes or better, seven days a week. The WMATA Board is anticipated to begin to discuss potential changes to fares and service in the fall as part of the FY 2023 Budget process.

B. Report from the Virginia WMATA Board Members

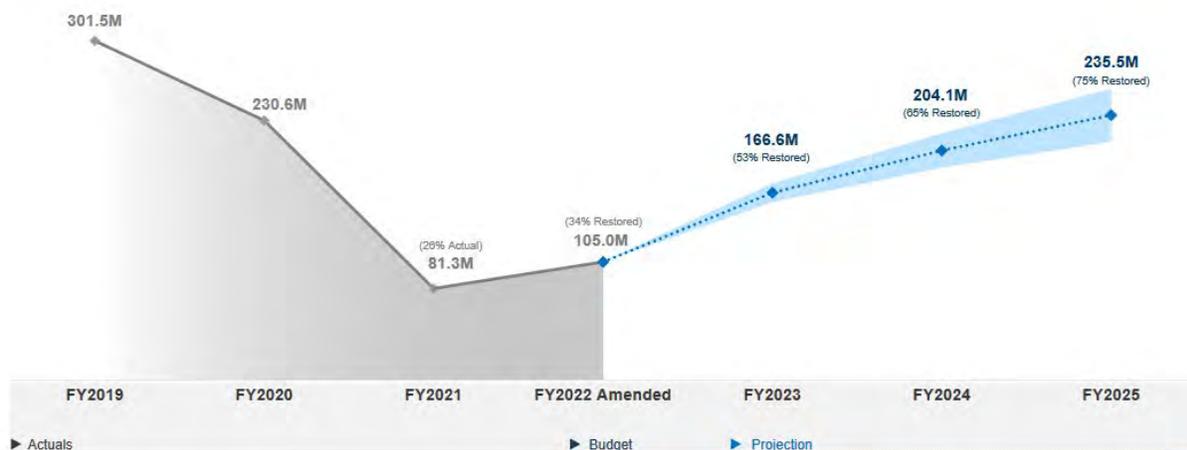
▪ General Manager/CEO’s Proposed FY 2023 Operating and Capital Budget and FY 2023-2028 Capital Improvement Program

On November 4, 2021 WMATA staff presented the General Manager and Chief Executive Officer's Proposed FY2023 Operating and Capital Budgets and the FY2023-2028 Capital Improvement Program (CIP) to the Finance and Capital Committee. The key objectives of the Proposed FY2023 Operating Budget include:

- Improving Metrobus and Metrorail services and practices to enhance service equity and promoting broader transit access across the region.
- Continuing to simplify and discount fare options to make it easier and convenient for customers to use Metro.
- Reducing costs with additional management actions across Metro.

The Proposed FY 2023 Budget reflects the ongoing impacts of COVID-19 and projects a gradual recovery of 53% of pre-pandemic ridership or 166.6 million trips (see Figure 1).

Figure 1: WMATA’s Projected Ridership Recovery



Source: WMATA November 4 Finance and Capital Committee Meeting

Based on this projection, the expected operating revenue is \$374.6 million or 45% of pre-pandemic revenue. The Proposed FY 2023 Budget will continue to maintain the level of bus and rail service which is currently budgeted for (Figure 2) and prioritizes safe, reliable, and equitable transit service.

Figure 2: Gradual Ridership Rebound Brings Back More Riders in FY2023



Source: WMATA November 4 Finance and Capital Committee Meeting

Passenger Revenue & Non-Passenger Revenue

Among the projected passenger trips, WMATA estimates Metrorail ridership to reach 86 million, Metrobus ridership to reach 79 million, and MetroAccess ridership to reach 1 million. Previous trends have shown that ridership on Metrorail exceeded those on Metrobus, however, this shifted during the pandemic with Metrobus ridership exceeding Metrorail. With a higher average fare for Metrorail than Metrobus, the Proposed FY 2023 Budget anticipates ridership increases on Metrorail would have a significant impact on total passenger revenue. WMATA anticipates total passenger revenue to recover to \$293.1 million, which is an increase of \$133.6 million from FY 2022 and \$384.7 million below pre-pandemic levels.

Non-passenger revenues include parking, advertising, joint development, fiber optics and other non-transit revenues. In FY 2023, non-passenger revenues are estimated at \$81.5 million, which is 13.1 million higher than FY 2022. However, this estimate is \$64.5 million below pre-pandemic levels.

Operating Expenses

In FY 2023 the total operating expense is projected to be \$2.3 billion. This projected expense is an increase of \$182 million from FY 2022 and estimated at \$212.2 million more from pre-pandemic levels. Operating expenses are largely the result of service and personnel costs and account for 68% of total expenses in FY 2023 or \$1,545.4 million. Specific expenses include Silver Line Phase 2 service launch, the addition of the Potomac Yard Station, union contract agreements/non-represented employee pay performance, general CPI/inflation, additional support costs, and additional positions for Safety and Environmental Management and operations to coordinate with WMSC. Additionally, \$20 million will be allocated towards transit

equity initiatives to promote broader transit access across the region. WMATA is expected to realize management savings from cost-cutting initiatives totaling \$5 million in FY 2023.

The \$2.3 billion projected operating expense results in an operating deficit of \$1.91 billion. This requires \$1.19 billion, excluding debt service, in subsidy from the funding jurisdictions and \$715.8 million in federal relief (see Figure 3). The FY 2023 subsidy adheres to the legislatively mandated 3% growth gap with an FY 2023 capped subsidy of \$1,142.9 million. The total jurisdictional subsidy increases by \$49 million due to the proposed legislative exclusions for the Juneteenth Holiday, safety mandates from the Washington Metrorail Safety Commission, Silver Line Phase 2 launch, and the opening of the Potomac Yard Station.

Proposed Fare Changes

WMATA has proposed several permanent and temporary fare changes to encourage ridership. Proposed permanent changes include:

- Discounting the cost of monthly passes. This would reduce the price range from \$72 to \$216 to \$64 to \$192 depending on distance selected.
- Reducing the price of Metrorail to a flat \$2 rate after 9:30 p.m.

Proposed temporary changes for a six-month promotional period include:

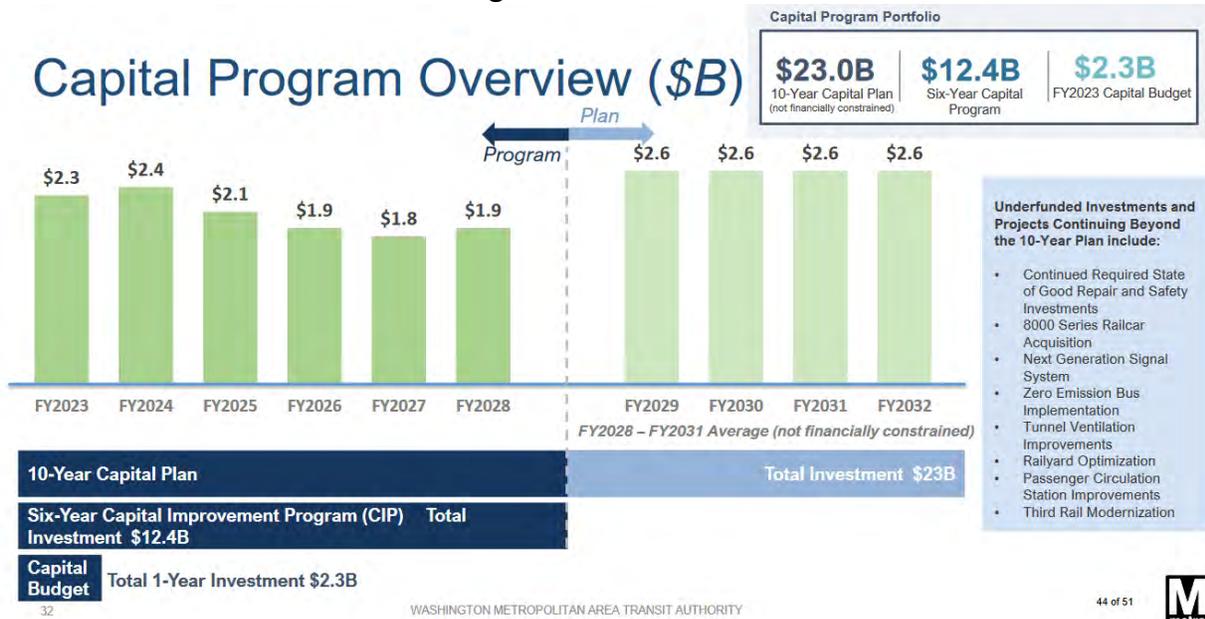
- Discounting the price of the 7-day unlimited pass from \$58 to \$29.
- Providing an “add value bonus” which would reward customers who add funds to their SmarTrip card. For every \$25 placed on a SmarTrip card, an additional \$5 would be added to the card.

All of the proposed fare changes would reduce revenue by an estimated \$10.9 million which would be offset with federal aid.

Capital Program Overview

WMATA’s proposed CIP would continue to invest in safety, state of good repair and reliability programs. The proposed FY 2023 Capital Budget is \$2.3 billion, and the Proposed FY 2023-2028 CIP is \$12.4 billion (see Figure 3). The CIP invests in six categories including railcar and railcar facilities, rail systems, track and structure rehabilitation, bus/bus facilities and paratransit, stations and passenger facilities, and operations and business support (see Figure 4 for financial breakdown and funding sources).

Figure 3: CIP Overview



Source: WMATA November 4 Finance and Capital Committee Meeting

Figure 4: Capital Investment Categories & Funding Sources

Financial Plan by Investment Category				Capital Program Funding Sources		
Capital Investment Categories (\$M)	FY2023 Budget	FY2024 – FY2028 Plan*	Six-Year Total	Funding Sources (\$M)	FY2023 Proposed Budget	FY2023-FY2028 Plan
Railcars and Railcar Facilities	\$303	\$2,129	\$2,432	Federal Grants		
Rail Systems	\$203	\$1,448	\$1,651	Formula and Other Grants	\$343	\$2,149
Track and Structure Rehabilitation	\$459	\$1,299	\$1,758	PRIIA	\$149	\$149
Stations and Passenger Facilities	\$525	\$2,170	\$2,694	Subtotal Federal Grants	\$491	\$2,298
Bus, Bus Facilities, and Paratransit	\$441	\$1,819	\$2,260	State and Local Contribution		
Operations and Business Support	\$380	\$1,249	\$1,629	District of Columbia	\$331	\$2,018
Total Capital Investments	\$2,311	\$10,113	\$12,425	State of Maryland	\$313	\$1,924
Revenue Loss from Capital Projects	\$12	\$50	\$62	Commonwealth of Virginia	\$290	\$1,793
Debt Service - Dedicated Funding	\$101	\$1,424	\$1,525	Subtotal State and Local	\$934	\$5,735
Total Capital Program Cost	\$2,425	\$11,587	\$14,012	Jurisdiction Reimbursable Projects	\$40	\$96
				Metropolitan Washington Airports Authority	\$10	\$42
				Debt and Other Fund Sources	\$949	\$5,840
				Grand Total	\$2,425	\$14,012

*FY2024-FY2028 Plan capital investment category allocation subject to change as project costs and schedules are refined.

Note: Does not assume reauthorization of Federal Passenger Rail Investment and Improvement Act of 2008 (PRIIA)

Source: WMATA November 4 Finance and Capital Committee Meeting

Important projects moving forward include but are not limited to the Alexandria Yard Automatic Train Control (ATC) replacement, Rockville canopy replacement, Dupont Circle north entrance canopy, and replacement of six drainage pumping stations. Additionally, capital projects to address previously unmet or underfunded needs include but are not limited to the Yellow Line tunnel and bridge rehabilitation project, tunnel ventilation pilot, Bladensburg and Northern Bus Garage Facility, the Heavy Repair and Overhaul Facility, and the acquisition of 8000-series railcars. The state of good repair backlog has gone down from \$7.1 billion in FY 2016 to about \$5 billion in FY 2018. WMATA projects the backlog to go down to \$3.2 billion by FY 2028 and about \$1.2 billion by FY 2032 assuming that continued investments in projects and programs prevent additions to the backlog.

Operating Budget and Capital Program Risks/Consideration

The operating budget risks involve the ambiguity of revenue and funding. COVID-19 variants and long-term vaccine effectiveness, in-person vs. remote work trends in the region, Silver Line Phase 2 acceptance and readiness, potential federal shutdowns, and changes to federal funding all pose uncertainty. In terms of expenses, ambiguity exists around the potential for high inflation as well as growing maintenance and operating costs associated with completed capital projects.

The capital program faces the risk of additional labor costs associated with COVID compliance for personal health and safety as well as supply chain interruptions, inflation, and market escalations. Furthermore, risks to capital funding include federal funding uncertainty and the long-term dedicated funding debt capacity. Continuation of state of good repair projects to sustain reliability and prevent future backlogs requires ongoing funding at an order of magnitude of \$1.5 billion on average per year.

Unfunded needs include, but are not limited to, Zero-Emission Bus implementation; the Next Generation Signal System; Blue/Orange/Silver Line capacity and reliability improvements; and railcar fleet and facility improvements for future rail system capacity and frequency improvements.

FY 2024 Budget Outlook

Based on preliminary estimates, FY 2024 projected ridership will reach 204.1 million or 65% of pre-pandemic levels with passenger revenue of \$377.5 million. Non-passenger revenue is expected to grow by \$87.8 million, which would bring the total projected operating revenue to \$465.3 million. Furthermore, the jurisdictional subsidy is expected to total \$1,227.7 million and remaining federal relief funding of \$151.3 million will be exhausted (see Figure 5), leaving the FY 2024 Operating Budget with a \$519.3 million funding gap.

Figure 5: Federal Relief Funding

<i>\$ in Millions</i>	FUNDING	FY2020 Actual	FY2021 Actual	FY2022 Budget	FY2023 Proposed	FY2024 Plan	BALANCE
CARES	\$767.7	\$221.0	\$546.7	\$0.0	\$0.0	\$0.0	\$0.0
CRSSAA	\$625.1	\$0.0	\$53.9	\$571.2	\$0.0	\$0.0	\$0.0
ARPA	\$1,058.5	\$0.0	\$0.0	\$191.4	\$715.8	\$151.3	\$0.0
Total	\$2,451.2	\$221.0	\$600.5	\$762.6	\$715.8	\$151.3	\$0.0

Note: Reflects net amounts to WMATA and excludes jurisdictional credits in FY2021 and FY2022

[Source: WMATA November 4 Finance and Capital Committee Meeting](#)

▪ Bus Transformation Project Update

On November 18 the WMATA Executive Committee received an [update on the Bus Transformation Project](#). In September 2018 WMATA launched the Bus Transformation Project with the goal to create a collaborative action plan for the future of bus in the region. The Bus Transformation Project identified four strategies (the first three of which were endorsed by the WMATA Board):

1. **Frequent and Convenient Bus Service:** Provide frequent and convenient bus service that connects communities and promotes housing affordability, regional equity and economic growth;
2. **Bus Priority on Roadways:** Give buses priority on roadways to move people quickly and reliably;
3. **Customer Experience:** Create an excellent customer experience to retain and increase ridership; and
4. **Task Force to Implement the Strategy:** Empower a publicly appointed Task Force to transform bus and lead the implementation of a truly integrated regional system.

The WMATA Board identified 10 action items as priorities, and three of them have been implemented: updating Metrobus Service Guidelines, free transfers between bus and rail, and mobile payment. WMATA staff have established a Bus Priority program and are working with jurisdictional staff to implement bus lanes, transit signal priority, queue jumps, and violation and detection and enforcement policies. Work is advancing on other Board identified priorities:

- WMATA established and launched a Zero-Emission Vehicles program and the WMATA Board adopted a zero-emission fleet goal.
- WMATA staff have coordinated with jurisdictional staff on the scope of a bus network redesign effort which will include revising the Metrobus service definitions and funding allocation formulae.
- WMATA debuted a high-frequency bus map to accompany the Metrobus Frequent Service Network which launched in September 2021.
- The WMATA Board approved including local transit providers in WMATA's combination Metrorail and Metrobus passes and are working on implementing it through a revenue sharing agreement with partnering agencies.
- The District of Columbia has resumed work towards its low-income fare pilot with WMATA.

▪ Silver Line Phase 2 Update

On November 18 the Safety and Operations Committee received an [update on the Silver Line Phase 2](#). WMATA continues to review outstanding issues with the Silver Line Phase 2 project and only one issue remains unresolved (malfunctioning uninterruptable power supply fans in the rail yard) while six issues are currently being remediated. Discussions are continuing with the Metropolitan Washington Airports Authority (MWAA) on the funding of future maintenance/replacement costs on issues where accepting "as is" or remediation is not fully compliant with the approved design specifications/performance requirements. MWAA

announced that Substantial Completion had been achieved on Package A (mainline and stations) on October 25, 2021. Substantial completion is a contractual milestone between MWA and their contractors. Substantial completion on package B (the rail yard) is expected shortly. WMATA determines when all the conditions necessary for WMATA acceptance have been satisfied and will establish a revenue service date after all identified deficiencies have been resolved to meet acceptance standards.

- Emergency Preparedness Path Forward

On November 18 the Safety and Operations Committee received and [update on Emergency Preparedness](#). WMATA's Office of Emergency Management (OEM) was originally established in 2008. OEM conducts emergency planning and exercises, forges partnerships with jurisdictional fire and law enforcement agencies, and has a training facility at the Carmen Turner Facility. The latest revision to the Agency Safety Plan (approved by the Board in October) includes the strategy for integrating Emergency Preparedness as part of developing and implementing an industry-leading Safety Management System. To capitalize on these opportunities, the General Manager transitioned OEM from the Metro Transit Police Department to Safety and Environmental Management.

- FY 2022 Subsidy Allocation

On November 18 the WMATA Board is anticipated to take action to [restore the original FY 2022 subsidy allocation](#) originally approved in April 2021.

C. Report from the Chair of the NVTC WMATA Committee

- **ACTION ITEM: Authorize the Executive Director to Send NVTC's 2021 Report on the Performance and Condition of WMATA to the Governor and the General Assembly**

At the December meeting NVTC WMATA Committee Chair Canek Aguirre will give an update on committee activities, including the next scheduled meeting on December 16, 2021 at 6:00 p.m. to review WMATA's Proposed FY 2023 Budget. The Commission will also be asked to authorize the executive director to send the [2021 Report on the Performance and Condition of WMATA](#) to the Governor and the General Assembly in advance of the December 15, 2021 due date. The complete report is provided as an attachment.

The Commission received a presentation on the 2021 report at the November meeting, and at its October meeting the NVTC WMATA Committee reviewed the draft strategies to reduce the growth in costs and improve efficiencies at WMATA. In response to Commissioner comments, NVTC staff updated the report to include reference to the October 12 Blue Line derailment in the strategies chapter and will work with Chair Cristol on referencing the derailment in the report's cover letter.

This year's report continues and updates NVTC recommendations around key priorities to improve efficiency and reduce costs, and these recommendations are even more important as WMATA and the region recover from the pandemic. In the 2021 report, NVTC continues to press

WMATA to encourage riders to return to the system, align service to demand, and work closely with our Northern Virginia transit operators to improve the efficiency of the bus transit network, all through the lens of the COVID-19 pandemic and the systemic challenges that will linger in the years ahead.

Key recommendations to WMATA from the 2021 report include:

- **Leverage federal coronavirus relief aid** to prevent layoffs, sustain and improve service levels throughout a multi-year recovery period, and position WMATA for a sustainable long-term ridership and revenue recovery.
- **Communicate and encourage a safe return to transit** by highlighting and promoting enhanced safety efforts during the COVID-19 pandemic and developing a long-term, post-pandemic marketing and communications strategy to rebuild ridership.
- **Implement fare and parking policy changes** that improve revenue and ridership, remove barriers to access and retain newly returning riders.
- **Adapt rail service to anticipate demand** during the COVID-19 pandemic and the region's subsequent recovery period while maintaining an equitable, baseline level of service across all Metrorail lines.
- **Continue focus on ongoing initiatives to reduce the growth in operating costs and improve operational efficiencies** using NVTC's previously recommended strategies in past annual reports on the performance and condition of WMATA.

The report also provides WMATA's FY 2021 expenditures by CIP program area of the Virginia's \$154 million in annual dedicated capital funding. The report also includes chapters on WMATA financial performance, safety, reliability and ridership that were not available at the November Commission meeting.



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Executive Summary

In its *2021 Report on the Performance and Condition of the Washington Metropolitan Area Transit Authority (WMATA)*, the Northern Virginia Transportation Commission (NVTC) recommends 18 strategies for WMATA to reduce the growth in operating costs and to improve the efficiency of operations. Each of these strategies are framed through the lens of the COVID-19 pandemic, with an understanding that altered travel patterns that will likely linger in the years ahead. The report also presents annual performance, safety, reliability, and financial performance data for fiscal year 2021 and calendar year 2020, both of which were impacted by the COVID-19 pandemic.

NVTC’s Strategies for WMATA to Reduce Costs and Become More Efficient

NVTC’s 2021 Annual Report includes 18 recommended strategies for WMATA to become more financially sustainable and a more effective transit system and mobility provider, the most important of which is to rebuild ridership.

Highlights of NVTC’s 2021 recommendations to WMATA:



- **Leverage federal coronavirus relief aid** to prevent layoffs, sustain and improve service levels throughout a multi-year recovery period, and position WMATA for a sustainable long-term ridership and revenue recovery.



- **Communicate and encourage a safe return to transit** by highlighting and promoting enhanced safety efforts during the COVID-19 pandemic and developing a long-term, post-pandemic marketing and communications strategy to rebuild ridership.



- **Implement fare and parking policy changes** that improve revenue and ridership, remove barriers to access and retain newly returning riders

- **Adapt rail service to anticipate demand** during the COVID-19 pandemic and the region’s subsequent recovery period while maintaining an equitable, baseline level of service across all Metrorail lines.

- **Continue focus on ongoing initiatives to reduce the growth in operating costs and improve operational efficiencies** using NVTC’s previously recommended strategies in past annual reports on the performance and condition of WMATA.

Major Capital Accomplishments

WMATA's FY 2021 Capital program was the largest in WMATA history. Dedicated capital funding has allowed WMATA to continue its aggressive ramp up and delivery of capital projects to address long overdue state of good repair needs.

- Platform rehabilitation program nearly complete.** The four-year project to rebuild 20 outdoor Metrorail station platforms is nearly complete. Major construction work at Arlington Cemetery and Addison Road stations concluded in the summer with 17 stations completed in total by the fall of 2021.
- Metrorail and Metrobus fleet reliability were at an all-time high.** Due to state of good repair program and in part due to the pandemic, Metrorail and Metrobus both saw the highest fleet reliability performance in FY 2021.
- Mobile App and new fare technology introduced across the system.** In FY 2021, WMATA expanded its mobile app to include Android and started installing new faregates at rail stations.
- Cellular data service available in all Metrorail tunnels.** By installing fiber and upgrading radio communications throughout the rail system, WMATA made cellular and data service available for riders in all 100 miles of Metrorail tunnel track.
- Track rehabilitation work yields dividends.** Using planned shutdowns and other forms of track availability, WMATA rehabilitated and maintained track structural components, replaced third-rail insulators, and cleaned track beds, resulting in a steep reduction in the number of fires.



An uncertain post-pandemic recovery will exhaust federal aid

Prior to the COVID-19 pandemic, WMATA implemented several of NVTC's past recommendations and had seen promising signs that improvements in system reliability were rebuilding customer confidence and that rail and bus ridership were not just stable but growing. Changing travel patterns and increased telework suggest that WMATA's ridership recovery from the pandemic will be gradual and take many years.

While federal aid is expected to sustain operations thru FY 2023, it will be exhausted by FY 2024. With only a partial ridership recovery predicted at that time, WMATA anticipates an operating budget gap of over \$500 million in the FY 2024 budget year. NVTC will continue to work with our local, Commonwealth and federal partners to support WMATA as it evolves to meet the Northern Virginia transit needs of a post-pandemic transit world.

Introduction

On March 11, 2020 the World Health Organization declared the COVID-19 virus a universal pandemic, setting in motion a series of actions at all levels of government that have impacted transit systems and riders in a way not experienced in generations. The executive actions imposed in the Commonwealth of Virginia, the State of Maryland and the District of Columbia – such as stay-at-home orders, mandatory business closures, social distancing requirements and office closures – resulted in a precipitous drop-off in both transit demand and ridership. Ridership for Northern Virginia’s two rail systems – WMATA and Virginia Railway Express (VRE) – declined as much as 95% within weeks of the first orders. Metrobus and the six local transit providers across Northern Virginia, which complement the heavy rail systems, also saw significant drops in ridership.

With the sudden and significant loss of fare revenue, the additional and unplanned expenses to ensure the safety and cleanliness of transit and the abrupt loss of revenue to local jurisdictions that support transit in Northern Virginia, transit systems face significant financial shortfalls that will likely last for years. Thanks to Congress’ passage of the Coronavirus Aid, Relief and Economic Security (CARES) Act in March 2020, the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) in December 2020 and the American Rescue Plan Act (ARPA) in March 2021, WMATA and other transit agencies received funding to maintain operations and offset revenue losses associated with the loss of ridership during the pandemic. This relief funding is anticipated to last through the FY 2022 and FY 2023 budgets, providing WMATA with the ability to maintain employees and services while positioning itself for recovery.

As safe and effective vaccines became widely available to the public in 2021, vaccination rates increased and the region moved into a recovery period. As restrictions lifted and businesses planned for a greater return of employees to the office, WMATA implemented service and fare improvements to attract and retain riders. With the rise of the COVID-19 delta variant, however, return to office plans have been postponed and WMATA has not seen the ridership recovery it previously anticipated. Uncertainty remains as WMATA and other transit agencies look toward to the future and how to maintain operations after federal aid is exhausted. Due to increasing telework and still evolving travel patterns, the impact of the COVID-19 pandemic will be felt in the transit industry for several years to come. NVTC will continue to work with WMATA, as well as local transit operators and VRE, to safely get riders back on transit.

Safety, Reliability, Financial and Ridership Performance Data

A large portion of this report is dedicated to tracking the key safety, reliability, financial and ridership metrics shown in chapters 3-5. Data included in the report (Table 1) come from the National Transit Database (NTD) and WMATA Metro Performance Reports (MPR). Some data points have a lag of 12 to 18 months, meaning that for this report all current data sources will cover some time period that reflects the impacts of the COVID-19 pandemic, with some data sources covering more than others. The pandemic has impacted each metric in different ways which will be further discussed in chapters 3-5.

Table 1: Data Sources and Years Presented in this Report

Report Category	Latest Year for which Data is Publicly Available	Data Source
Safety	Calendar Year 2020 <i>(January 1, 2020 to December 30, 2020)</i>	NTD
Reliability	Fiscal Year 2021 <i>(July 1, 2020 to June 30, 2021)</i>	MPR
Financial Performance	Fiscal Year 2020 <i>(July 1, 2019 to June 30, 2020)</i>	NTD
Ridership	Fiscal Year 2020 <i>(July 1, 2019 to June 30, 2020)</i>	NTD

Legislative Requirement for this Report

This report fulfills the requirements of §33.2-3402 of the Code of Virginia, pursuant to Chapter 854 of the 2018 Virginia Acts of Assembly, specifying that NVTC report annually on the performance and condition of WMATA, for both Metrorail and Metrobus. Per statute, the report addresses six elements:

- Potential strategies to reduce the growth in costs and to improve the efficiency of WMATA operations
- Use of the dedicated capital funds authorized by the legislation to improve the safety and condition of the rapid heavy rail mass transportation system
- The safety and reliability of the rapid heavy rail mass transportation system and bus network
- The financial performance of WMATA related to the operations of the rapid heavy rail mass transportation system, including farebox recovery, service per rider and cost per service hour
- The financial performance of WMATA related to the operations of the bus mass transportation system, including farebox recovery, service per rider and cost per service hour
- Ridership of the rapid heavy rail mass transportation system and the bus mass transportation system

1. Strategies to Reduce the Growth in Costs and Improve Operational Efficiencies

State code requires NVTC to recommend potential strategies to WMATA to reduce the growth in operating costs and improve operational efficiency. This annual report updates the previous year’s recommendations in light of the ever-evolving COVID-19 pandemic and WMATA’s response and recovery. The COVID-19 pandemic has dramatically lowered WMATA’s ridership on bus and rail, causing significant declines in farebox revenues. This revenue decline has been offset by COVID-19 related federal aid and has allowed WMATA to restore services and avoid layoffs. The exact long-term impacts of the pandemic on ridership and WMATA’s farebox recovery – especially when federal aid is exhausted – is uncertain and poses significant challenges to WMATA’s long-term financial sustainability.

In previous reports, the Commission made policy and program recommendations that should help WMATA improve efficiency, increase ridership and increase revenue. These recommendations are still relevant, and WMATA has taken several service and fare policy actions consistent with previous NVTC recommendations as part of their pandemic recovery efforts to rebuild ridership. This chapter describes NVTC’s recommendations that would help to reduce the growth in operating costs and improve operational efficiency and highlights recent major accomplishments by WMATA in those areas.

Strategy 1: Rebuild Metrorail and Metrobus Ridership

Rebuilding Metrorail and Metrobus ridership is critical to improving the efficiency of the system, controlling subsidy growth and increasing farebox revenues. WMATA has actively pursued several initiatives to rebuild ridership that align with NVTC recommendations.

Recommended Strategies

Leverage federal aid to prevent layoffs, sustain and improve service levels throughout a multi-year recovery period and position WMATA for a sustainable long-term ridership and revenue recovery



From the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA) and American Rescue Plan Act (ARPA) of 2021, WMATA has received over \$2.8 billion in federal aid for transit to help improve safety, sustain operations and avoid layoffs. \$349 million of the aid from all three aid bills was provided as a credit of non-federal funding to the jurisdictions to maintain local transit service. The latest aid bill, the American Rescue Plan Act, provided WMATA with the ability to sustain operations through FY 2023 with an uncertain outlook for FY 2024. This aid provides WMATA with the ability to improve service, navigate uncertainty, and sustain a multi-year recovery period that can help position WMATA for post pandemic recovery.

Communicate and encourage a safe return to transit



As the region enters a recovery period, WMATA should improve its safety culture and highlight and promote ongoing enhanced safety efforts by developing a long-term, post-pandemic marketing and communications strategy to help rebuild ridership and restore customer confidence. While WMATA expects a gradual recovery, the long-term impacts of the pandemic on riders’ perceptions are unknown. Bringing back and retaining riders who did not ride during the pandemic or after the October 2021 Blue Line Derailment is critical to rebuilding ridership and fare revenue.

Implement fare and parking policy changes that improve revenue and ridership, remove barriers to access and retain newly returning riders



The post pandemic recovery period offers an opportunity to revisit WMATA’s fare and parking fee structure. Offering pass products and other fare policy changes will remove barriers to access and retain newly returning riders, increasing both revenue and ridership. With fewer riders due to the pandemic, WMATA should consider reducing parking rates at underutilized parking facilities. Fare pass products generally increase and encourage ridership with the potential to increase and revenue, so changes to passes should be considered to drive and retain riders and appeal to unmet market demand in a post-pandemic environment.

Better balance the weekend customer experience with service disruptions for weekend track work



Preventative maintenance and capital project work during operating hours on Metrorail are often accompanied by service disruptions and increased wait times for trains or additional transfers, all of which have a negative impact on service and weekend ridership. WMATA should improve weekend rail service by developing customer-focused service standards and operating procedures for planned weekend track service disruptions to minimize the impacts on riders.

Develop the next generation of fare collection technology and support strategic fare collection initiatives



WMATA’s fare collection systems have aged beyond their lifespan and are being replaced and modernized. Modern and reliable fare collection technology provides new methods for customers to pay fares, improves convenience and reliability and decreases repair costs.¹ NVTC supports fare collection modernization efforts and coordination with WMATA through the Northern Virginia Fare Collection Strategic Plan.²

Pursue partnerships with the business community and other stakeholders to provide easier access to transit for employees and visitors



Employers, universities and other businesses offer opportunities to drive ridership by providing fare media and other fare products to students, visitors and employees. WMATA offers unlimited Metrobus and Metrorail rides to full time college students through the University Pass program. WMATA has also entered into discounted fare agreements with several jurisdictions, including Fairfax County, where eligible students can ride Metrobus for free with the costs reimbursed by the sponsoring jurisdictions. WMATA should continue to pursue partnerships with the business community and other stakeholders.

Implement efforts on bus and rail to decrease fare evasion



WMATA estimates that, pre-pandemic, fare evasion on bus and rail costs the agency approximately \$40 million on an annual basis.³ Each state or local government, not WMATA, makes the applicable laws surrounding fare evasion within their respective jurisdictions. WMATA has taken several steps to better measure fare evasion and is working to install electronic gate sensors and other technology to provide better data on occurrences. WMATA should work with local jurisdictions to decrease fare evasion on rail and bus.

Major Recent Accomplishments

Metrorail and Metrobus provide all day frequent service

In anticipation of new travel patterns as the region reopens, WMATA provided increased off-peak Metrorail service on weekdays starting in September 2021. During off-peak hours, trains operated every 6 minutes on the Red Line and every 12 minutes on all other lines. During peak hours trains operated every 5 minutes on the Red Line and every 10 minutes on all other lines. In addition, 20 Metrobus lines operated every 12 minutes or better and 16 bus lines operated every 20 minutes or better, for most of the day all week.⁴

NVTC's Recommendation: Leverage federal aid to prevent layoffs, sustain and improve service levels throughout a multi-year recovery period, and position WMATA for a sustainable long-term ridership and revenue recovery

Post-pandemic marketing campaign

In August 2021 WMATA debuted a marketing campaign, "Doing Our Part," to advertise its COVID safety precautions and assure the public and business community that Metrorail and Metrobus are safe and ready for riders as the region reopens.

NVTC's Recommendation: Communicate and encourage a safe return to transit.

Mobile fare payment launched for Apple and Android

In 2020 and 2021 WMATA launched a mobile app allowing both Apple and Android users to pay their fares with their phones. Mobile fare payments are now accepted anywhere SmarTrip is used, including on all regional bus providers.

NVTC's Recommendation: Develop the next generation of fare collection technology and advance strategic fare collection initiatives

WMATA partners with Capital Bikeshare

In August 2021 WMATA announced a partnership with Capital Bikeshare, the DC region's bikeshare system, to offer free bike rides to eligible WMATA customers.⁵ By creating a mobile SmarTrip card and signing up for the offer through the end of the year, one can earn 10 free bike rides.

NVTC's Recommendation: Pursue partnerships to improve access to transit

WMATA installs new faregates at Metrorail stations

In 2021 WMATA began the systemwide replacement of faregates at all 91 Metrorail stations.⁶ The old faregates were more than 25 years old and at the end of their lifespan. The new, modern faregates make it quicker and easier to ride; are upgradable for future technology; and include enhanced safety features, larger displays and faster processing.

NVTC's Recommendation: Implement efforts on bus and rail to decrease fare evasion

WMATA implements free transfers between Metrobus and Metrorail

In the fall of 2021, WMATA increased the discount provided to customers when they transfer to/from Metrobus and Metrorail - effectively providing free transfers between most Metrobus rides and Metrorail. The changes also included a free transfer between most trips taken on local buses to Metrorail. These changes help move the region towards a more seamless and efficient transit system by reducing the need to run bus service that is wholly redundant to Metrorail.

NVTC's Recommendation: Implement fare policy changes that improve revenue and ridership, remove barriers to access and retain newly returning riders

Better weekend rail service

In June 2021 the WMATA Board of Directors approved improvements to weekend rail service. On weekends the Blue, Orange, Green, Yellow and Silver Line headways would be improved to 12 minutes (from 15) and Red Line headways would be improved to 6 minutes (from 12). These improvements are anticipated to be implemented in FY 2022.

NVTC's Recommendation: Utilize federal aid to prevent layoffs, sustain and improve service levels throughout a multi-year recovery period and position WMATA for a sustainable long-term ridership and revenue recovery

Strategy 2: Improve the Operational Efficiency of Metrorail and Metrobus

While rebuilding ridership improves farebox recovery, several areas remain where WMATA can deliver service more efficiently. Some of these efforts are within WMATA's control, while many efforts - especially with Metrobus - require extensive coordination and support from local and state agencies. Improving operational efficiency yields costs savings for the agency and can also benefit customers. Since labor costs are approximately 70% of WMATA's total operating costs, these recommendations focus on strategies that impact the non-labor portion of the operating budget (approximately 30%) to yield the most productivity and capacity out of existing service.⁷

Recommended Strategies

Adapt rail service to anticipate demand during the pandemic and subsequent recovery period



With the rapid decline in ridership due to the pandemic and limited labor availability due to COVID safety measures, WMATA reduced the level of Metrorail service when compared to pre-pandemic levels. At different phases of recovery during the pandemic, services were adjusted to reflect and anticipate demand and provide enough capacity for social distancing.

Pursue capital investments that increase the reliability and efficiency of the system



Continuing state of good repair investments is critical to maintain system reliability, retain current riders, and attract new riders. WMATA is rebuilding and modernizing Metrorail and Metrobus facilities as it addresses state of good repair needs. This modernization includes opportunities to pursue energy efficiency strategies and reduce future maintenance costs. Projects like rail traction power upgrades and reconstruction of bus garages will enable WMATA to accommodate additional demand and improve operational efficiency. As the technology continues to evolve, WMATA should explore and evaluate opportunities to improve bus efficiency through low or zero-emissions technology, monitoring energy consumption with smart meters and the implementation of facility maintenance best practices.⁸



Leverage the expertise of local and regional partners to improve the efficiency of the bus network

Increasing the speed and efficiency of Metrobus operations requires partnerships with local and regional partners who manage local roadways and traffic patterns. WMATA’s Bus Priority Program plans and implements new initiatives and technologies to advance bus priority strategies in partnership with local jurisdictions.⁹ WMATA should continue to work with local and state partners to improve the efficiency of the bus network, implement bus priority projects and explore pilot programs and other efforts to increase the reliability and speed of Metrobus operations.

Major Recent Accomplishments

Railcar reliability at an all-time high

Since the acquisition and deployment of the 7000-series railcars, railcar reliability has increased 239% percent between FY 2018 and FY 2021. This is the highest level of railcar reliability on record. In March 2021 WMATA selected Hitachi Rail to build the system’s 8000-series railcars, which will replace the aging 2000 and 3000-series railcars which have been in service since the early 1980s.¹⁰

NVTC’s Recommendation: Pursue capital investments that increase the reliability of the system

17 Metrorail station platforms rebuilt and refurbished

WMATA has nearly completed its Platform Improvement Project, an initiative to reconstruct 20 outdoor station platforms that were deteriorating and in need of major repair. Over the last three years, 12 station platforms have been reconstructed in Virginia and this year WMATA completed reconstruction at the Cheverly, Landover and New Carrollton stations in Maryland.¹¹

NVTC’s Recommendation: Pursue capital investments that increase the reliability of the system

WMATA Board adopts updated Metrobus Service Guidelines

In December 2020 the WMATA Board adopted new Metrobus Service Guidelines, which provide the building blocks for service planning and budget decisions and include targets for productivity and efficiency.¹² These service guidelines are the first update in over 20 years and provide a framework for the Metrobus Network Redesign effort.

NVTC’s Recommendation: Leverage the expertise of local and regional partners to improve the efficiency of the bus network

Metrorail runs all eight-car train during the pandemic and recovery period

As part of its pandemic response, WMATA ran all eight-car 7000-series trains between April and mid-August of 2020 to ensure service reliability and social distancing on railcars. The rail service plan in the FY 2022 adopted budget supports all eight-car train operations throughout the day.

NVTC’s Recommendation: Adapt rail service to anticipate demand during the pandemic and subsequent recovery period

Strategy 3: Increase Non-Fare Revenues

Non-fare revenues are those revenues derived by WMATA from sources other than fares, such as parking, joint development, advertising and other sources. Strategies to generate non-fare revenue leverage existing assets to help mitigate the challenges of having reduced ridership revenue. However, the pandemic has dramatically reduced fare revenue and traditional sources of non-fare revenue. While this immediate revenue shortfall is outside of WMATA's control, strong non-fare revenue policies take time to yield results and will help with the post-pandemic recovery by providing additional resources to maintain service, diversify funding sources and control subsidy growth.

Recommended Strategies



Leverage the value of WMATA's existing assets by maximizing advertising revenues and optimizing parking revenues

With 91 rail stations and nearly 60,000 parking spaces, WMATA has a large physical footprint across the region and actively leverages the value of these facilities through advertising revenues and parking revenues.



Pursue joint development opportunities on underutilized assets

Joint development is a type of public-private partnership in which real estate developers co-locate private real estate near transit. WMATA has an active joint development program, completing more than 30 projects since 1975 that generate revenue and ridership for the system.¹³



Pursue a real estate and sustainability strategy for WMATA facilities that generates operating efficiencies

WMATA is pursuing other real estate investment strategies, including selling surplus property, to generate revenue and improve efficiencies. In 2018 the WMATA Board approved an office consolidation strategy to save on capital and operating expenses by strategically locating its facilities and reducing the number of office buildings it owns.¹⁴

Major Recent Accomplishments

Agreement signed for Joint Development project at West Falls Church

In August 2021 WMATA signed an agreement to redevelop the West Falls Church Metro Station site to create a vibrant, mixed-use community with over one million square feet of office, retail and residential space. The project is the result of a multi-year effort between WMATA, the development team and Fairfax County. The development will generate long-term revenue through 99-year ground leases as well as additional fare revenue.¹⁵

NVTC's Recommendation: Pursue joint development opportunities on underutilized assets

WMATA to add solar panels at four Metrorail stations

In 2020 WMATA reached an agreement to install solar paneled carports or canopies over surface lots and parking garages at the Anacostia, Cheverly, Naylor Road and Southern Avenue Metrorail Stations in Washington, DC and Maryland. The solar installation will generate power and provide annual payments to WMATA.^{16 17}

NVTC's Recommendation: Pursue a real estate and sustainability strategy for WMATA facilities that generates operating efficiencies

WMATA approved a joint development for its headquarters site

In 2020 the WMATA Board approved a joint development for its existing headquarters building. WMATA will move office staff to three new buildings in Virginia, Washington DC and Maryland and decrease the number of office buildings from 10 to four.¹⁸ The DC office building is anticipated to be completed in FY 2022 and the VA and MD office buildings in FY 2023. This strategy will result in an estimated \$130 million in savings over the next 20 years.¹⁹

NVTC's Recommendation: Pursue a real estate and sustainability strategy for WMATA facilities that generates operating efficiencies

Strategy 4: Control Cost Escalation and Enhance Efficiency of the Workforce and Contracted Services

Implementing cost and work efficiencies is only part of the solution to controlling cost escalation in WMATA’s operating subsidy growth. The 2019 “Keeping Metro Safe, Reliable and Affordable” strategic plan identified labor costs as nearly 70% of WMATA’s total operating expenditures.²⁰ As most employees at WMATA are covered by multi-year collective bargaining agreements, there are opportunities to control cost escalation in these negotiations. For strategies that are outside of WMATA’s direct control, this report recommends that WMATA seek certain actions or conditions by external parties that would result in labor cost savings.

Recommended Strategies



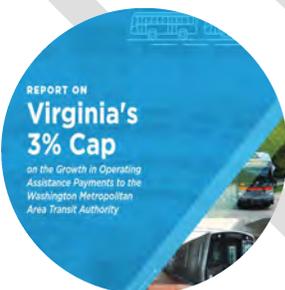
Adequately fund WMATA’s Office of the Inspector General (OIG)

The WMATA OIG is an independent office that conducts and supervises audits, program evaluations and investigations; promotes economy, efficiency and effectiveness; and prevents fraud and abuse in WMATA related activities.



Encourage and enable innovative solutions that improve productivity

In 2017 the WMATA General Manager increased accountability by introducing new controls on absenteeism to improve oversight and reduce the use of overtime.²¹



Use the 3% cap on annual growth in operating subsidies as a tool during labor negotiations and annual budget development

Enacted in the landmark transit funding legislation in 2018, Virginia’s legislative cap on the growth in WMATA’s operating subsidy provides WMATA with a tool to examine spending and controls costs during labor negotiations and the annual budget development process.²²



Seek amendments to the federal Wolf Act to require arbitrators in WMATA contract mediations to consider WMATA’s fiscal condition in all cases

The National Capital Area Interest Arbitration Standards Act (Wolf Act) of 1995 governs the actions of arbitrators in the arbitration of labor disputes involving transit agencies operating in the national capital area.²³ WMATA’s adopted strategic plan, Keeping Metro Safe Reliable and Affordable, calls for reforming this act to reflect WMATA’s true financial capacity and to drive decisions that are in line with the jurisdictions ability to pay.²⁴



Identify and evaluate options to address unfunded OPEB liabilities

Other Post-Employment Benefits (OPEB) include non-pension costs for retiree medical and prescription drug coverage and life insurance. In FY 2020 WMATA had a \$2.3 billion unfunded OPEB liability.²⁵

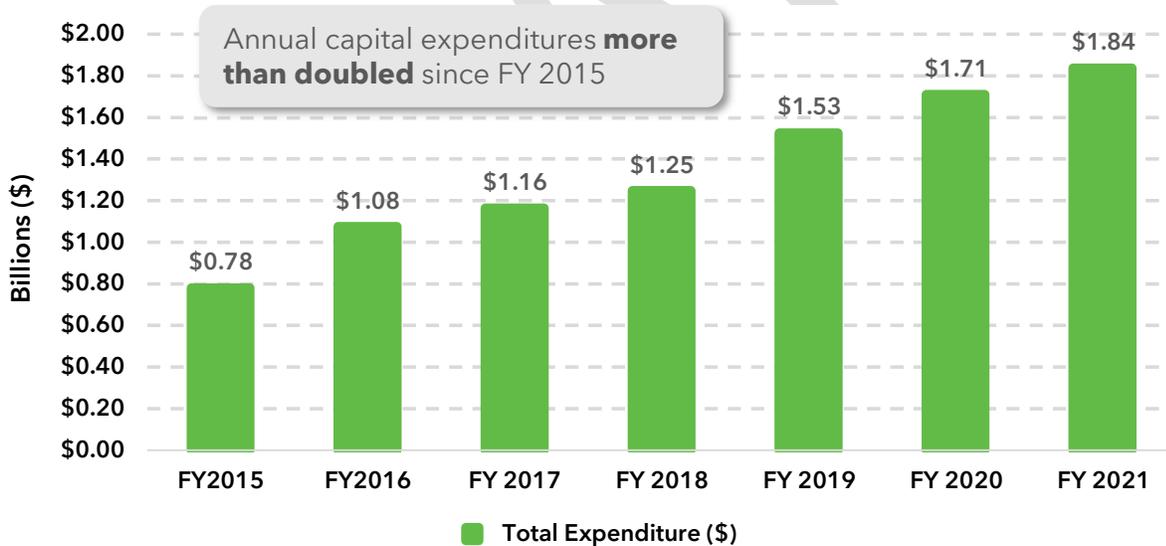
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2. Use of Dedicated Capital Funds

In 2018 the Commonwealth of Virginia, the State of Maryland, and the District of Columbia came together to bring \$500 million a year in dedicated capital funding for WMATA. Virginia’s annual portion of regional dedicated funding is approximately \$154 million, with the District of Columbia and State of Maryland providing the remaining portion. Dedicated funding strengthens WMATA’s ability to embark on large, multi-year capital investments designed to address significant state of good repair needs. Virginia’s dedicated funding supports WMATA’s capital investments and project delivery across the system and can be used for any capital purpose.

WMATA’s capital needs forecast shows a state of good repair backlog of approximately \$5 billion in FY 2019. Over the last seven years, WMATA has ramped up its annual capital expenditures in order to address this backlog and other modernization needs. In FY 2015 WMATA spent \$780 million on its capital program. With a sustained focus on capital renewal, WMATA has more than doubled its capital expenditures to \$1.835 billion in FY 2021. The ability to issue bonds backed by the dedicated capital funding has given WMATA the financial footing to ramp up its annual capital expenditures to address the backlog of state of good repair efforts. Since the funding’s inception, WMATA has authorized over \$1.4 billion in dedicated capital funding bonds, which will be paid for with future dedicated capital funding revenues.

Figure 1: WMATA Annual Capital Expenditures from FY 2015 to FY 2021



Source: WMATA FY 2015-2021 Financial Reports

WMATA uses several sources to fund its capital program including federal funding, regional dedicated funding, state and local contributions and other sources. As required by law, NVTC must include the uses of funds from the WMATA Capital Fund (Virginia’s dedicated capital funding) from the prior fiscal year in this report. Table 2 shows the actual expenditures of the fund for FY 2021 by Capital Improvement Plan (CIP) Program Area. WMATA provides additional information on progress made in the overall capital program during FY 2021 in WMATA’s Quarter 4 FY 2021 Financial Report.²⁶

Table 2: FY 2021 Expenditures from the Virginia WMATA Capital Fund by CIP Program

CIP Category	CIP Program	FY 2021 Actual Expenditures (millions) ²⁷
Railcar Investments	Railcar Acquisition	\$1.5
	Railcar Maintenance/Overhaul	\$1.15
	Railcar Maintenance facilities	\$7.9
	Total	\$10.6
Rail Systems Investments	Propulsion	\$13.3
	Signals & Communication	\$4.9
	Total	\$18.2
Track and Structures Rehabilitation Improvements	Fixed Rail	\$10.6
	Structures	\$6.71
	Total	\$17.4
Stations and Passenger Facilities Investments	Platforms & Structures	\$21.4
	Vertical Transportation	\$2.6
	Station Systems	\$25.6
	Total	\$49.6
Bus and Paratransit Investments	Bus and Paratransit Acquisition	\$1.8
	Bus Maintenance/Overhaul	\$1.2
	Bus Maintenance Facilities	\$2.9
	Bus Passenger Facilities/Investments	\$2.8
	Total	\$8.7
Business Support Investments	Information Technology	\$19.2
	Metro Transit Police Department	\$0.2
	Support Equipment/Services	\$30.8
	Total	\$50.3
Total Capital Programs		\$154.9

Source: WMATA²⁸

Note: Totals may not add due to rounding.

In FY 2021 WMATA invested \$1.8 billion in capital projects. The capital budget's major priority is investing in state of good repair projects. Significant FY 2021 capital accomplishments included:

Platform Rehabilitation Program nearly complete

The four-year Platform Improvement Project continued with its goals to address station system improvements. The major construction work at Arlington Cemetery and Addison Road concluded in Q4 and both stations reopened to the public. As of Q1 of FY 2022, 17 of 20 outdoor stations have been reconstructed, 12 of which were in Virginia.



CIP program category: Stations and Passenger Facilities Investments

Metrobus fleet reliability at an all-time high

In FY 2021 Metrobus fleet reliability was at an all-time high, mostly due to the state of good repair program. WMATA acquired 121 new clean diesel buses, 12 new compressed natural gas buses and 177 hybrid sedans for paratransit service. WMATA also completed 100 bus rehabilitations, rebuilt 272 fareboxes and rebuilt 138 transmission assemblies and 89 engine assemblies.



CIP program category: Bus and Paratransit Investments

Updates in station system technology

WMATA debuted an expanded mobile app and new modernized faregates in FY 2021. Mobile fare payments using the SmarTrip mobile application now include Android as well as Apple devices, available anywhere SmarTrip is accepted. Installation of new faregates has begun across the system and bus farebox replacements are scheduled to begin in FY 2022.



CIP program category: Stations and Passenger Facilities Investments

Bus garage modernization program advances at Bladensburg

WMATA is aggressively reconstructing bus facilities. The Bladensburg bus maintenance and operations facility has concluded pre-construction activities and will begin demolition and construction in FY 2022. When completed, the new LEED-designed building will accommodate up to 300 buses and support future electric vehicle charging infrastructure.



CIP program category: Bus and Paratransit Investments

Cellular data service available in all Metrorail tunnels

In FY 2021 WMATA spent \$212 million on rail system investments, including advancements to the Automatic Train Control (ATC) State of Good Repair Program, the Low Voltage Power State of Good Repair program and the Radio Infrastructure Replacement project. By installing fiber and upgrading radio communications, WMATA made cellular and data service available for riders in all 100 miles of Metrorail tunnel track.



CIP program category: Rail Systems Investments

Track rehabilitation work yields dividends

Using planned shutdowns and other forms of track availability, WMATA rehabilitated structural components, deck joints, concrete and grout pads that support the track structure, as well as replaced illegible roadway track signs, repaired leaks, rehabilitated drains and cleaned track beds. These efforts are integral to bringing and maintaining the system at a state of good repair and contributed to a reduction in fire incidents of 50% in FY 2021.²⁹



CIP program category: Track and Structure Rehabilitation Investments

New office buildings continue construction

WMATA continued construction on its new headquarters in DC and anticipates a completion date in FY 2022. The additional Virginia and Maryland office locations are expected to be completed by FY 2023. This Office Consolidation Strategy will enable Metro to consolidate from 10 office buildings to four.



CIP program category: Business and Operations Support Investments

Railcar fleet reliability at an all-time high

Railcar fleet reliability is at an all-time high,³⁰ mainly due to the outstanding performance of the 7000-series. To continue this trend in strong fleet reliability, 68 2000 and 3000-series cars and 62 6000-series cars were rehabilitated in FY 2021. The 7000-series will begin rehabilitations in FY 2022. WMATA has begun conceptual designs for the 8000-series, which will replace the aging 2000 and 3000-series railcars.



CIP program category: Railcar and Railcar Facilities Investments

3. Safety and Reliability

WMATA consistently communicates that passenger and employee safety and security is its highest priority with a focus on minimizing the risk of death, injury, illness and property damage. The American Public Transportation Association (APTA) reported that public transit is one of the safest modes of transportation, with 134 times fewer fatalities occurring on transit than on highways.³¹ For Metrorail, oversight for safety and security concerns are provided by the Washington Metrorail Safety Commission (WMSC), the state safety oversight organization required by federal law. The WMSC supports the WMATA Board of Directors' and General Manager's emphasis on system safety.³² Reliability can be measured in terms of a transit service's on-time performance, as well as the frequency of equipment break downs.

3.1 Safety

Transit systems seek to minimize the frequency of all safety events. The Safety & Security (S&S) Time Series present safety and security data reported to the National Transit Database (NTD), through the S&S-40 form (Major events) and the S&S-50 form (Non-Major monthly summary form). NTD measures transit safety by summarizing the total occurrences, Major and Non-Major, of certain safety events for rail and bus operations that include collisions, derailments (for rail only), fatalities,³³ fire, injuries and security events.³⁴

The NTD provides safety data on a calendar year basis, unlike all other data presented in this report which is reported on a fiscal year basis. The counts represented in Table 3 and Table 4 are total counts for each category from when they were accessed from NTD. This time series data is subject to a validation process and current and previous years' data may be revised by transit agencies based upon additional data on its operations or upon request by NTD analysts.³⁵ The following tables show the data as it was accessed in October 2021 and may show slightly different results for past calendar years as shown in previous NVTC reports. The official NTD definitions for each term are provided in the Appendix.

Data provided in this section is from CY 2020 (January 1, 2020 to December 31, 2020) and reflects ridership impacts due to the COVID-19 pandemic and implementation of safety protocols by WMATA beginning in March 2020.

Table 3 summarizes the total count of each type of Metrorail safety event for calendar years 2017, 2018, 2019 and 2020.

Table 3: Metrorail Safety

NTD Category	Safety Event	Count, CY 2017	Count, CY 2018	Count, CY 2019	Count, CY 2020
Events	Collision	8	14	12	10
	Derailment	5	6	2	2
	Security Event	46	52	78	49
	Fire	101	65	71	39
Fatalities	Fatality	2	6	8	6
Injuries	Injury	323	350	389	188

Source: WMATA NTD Report, Form S&S-40 (Collision, Derailment and Security Event) and S&S-50 (Fire, Fatality and Injury).³⁶ Accessed October 5, 2021.

Table 4 summarizes the total count of each Metrobus safety event for calendar years 2017, 2018, 2019 and 2020.

Table 4: Metrobus Safety

NTD Category	Safety Event	Count, CY 2017	Count, CY 2018	Count, CY 2019	Count, CY 2020
Events	Collision	166	210	203	98
	Derailment	N/A	N/A	N/A	N/A
	Security Event	38	51	59	31
	Fire	8	1	4	1
Fatalities	Fatality	0	0	0	1
Injuries	Injury	505	538	535	238

Source: WMATA NTD Report, Form S&S-40 (Collision, Derailment and Security Event) and S&S-50 (Fire, Fatality and Injury).³⁷ Accessed October 5, 2021.

3.2 Reliability

The reliability of a transit system may be measured by its punctuality and equipment dependability. Reliability metrics used by WMATA include:

1. **On-time performance (OTP)** is the rate at which a transit system carries passengers to their destination on time and is used to evaluate the timeliness of travel for both rail and bus operations.
2. **Mean distance between delays (MDBD)** is the average number of miles that are traveled between failures that delay rail service. MDBD indicates the reliability of the railcar used to transport passengers.³⁸

3. **Mean distance between failures (MDBF)** is the average number of miles that are traveled before a mechanical breakdown causes the bus to be removed from service or results in delays from schedule.³⁹

Reliability data is obtained from the annual Metro Performance Reports, produced by WMATA, which reports data on a fiscal year basis. The data included in this report is for fiscal years 2018, 2019, 2020 and 2021 and covers the entire relevant fiscal year (from July 1 to June 30 of that respective fiscal year) unless otherwise noted.

3.2.1 On-Time Performance

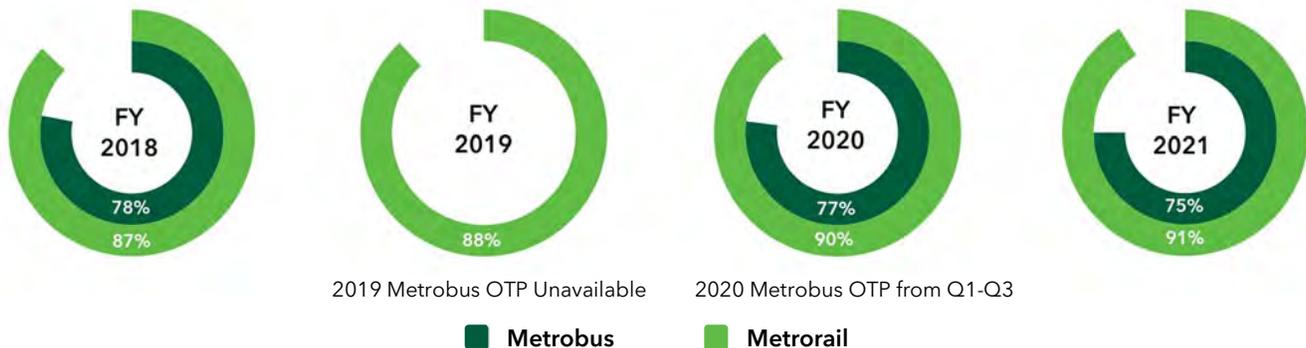
On-time performance (OTP) is reported for fiscal years 2018, 2019, 2020 and 2021. OTP is measured differently for Metrorail and Metrobus.

Metrorail customer OTP measures the percentage of customers who complete their journey within the maximum amount of time it should take per WMATA service standards. These standards vary by line, time of day and day of the week, and is informed by a customer’s entry and exit from the system. Reference Appendix for the standard WMATA definition.⁴⁰

Metrobus OTP data is schedule-based for FY 2018 and schedule and headway-based for FY 2020 (pre-pandemic) and FY 2021. FY 2019 Metrobus OTP was not available due to data quality errors. FY 2020 Metrobus data are for a pre-pandemic period of July 1, 2019 to March 15, 2020. All other data are reported for the full fiscal year. Reference Appendix for detailed methodology and data availability for each fiscal year.

Figure 2 summarizes Metrorail and Metrobus OTP in FY 2018, FY 2019, FY 2020 and FY 2021. As previously noted, Metrobus OTP data for FY 2020 is provided for a pre-pandemic period of July 1, 2019 to March 15, 2020, while previous fiscal year’s data are provided for the full fiscal year.

Figure 2: On-Time Performance by Mode



Note: FY 2020 Metrobus data are for a pre-pandemic period of July 1, 2019 to March 15, 2020. All other data are reported for the full fiscal year. Metrobus on-time performance data is schedule based for FY 2018 and schedule and headway based for FY 2020 (pre-pandemic) and FY 2021.

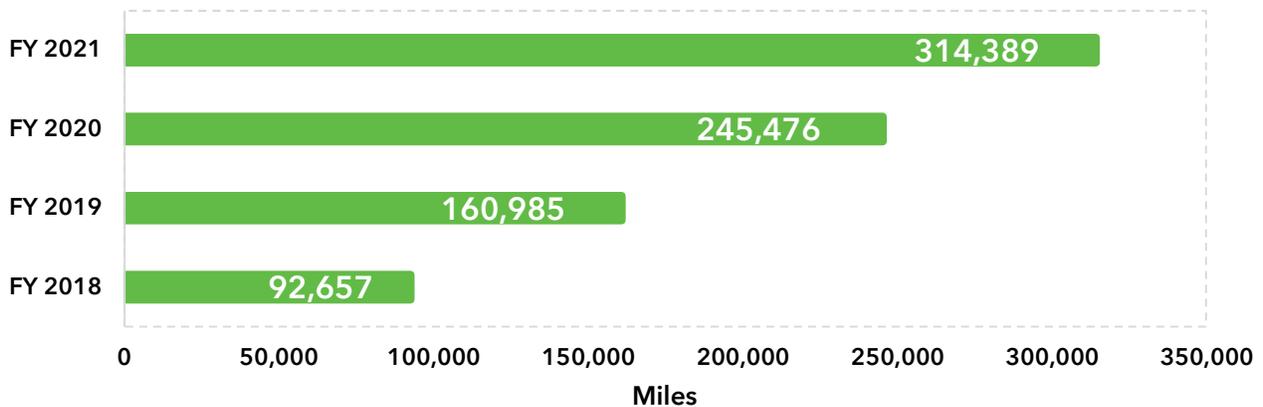
Source: Metro Performance Report FY 2021

3.2.2 Mean Distance between Delays/Failures

Mean distance between delays (MDBD) indicates the average number of miles traveled between vehicle failures that delay rail or bus service. The Metro Performance Report presents MDBD only for Metrorail and the equivalent metric for Metrobus reliability is mean distance between failures (MDBF). Higher MDBD/MDBF indicates greater reliability of Metro railcar and bus equipment.

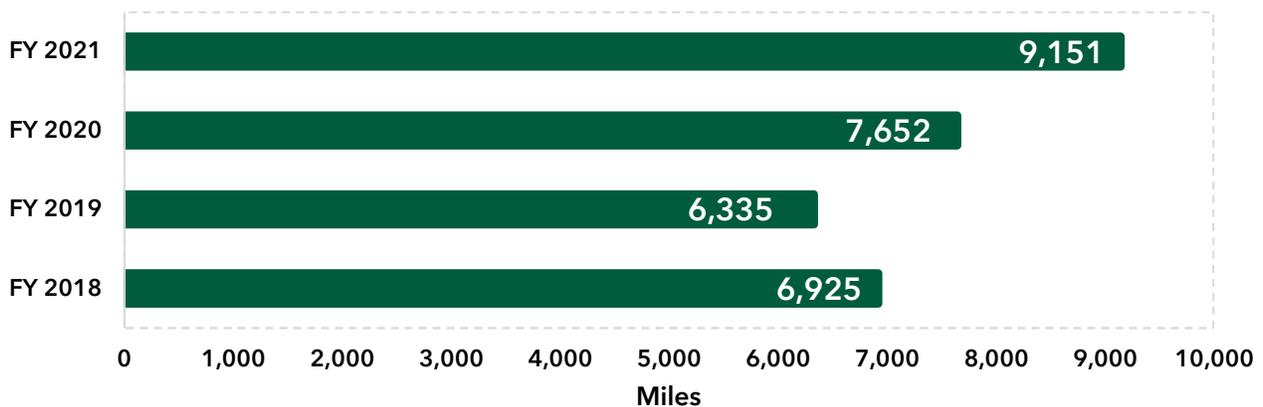
Figure 3 and Figure 4 summarize the Metrorail and Metrobus reliability figures for FY 2018, FY 2019, FY 2020 and FY 2021.

Figure 3: Metrorail Equipment Reliability, MDBD



Source: Metro Performance Report FY 2021

Figure 4: Metrobus Equipment Reliability, MDBF



Source: Metro Performance Report FY 2021

4. Metrorail and Metrobus Financial Performance

Metrorail financial performance measures are required by §33.2-3401 of the Code of Virginia, pursuant to Chapter 854 of the 2018 Virginia Acts of Assembly. Transit agencies, as a public service, aim to minimize cost and deliver service as efficiently as possible, using the following three measures:

1. Metrorail Farebox Recovery and Metrobus Farebox Recovery
2. Metrorail Service per Rider and Metrobus Service per Rider
3. Cost per Metrorail Service Hour and Cost per Metrobus Service Hour

NTD FY 2020 data is reported for each of the above measures and includes calculations for both Metrorail and Metrobus. For Metrobus, data presented includes both services that are directly operated by WMATA and those which are operated by a contracted provider.⁴¹ It is also important to note that due to robust auditing and review processes, NTD data is typically released at least one or more years after the fiscal year it represents. Data provided in this section is from the full FY 2020 (July 1, 2019 to June 30, 2020) and reflects impacts on ridership due to the COVID-19 pandemic and implementation of safety protocols by WMATA beginning in March 2020.

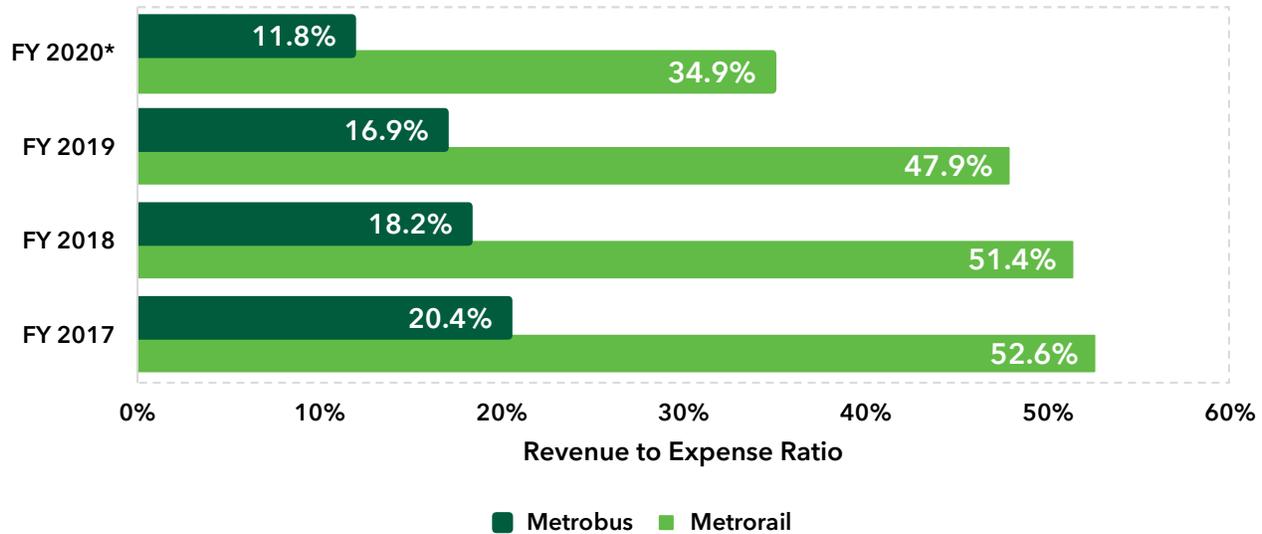
4.1 Metrorail and Metrobus Farebox Recovery

Farebox recovery indicates how much of an agency's operating costs are recovered through passenger fare revenues. This measure is used to identify how effectively an agency funds its operating costs. A higher recovery ratio indicates that the transit agency recoups a larger share of its operating costs through passenger revenue.

Farebox recovery ratios differ across transit modes. According to the American Public Transportation Association (APTA) 2020 Public Transportation Fact Book, rail services generally have higher farebox recovery rates than bus services in the United States, where the highest level of average revenue per unlinked passenger trip is generated by commuter rail and commuter bus, the modes that represent the longer trip lengths for passengers.⁴² Because rail systems generally have higher fares and higher ridership than bus systems, farebox recovery tends to be higher for rail systems than for bus systems.

Per Figure 5, Metrorail farebox recovery was 34.9% in FY 2020 and Metrobus farebox recovery was 11.8% in FY 2020.

Figure 5: Metrorail and Metrobus Farebox Recovery



*In FY 2020 Metrorail and Metrobus ridership, service and revenue were significantly impacted by the COVID-19 pandemic.

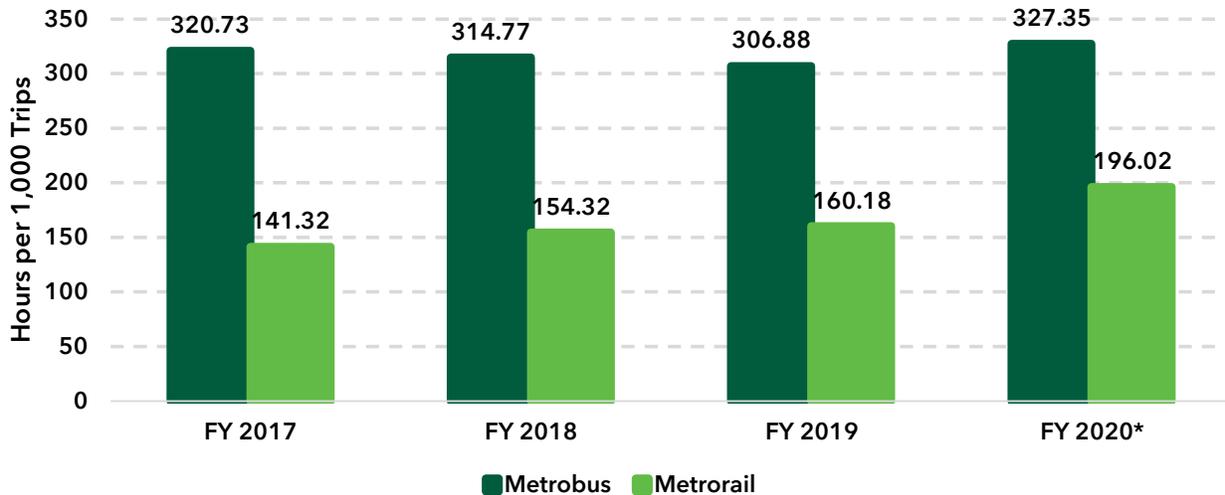
Source: WMATA NTD⁴³

4.2 Metrorail and Metrobus Service Per Rider

Service per rider indicates the number of railcar or bus service hours offered per 10,000 passenger trips. This number summarizes how efficiently an agency is transporting passengers. Agencies strive to strike a balance between serving as many passengers as possible while providing service at a reasonable cost. A low service per rider number indicates that relatively few hours of service are required to serve 10,000 passengers, which indicates higher efficiency.

Per Figure 6, Metrorail service per rider was 196.02 hours per 10,000 trips in FY 2020 and Metrobus service per rider was 327.35 hours per 10,000 in FY 2020.

Figure 6: Metrorail and Metrobus Service per Rider



*In FY 2020 Metrorail and Metrobus ridership, service and revenue were significantly impacted by the COVID-19 pandemic.

Source: WMATA NTD⁴⁴

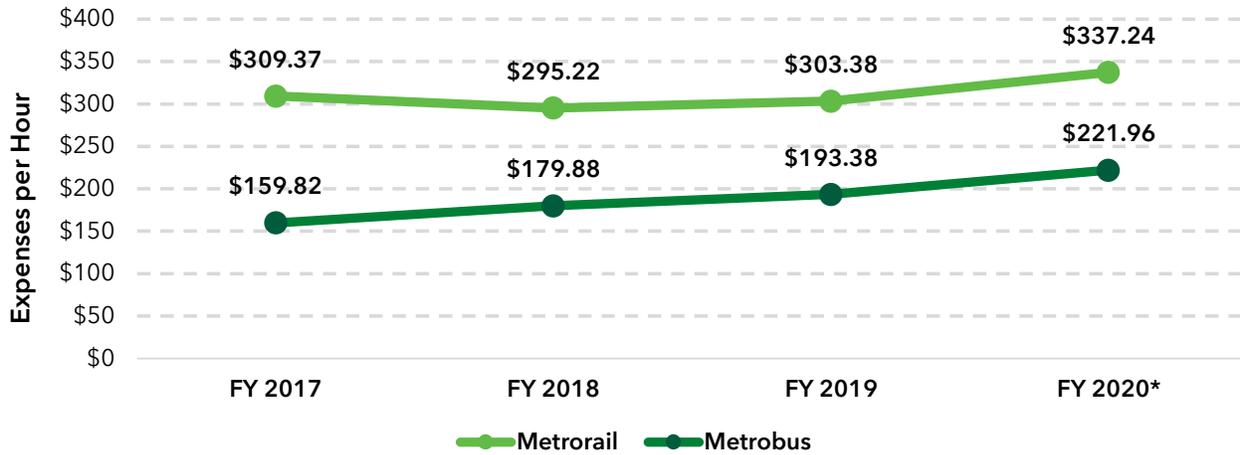
4.3 Cost Per Metrorail and Metrobus Service Hour

The cost per Metrorail service hour is the average cost associated with the operation and maintenance of one railcar for each hour of passenger revenue service. A lower number indicates a lower hourly cost to operate each railcar. Heavy rail services in the U.S. generally have a substantially higher cost per service hour than bus services because they use larger vehicles over shorter service miles.⁴⁵

The cost per Metrobus service hour is the approximate cost associated with the operation and maintenance of a vehicle for each hour of revenue service. A lower number indicates a lower average hourly cost to operate each bus.

Per Figure 7, the cost per Metrorail service hour was \$337.24 in FY 2020 and Metrobus service hour was \$221.96 in FY 2020.

Figure 7: Metrorail and Metrobus Cost per Service Hour



*In FY 2020 Metrorail and Metrobus ridership, service and revenue were significantly impacted by the COVID-19 pandemic.

Source: WMATA NTD⁴⁶

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5. Metrorail and Metrobus Ridership

Because public transit services exist to transport passengers, transit systems seek to maximize patronage, measured in passengers. This section summarizes Metrorail and Metrobus ridership, which is measured by the NTD using:

1. Unlinked Passenger Trips (UPT)
2. Passenger Miles Traveled (PMT)

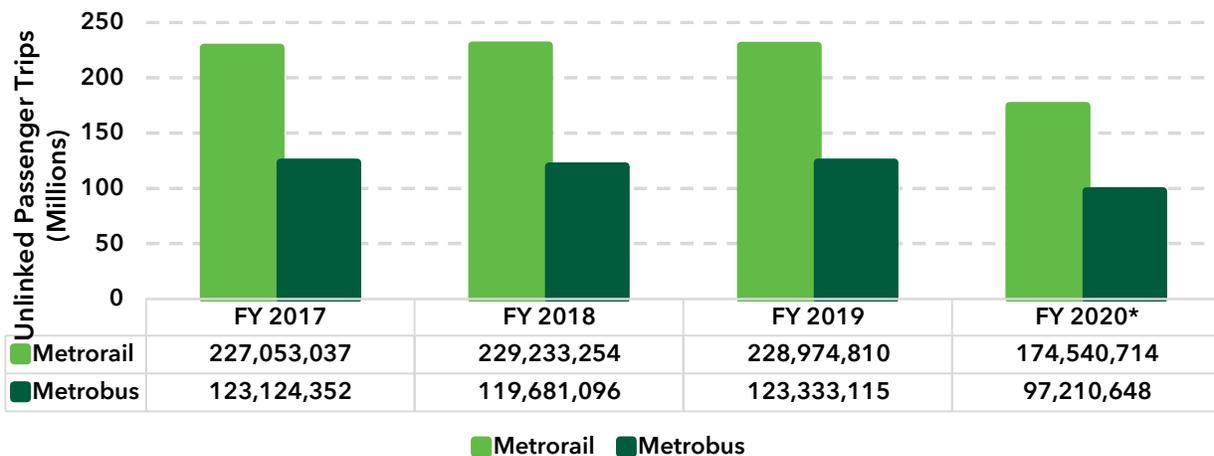
The meaning and significance of these two ridership measures are clarified in Sections 5.1 and 5.2. For Metrobus, data presented includes both services that are directly operated by WMATA and those which are operated by a contracted provider.⁴⁷ It is also important to note that due to robust auditing and review processes, NTD data is typically released at least one year or more after the fiscal year it represents. Data provided in this section is from the full FY 2020 (July 1, 2019 to June 30, 2020) and reflects impacts on ridership due to the COVID-19 pandemic and implementation of safety protocols by WMATA beginning in March 2020.

5.1 Metrorail and Metrobus Unlinked Passenger Trips

Unlinked passenger trips (UPT) indicate the number of passengers boarding vehicles and demonstrates the overall number of passengers passing through the overall Metro system. A higher UPT reflects greater use of transit services. This section provides FY 2020 UPT data for Metrorail and Metrobus. The official NTD definition for this ridership metric is included in the Appendix.

In FY 2020 total ridership for Metrorail was 174,540,714 unlinked passenger trips and Metrobus was 97,210,648 unlinked passenger trips, as shown in Figure 8.

Figure 8: Metrorail and Metrobus Ridership, UPT



*In FY 2020 Metrorail and Metrobus ridership, service, and revenue were significantly impacted by the COVID-19 pandemic.

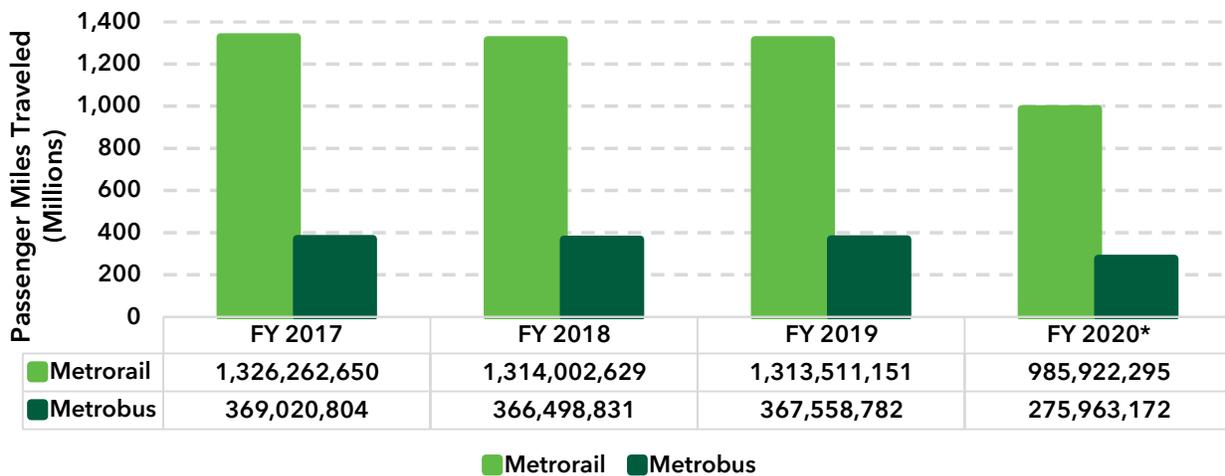
Source: WMATA NTD⁴⁸

5.2 Metrorail and Metrobus Passenger Miles Traveled

Passenger miles traveled (PMT) indicates the total sum of miles traveled by all passengers aboard the transit service. A single passenger traveling 10 miles by bus would count as 10 passenger miles traveled. As with UPT, a higher PMT figure indicates greater patronage of transit services, providing insight into both UPT and distances traveled by passengers.

In FY 2020 the total passenger miles traveled for Metrorail was 985,922,295 and Metrobus was 275,963,172 as shown in Figure 9.

Figure 9: Metrobus and Metrorail Ridership, PMT



*In FY 2020 Metrorail and Metrobus ridership, service and revenue were significantly impacted by the COVID-19 pandemic.

Source: WMATA NTD⁴⁹

Appendix

This appendix includes definitions and sources for the terminology used throughout the report.

Definitions

To provide a holistic picture of WMATA's safety, reliability, financial and ridership performance, the definitions below have been aggregated from the following sources as indicated in the footnotes:

1. When not indicated otherwise, definitions are taken directly from the NTD Glossary.⁵⁰
2. For metrics without an NTD definition, a definition is taken from WMATA's Metro Performance Report (MPR).⁵¹ MPR definitions also include an explanation of what each metric mean[s] and why it is important to [their] strategy. These explanations are included along with the definitions.
3. To build a complete understanding of each MPR definition, WMATA provided NVTC with clarifications, which are denoted with the footnote "Provided by WMATA."

Collision

A vehicle/vessel accident in which there is an impact of a transit vehicle/vessel with: another transit vehicle, a non-transit vehicle, a fixed object, a person(s) (suicide/attempted suicide included), an animal, a rail vehicle, a vessel or a dock.

Cost per Service Hour⁵²

The average cost to operate one vehicle/passenger car for one hour of passenger service. Calculated for each mode by taking the total operating expenses and dividing by total vehicle revenue hours.

Deadhead (Miles and Hours)

The miles and hours that a vehicle travels when out of revenue service. Deadhead includes leaving or returning to the garage or yard facility, changing routes and when there is no expectation of carrying revenue passengers. Deadhead does not include charter service, school bus service, operator training or maintenance training.

Derailments

Non-collision incidents in which one or more wheels of a vehicle unintentionally leaves the rails.

Failure, Metrobus

WMATA counts as failures those buses with interrupted trips due to mechanical problems that resulted in lost trips. Therefore, only bus maintenance chargeables (BMCs) are counted.

- Major failures are BMCs that may leave the bus stranded on the street or result in grossly unsafe operation. Examples: brakes, door interlock, generator, smoke/fire, large fluid leaks, engine or transmission shutdown, broken wipers on rainy days. ("Accidents" caused by mechanical failure (i.e., brakes not engaging) are counted as major.)
- Minor failures are BMCs that may be deemed unsafe by the operator, manufacturer or engineers to protect the bus from irreparable damage. Examples: engine/transmission malfunction indicators, windshield, mirrors, unsafe interior or exterior body issues.

Failure, Metrorail

WMATA defines a railcar failure as a mechanical failure that requires corrective maintenance. Failures related to operator error or customer behavior, e.g., doors that fail because they were held open by customers, are not counted. Not all failures prevent vehicles from completing scheduled revenue trips or starting the next scheduled revenue trips. In some cases, corrective maintenance can be conducted after the scheduled trips are completed.

Farebox Recovery Ratio⁵³

The portion of operating expenses that are paid for by fare revenues. This metric is calculated as: *Fare Revenue ÷ Operating Expenses*.

Fare Revenue

All income received directly from passengers, paid either in cash or through pre-paid tickets, passes, etc. It includes donations from those passengers who donate money on the vehicle. It includes the reduced fares paid by passengers in a user-side subsidy arrangement.

Fatality

A death or suicide confirmed within 30 days of a reported incident. Does not include deaths in or on transit property that are a result of illness or other natural causes.

Fire

Uncontrolled combustion made evident by flame that requires suppression by equipment or personnel.

Fringe Benefits

The payments or accruals to others (insurance companies, governments, etc.) on behalf of an employee and payments and accruals direct to an employee arising from something other than a piece of work. These payments are transit agency costs over and above labor costs, but still arising from the employment relationship.

Headway

The time interval between vehicles moving in the same direction on a route.

Injury

Any damage or harm to persons as a result of an event that requires immediate medical attention away from the scene.

Linked Passenger Trips⁵⁴

A linked passenger trip is counted when a customer enters through a faregate. In an example where a customer transfers between two trains to complete their travel one trip is counted. Metrorail reports linked passenger trips.

Labor (Cost)⁵⁵

The pay and allowances due employees in exchange for the labor they provide on behalf of the transit agency. The labor allowances include payments made directly to the employee arising from the performance of a piece of work.

Major Event Report (S&S-40)⁵⁶

The Major Event Report (S&S-40) captures detailed information on severe safety and security events that occur within a transit environment. Agencies must complete one S&S-40 per reportable event, regardless of how many thresholds an event meets. A reportable event is one that meets any NTD reporting threshold (detailed below) and occurs on transit right-of-way or infrastructure, at a transit revenue facility, at a maintenance facility or rail yard, during a transit-related maintenance activity, or involves a transit revenue vehicle.

Mean Distance between Delays⁵⁷

The average number of miles traveled before a railcar experiences a failure that leads to a delay of four or more minutes. This is equivalently expressed as: *Total railcar revenue miles ÷ Number of failures during revenue service resulting in delays of four or more minutes.*

Some car failures result in inconvenience or discomfort but do not always result in a delay of service, such as hot cars. Mean distance between delays includes those failures that had an impact on customer on-time performance.

Mean Distance between Failures⁵⁸

The average number of miles traveled before a mechanical breakdown requiring the bus to be removed from service or deviate from the schedule. This can also be expressed as: *Total revenue miles ÷ Total number of failures.*

Mean distance between failures is used to monitor trends in vehicle breakdowns that cause buses to go out of service and to plan corrective actions. Factors that influence fleet reliability include vehicle age, quality of maintenance program, original vehicle quality and road conditions affected by inclement weather and road construction.

Non-Major Monthly Summary (S&S-50)⁵⁹

The Non-Major Monthly Summary Report captures monthly summary information on minor fires and other less severe safety events that are not reportable as Major Events.

Non-Labor Costs

The costs associated with operating expenses including fuel/lube, tires, tubes, utilities, casualty/liability costs, taxes and other materials.⁶⁰

On-Time Performance (Metrobus)⁶¹

Bus on-time performance (OTP) communicates the reliability of bus service, which is a key driver of customer satisfaction and ridership. For schedule-based routes, OTP measures adherence to the published route schedule for delivered service. For headway-based routes, OTP measures the adherence to headways, or the time customers wait between buses. Headway-based routes include routes 70, 79, X2, 90, 92, 16Y and Metroway.

Metrobus measured OTP using schedule-based methodology until FY 2020. After a pilot in FY 2019, OTP was measured using a blended schedule- and headway-based methodology beginning in FY 2020.

Factors that can affect OTP include traffic congestion, detours, inclement weather, scheduling, vehicle reliability, operational behavior or delays caused by passengers. Measurements are calculated as follows:

Percentage of bus service delivered on-time

Schedule-based routes = Number of time points delivered on time based on a window of 2 minutes early and 7 minutes late ÷ Total number of time points delivered

Headway-based routes = Number of time points delivered within the scheduled headway + 3 minutes ÷ Total number of time points delivered

Fiscal Year	Methodology	Data Availability
FY 2018	Schedule-based OTP*	Available for entire fiscal year
FY 2019	Headway-based OTP**	Not available due to quality errors
FY 2020	Schedule- and Headway-based OTP	Available from July 1, 2019 until March 15, 2020, as the beginning of the pandemic significantly reduced service
FY 2021	Schedule- and Headway-based OTP	Available for entire fiscal year

*In FY 2018 Metrobus on-time performance data was schedule based and reported on the number of bus vehicles arriving at a timepoint at or close to the scheduled arrival time, divided by the total number of vehicles arriving at timepoint, over a period (in this case, one year).

** WMATA piloted a new calculation for Metrobus on-time performance that introduced a headway-based measure for several Metrobus routes and modified the schedule-based OTP to include all timepoints (this previously had excluded all last timepoints).

On-Time Performance (Metrorail)⁶²

Metrorail customer OTP measures the percentage of customers who complete their journey within the maximum amount of time it should take per WMATA service standards. Actual journey time is calculated from the time a customer taps a SmarTrip card to enter the system, to the time when a SmarTrip card is tapped to exit. Factors that can affect OTP include infrastructure conditions, missed dispatches, railcar delays (e.g., doors), or delays caused by sick passengers. Station stops are tracked system-wide, with the exception of terminal and turn-back stations. Measurements are calculated as follows:

Number of station stops delivered within the scheduled headway plus 2 minutes during rush (AM/PM) service ÷ Total station stops delivered.

Number of station stops delivered up to 150% of the scheduled headway during non-rush (midday and evening) ÷ Total station stops delivered.

The peak and off-peak hours are:

1. **Peak periods:** AM rush (approximately 5-9:30 a.m.) and PM rush (approximately 3-7 p.m.)
2. **Off-peak periods:** Midday (approximately 9:30 a.m.-3 p.m.) and Night (approximately 7:00 p.m. to close)

Operating Expenses

These expenses include labor and non-labor costs and services for operating and maintaining the mode, including general administration costs. Labor costs are fully loaded, meaning they include fringe benefit costs (directly paid to employees as well as indirectly, e.g., payments to pension funds) in addition to wages and salary costs.⁶³

Passenger Miles Traveled (PMT)⁶⁴

The cumulative sum of the distances ridden by each passenger.

Ridership

Ridership is a measure of total service consumed and an indicator of value to the region. Drivers of this indicator include service quality and accessibility.

Passenger trips are defined as follows:

- Metrorail reports passenger trips. A passenger trip is counted when a customer enters through a faregate. In an example where a customer transfers between two trains to complete their travel one trip is counted.
- Metrobus reports passenger boardings. A passenger boarding is counted via the onboard Automatic Passenger Counter (APC) when a customer boards a Metrobus. In an example where a customer transfers between two Metrobuses to complete their travel two trips are counted. Metrobus totals also include shuttles to accommodate rail station shutdowns and other track work.

Revenue Service (Hours)

The time when a vehicle is available to the public and there is an expectation of carrying passengers. These passengers either directly, pay fares, are subsidized by public policy, or provide payment through some contractual arrangement. Vehicles operated in fare-free service are considered in revenue service. Revenue service includes layover and recovery time and excludes deadhead,⁶⁵ vehicle maintenance testing, school bus service, and charter service.

Security Event

An occurrence of a bomb threat, bombing, arson, hijacking, sabotage, cyber security event, assault, robbery, rape, burglary, suicide, attempted suicide (not involving a transit vehicle), larceny, theft, vandalism, homicide, CBR (chemical/biological/radiological) or nuclear release or other event.

Service per Rider⁶⁶

A performance metric that measures the ratio of vehicle revenue hours to unlinked passenger trips. Note that in this report, this ratio is scaled by a factor of 10,000 for readability. The metric is calculated as: $(Total\ Vehicle\ Revenue\ Hours \div Number\ of\ Unlinked\ Trips) \times 10,000$.

Time Point

A time point is an exact “point in time” at which Metro service is provided. Time points can be anywhere along the route, including an intersection. Adherence to schedule is measured as the bus leaves each time point except the last for each run. Time point is used in the definition of on-time performance for Metrobus.

Unlinked Passenger Trips (UPT)

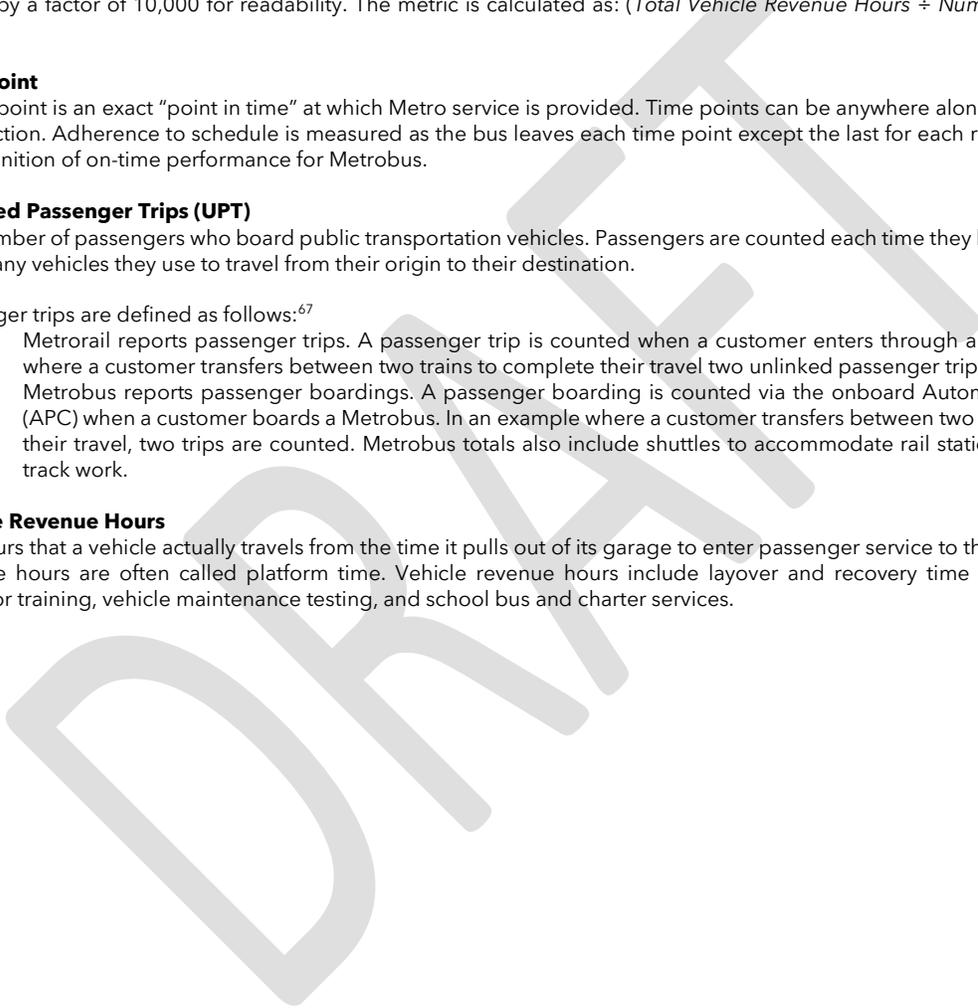
The number of passengers who board public transportation vehicles. Passengers are counted each time they board vehicles no matter how many vehicles they use to travel from their origin to their destination.

Passenger trips are defined as follows:⁶⁷

- Metrorail reports passenger trips. A passenger trip is counted when a customer enters through a faregate. In an example where a customer transfers between two trains to complete their travel two unlinked passenger trips are counted.
- Metrobus reports passenger boardings. A passenger boarding is counted via the onboard Automatic Passenger Counter (APC) when a customer boards a Metrobus. In an example where a customer transfers between two Metrobuses to complete their travel, two trips are counted. Metrobus totals also include shuttles to accommodate rail station shutdowns and other track work.

Vehicle Revenue Hours

The hours that a vehicle actually travels from the time it pulls out of its garage to enter passenger service to the time it returns. Vehicle revenue hours are often called platform time. Vehicle revenue hours include layover and recovery time and exclude deadhead, operator training, vehicle maintenance testing, and school bus and charter services.



¹ WMATA. "FY2022- FY2027 Approved Capital Improvement Program." p. 81. <https://wmata.com/about/records/upload/FY2022-FY2027-Approved-Capital-Program_WEB.pdf>

² NVTC. "Northern Virginia Regional Fare Collection Strategic Plan." January 7, 2021.

<<http://novatransit.org/uploads/Projects/Fare/2021%20Regional%20Fare%20Collection%20Strategic%20Plan.pdf>>

³ WMATA. "Fare Evasion Quarterly Update." p. 2. November 7, 2019. <<https://wmata.com/about/board/meetings/board-pdfs/upload/4A-Fare-Evasion-Quarterly-Update.pdf>>

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About NVTC

The Northern Virginia Transportation Commission (NVTC) was established to manage the Northern Virginia Transportation District and is charged with the funding and stewardship of the Washington Metropolitan Area Transit Authority (WMATA) on behalf of the jurisdictions of Arlington County, City of Alexandria, City of Falls Church, Fairfax County, City of Fairfax and Loudoun County. Founded in 1964, in part to represent the interests of the Commonwealth during the creation of Metrorail, NVTC continues to serve as Virginia’s voice on the WMATA Board of Directors through its appointments to the panel. The WMATA Board determines the authority’s policy and provides oversight for funding, operations, and the expansions of transit facilities.

NVTC also manages more than \$177 million in state assistance to WMATA on behalf of its jurisdictions. NVTC ensures that all its jurisdictions’ voices are represented on the WMATA Board, coordinates regional transit efforts that directly affect systems serving Northern Virginia and engages in regional transportation planning, data analysis, and reporting, which provides direct benefits to WMATA and the related Northern Virginia transit network.

NVTC also administers the Commuter Choice Program, which invests toll revenue into multi-modal and transit projects along the I-66 Inside the Beltway and I-395/95 corridors, and co-owns the Virginia Railway Express (VRE), which provides commuter rail service connecting Northern Virginia to the District of Columbia.

The Northern Virginia Transportation District



TO: Chair Cristol and NVTC Commissioners
FROM: Kate Mattice
DATE: November 24, 2021
SUBJECT: Legislative Update

At the December meeting the chair of NVTC's Legislative and Policy Committee will present for Commission action the NVTC 2022 Legislative and Policy Agenda and staff will update the Commission on recent legislative progress in Congress and a reminder for the upcoming Joint Legislative Briefing scheduled for December.

A. Report from the Chair of the Legislative and Policy Committee

▪ **ACTION ITEM: Approve the NVTC 2022 Legislative and Policy Agenda**

The Commission will be asked to approve [NVTC's 2022 Legislative and Policy Agenda](#). The agenda reflects the discussion of and direction provided by the NVTC Legislative and Policy Committee at its November 12, 2021 meeting. State and federal priorities in 2022 include:

- State
 - Protect Existing Transit Programs and Funding
 - Remove State Barriers to Maximize Access to Federal Funding for Public Transit Purposes
 - Support Funding to Implement Zero and Low-Emission Public Transit
 - Continue Support for the Transforming Rail in Virginia Program
 - Restore Funding to the Northern Virginia Transportation Authority (NVTA)
 - Support the Implementation of the Transit Equity and Modernization Study
 - Preserve NVTC Stewardship of NVTC Programs
 - Continue to Support Flexibility for Remote Public Meetings
- Federal
 - Effective and Timely Implementation of New Infrastructure Package
 - Continue Support for COVID Relief for Transit Agencies
 - Explore Federal Funding Support for Transit Operations
 - Continue Support for Commuter Tax Benefits
 - Identify Long Term Structural Fix to the Highway Trust Fund and Mass Transit Account

B. Federal Update

On Monday, November 15, 2021 President Biden signed into law the \$1.2 trillion [Infrastructure Investment and Jobs Act](#), also known as the Bipartisan Infrastructure Deal (BID). The new law is by far the largest federal investment in the history of public transportation. In addition to repairing, replacing and modernizing our industry's infrastructure, the BID includes a new five-year authorization for surface transportation programs and substantial funding increases: \$107 billion for public transit and \$102 billion for commuter rail, Amtrak and other passenger rail. Of note, the roll out of funding for this will be dependent on the fiscal year 2022 appropriations currently operating under a continuing resolution from fiscal year 2021.

Key funding levels and programmatic changes for public transportation over a five-year period (Fiscal Years 2022 to 2026) include:

- Increased funding for FTA formula and competitive grant programs for America's communities, including:
 - \$33.5 billion for the Urbanized Area Formula Program to support transit capital and preventive maintenance in 500 communities across the country, including the Washington metropolitan area.
 - \$23.1 billion for the State of Good Repair program to assist in financing capital projects to maintain public transit systems.
 - \$5.6 billion in Low or No-Emission Vehicle Competitive Grants to support the transition of transit vehicles to low or zero-emission technologies.
 - \$5.1 billion in Buses and Bus Facilities formula and competitive grants.
 - \$4.6 billion for Rural Area Formula Grants to support transit investments and operations in rural areas communities, administered in Virginia by the Department of Rail and Public Transportation.
 - \$2.2 billion for the Enhanced Mobility of Seniors and Individuals with Disabilities program, administered regionally by Washington Metropolitan Council of Government's Transportation Planning Board.
 - \$3.9 billion for additional Urbanized and Rural Formula Program assistance through the Growing States and High-Density States formulas.
 - \$966.4 million to support Metropolitan and Statewide Planning programs, including support to the Washington Metropolitan Council of Government's Transportation Planning Board.
- Up to \$23 billion for the Capital Investment Grants (CIG) Program, with \$8 billion guaranteed to invest in new high-capacity transit projects.
- Four new competitive grant programs, including a guaranteed:
 - \$1.75 billion for an All Stations Accessibility Program to reduce the number of legacy rail transit stations that remain inaccessible to individuals with disabilities.
 - \$1.5 billion for Rail Vehicle Replacement Grants to replace railcars that are past their useful life and improve reliability, safety and accessibility for transit passengers.

- \$1 billion for Ferry Service for Rural Communities to improve access and mobility in areas where ferry service is a critical link for communities.
- \$250 million for an Electric or Low-Emitting Ferry pilot program to support the transition of passenger ferries to low- or zero-emission technologies.
- \$193 million for transit research activities and \$62 million for technical assistance and workforce development activities.

C. Annual Joint NVTC-PRTC Legislative Briefing

The annual Joint NVTC-PRTC Legislative Briefing will be held on Monday, December 6 at 8:30 a.m. at the Embassy Suites by Hilton Springfield (8100 Loisdale Road, Springfield, VA). The event will provide an overview of federal and state issues affecting transit in Northern Virginia. Staff have invited Virginia Secretary of Transportation Shannon Valentine to provide remarks. The event will also include a policy priorities panel with WMATA General Manager Paul Wiedefeld, VRE Chief Executive Officer Rich Dalton and PRTC Executive Director Bob Schneider.

2022 LEGISLATIVE & POLICY AGENDA

2022 STATE PRIORITIES



Protect Existing Transit Programs and Funding

NVTC supports continuing the existing state transit programs and revenue sources that benefit our local transit providers and protecting the state dedicated funding for WMATA and VRE. In 2018, the General Assembly established dedicated funding for both WMATA and VRE, setting forth a continued investment in these two transit systems. Then in 2020, the General Assembly adopted an historic transportation omnibus bill that streamlined Virginia's transportation funding allocation model, secured sustainable revenues for local transit operators, created the Transit Ridership Incentive Program and the Virginia Passenger Rail Authority and restored \$30 million per year to the Northern Virginia Transportation Authority. NVTC strongly supports the continued implementation of these historic legislative packages and will continue to seek full realization of the anticipated revenue levels.



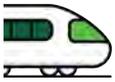
Remove State Barriers to Maximize Access to Federal Funding for Public Transit Purposes

NVTC supports the allocation of any surplus COVID relief funds to public transit operators to assist in the continued recovery of their systems following the pandemic. In Northern Virginia, most bus operators were not direct recipients of federal relief funding, but they are still experiencing increased operating costs and loss of fare revenues. NVTC also supports the removal of procurement or other barriers in Virginia code that would prohibit the use of federal funding for public transit purposes.



Support Funding to Implement Zero and Low Emission Public Transit

NVTC supports legislation that will provide funding and remove barriers for public transit operators to implement innovation in transit technology, such as zero and low-emission vehicles, zero and low-emission required infrastructure and training for the necessary workforce to implement zero and low-emission transit vehicles. NVTC supports ongoing and comprehensive coordination between the State and Federal government on this issue.



Continue Support for the Transforming Rail in Virginia Program

NVTC encourages continued support for state funding initiatives for the Long Bridge expansion and Transforming Rail in Virginia projects and protection of funds currently allocated for those projects. Furthermore, NVTC supports advancing legislation requiring that future gubernatorial appointees to the Virginia Passenger Rail Authority Board of Directors for the NVTC/PRTC districts are selected from lists provided by the NVTC and PRTC boards of commissioners.



Restore Funding to the Northern Virginia Transportation Authority (NVTA)

NVTC continues to support restoring full funding to NVTA. Two of NVTA's three revenue streams were redirected due to the implementation of the WMATA Capital Fund in 2018. In 2019 and 2020, the General Assembly passed legislation to secure additional revenue for NVTA, but prior funding levels have not been restored. To return to the pre-2018 revenue levels, the Authority requires dedicated funding of \$38.5 million per year. The loss of these revenues directly affects funding available for transit capital, as well as the local revenues to support transit operations.



Support the Implementation of the Transit Equity and Modernization Study

NVTC continues to support programs and initiatives that reduce barriers to transit. Accessible, affordable transportation is critical to helping people reach jobs, education and health care. As such, NVTC supports the continued focus on equity and modernization in transit service across the Commonwealth. NVTC will continue to engage with the Department of Rail and Public Transportation as they complete and form recommendations stemming from HJ542 (McQuinn), DRPT's two-year study of transit equity and modernization in the Commonwealth that focuses on transit services and engagement opportunities for underserved and underrepresented communities.



Preserve NVTC Stewardship of NVTC Programs

NVTC supports preserving its programs and interests in Northern Virginia. NVTC provides a venue for and is a model of policy coordination and program implementation in Northern Virginia and has the participation of its component jurisdictions and their elected leaders. As an experienced steward of transit funding and regional partner to the Commonwealth, the General Assembly should continue to support NVTC's role in administering programs that promote transit and multimodal options that serve Northern Virginia.



Continue to Support Flexibility for Remote Public Meetings

NVTC supports efforts to provide flexibility for public bodies to conduct virtual and hybrid public meetings, allowing greater access to the public and opportunities for members to participate remotely outside of a declared state of emergency.

2022 FEDERAL PRIORITIES



Effective and Timely Implementation of New Infrastructure Package

NVTC applauds the enactment of the Infrastructure Investment and Jobs Act (IIJA) which authorizes up to \$108 billion, including \$91 billion in guaranteed funding for public transportation. In Northern Virginia, WMATA, VRE and PRTC/OmniRide will immediately benefit from formula funding changes. Other local transit systems may wish to participate in competitive grant funding opportunities.

As the Federal Transit Administration implements the IIJA, NVTC supports the following:

- Timely and transparent implementation of any new programs and changes to existing programs.
- Opportunities for local transit systems to participate in discretionary federal funding programs without unnecessary administrative burdens.
- Access to competitive and formula funding opportunities for zero and low-emission public transit vehicles and supporting infrastructure, as well as workforce training.
- Funding opportunities to support major capital investments, such as the Long Bridge, a second Metrorail station/additional tunnel at Rosslyn and both the Envision Route 7 and Richmond Corridor bus rapid transit systems.



Continue support for COVID-19 Relief for Transit Agencies

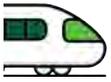
Congress provides emergency supplemental appropriations to public transit agencies — \$25 billion from the Coronavirus Aid, Relief, and Economic Security (CARES) Act, \$14 billion from the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, and \$30.5 billion from the American Rescue Plan Act (ARPA), totaling \$69.5 billion in vital funding to keep transit agencies and their communities moving. As the pandemic continues, and with the protracted recovery for mass transit, NVTC urges Congress and the Administration to continue to provide the greatest flexibility in the use and duration of eligibility for COVID-19 relief funding for transit agencies to address growing operating costs and ongoing revenue losses.



Explore Federal Funding Support for Transit Operations

NVTC supports exploring the expansion of federal transit funding to include the cost of transit operations. Currently, federal funding for operations is only available to rural and small transit operators in regions that are less than 200,000 in population. As the transit industry continues to

recuperate following the pandemic, federal support for transit operations in those systems with strong fare-based revenue structures may be critical to the continued health of these public transit systems.



Continue Support for Commuter Tax Benefits

Commuter tax benefits make transit service more attractive to commuters in single occupancy vehicles. NVTC supports the continuation of federal transit commuter benefits that are on par with the tax incentive provided for parking. Furthermore, NVTC encourages federal programs that support the use of carpools, vanpools, rideshare, bike share and transportation demand management (TDM) as effective tools to eliminate traffic congestion.



Identify Long Term Structural Fix to the Highway Trust Fund and Mass Transit Account

While the IIJA authorized major investment in surface transportation, it did not provide a solution to ensure the long-term solvency and sustainability of the Mass Transit Account of the Highway Trust Fund (HTF). The HTF shortfall must be addressed to meet the needs of transit today and ensure needs can be sufficiently addressed in the future.

Transit Systems that Serve NVTC's Communities



TO: Chair Cristol and NVTC Commissioners
FROM: Kate Mattice
DATE: November 24, 2021
SUBJECT: Virginia Railway Express (VRE)

At the November meeting VRE CEO Rich Dalton will update the Commission on VRE's response to the COVID-19 public health emergency and other activities. The Commission will be asked to approve the 2022 VRE Legislative Agenda and to authorize VRE staff to advance a public bond issuance backed by the Commuter Rail Operating and Capital (C-ROC) Fund.

A. VRE COVID-19 Response

On Tuesday, March 17, 2020, VRE began operating on an "S" schedule, which is traditionally used on holidays and during inclement weather, due to the significant drop in ridership as a result of the COVID-19 public health emergency. VRE resumed its full-service schedule on June 1, 2021 increasing commuting options for passengers. Under the full-service schedule, VRE operates 32 daily trains on its two lines. Both the enhanced twice daily cleaning of railcars and federal and state face mask requirements remain in place. At the same time VRE implemented a seasonal schedule on the Fredericksburg Line, which will adjust the arrival times on select trains at certain stations in the afternoon to mitigate the effects of heat-related speed restrictions that typically occur in summer. The Amtrak Step-Up program, which allows VRE ticketholders to ride Amtrak trains for an additional charge, remains suspended.

B. VRE CEO Report and Minutes

At the November meeting VRE CEO Rich Dalton will provide his report. The [Minutes of the November 19, 2021 VRE Operations Board meeting](#) and the [VRE CEO Report for November 2021](#) are attached.

C. ACTION ITEM: Approve [Resolution #2464](#): Approve 2022 VRE Legislative Agenda

As recommended by the VRE Operations Board, the Commission is asked to approve [Resolution #2464](#), which would approve the [2022 VRE Legislative Agenda](#) and authorize the Chief Executive Officer to actively pursue the elements set forth in the document. VRE's Legislative Agenda aligns with NVTC's Legislative and Policy Agenda. At the November 19 VRE Operations Board meeting, the Board voted to amend the section "*Meetings Held by Electronic Communications Means.*" The wording change is red-lined in the attached [2022 VRE Legislative Agenda](#).

The VRE 2022 Legislative Agenda includes federal legislative and regulatory issues that are relevant to transit and commuter rail in the U.S., and VRE specifically. Throughout the year, VRE

staff and its contracted federal relations consultants will work with the U.S. Department of Transportation and its agencies, the U.S. Congressional delegation, relevant U.S. Congressional Committees, and others to educate them on these issues and their potential impacts to VRE.

D. ACTION ITEM: Approve Resolution #2465: Authorize VRE Staff to Advance a Public Bond Issuance Backed by the Commuter Rail Operating and Capital (C-ROC) Fund

As recommended by the VRE Operations Board, the Commission is asked to approve Resolution #2465, which would authorize VRE staff to advance a public bond issuance backed by the Commuter Rail Operating and Capital (C-ROC) Fund, including preparation of final bond issuance documents for approval by the Commissions. NVTC was briefed on this by VRE staff at the November meeting.

Background and Context

In November 2020, the Operations Board recommended the Commissions approve and authorize the Chief Executive Officer (CEO) to execute an Agreement for Passenger Rail Improvements and Funding (the “Funding Agreement”) with DRPT. The Commissions authorized execution in December 2020, and the agreement was executed in March 2021. The Funding Agreement includes provisions for the Commissions to fund a portion of the Transforming Rail in Virginia (TRV) Program’s “Planned Improvements” as well as the purchase of real property for right-of-way acquired by the Commonwealth from CSX Transportation (CSXT). The Commissions will utilize C-ROC funds for both a debt issuance and on a pay-as-you-go (PAYGO) basis as the source of the funding commitment.

Dedicated C-ROC funding for VRE began on July 1, 2018 following the enactment of HB1539/SB856 (2018) which created dedicated funding for both VRE and WMATA. The C-ROC Fund receives \$15 million annually (\$1.25 million monthly) from fuel taxes collected in the NVTC and PRTC regions. C-ROC funds are received from the Department of Motor Vehicles (DMV) and are held by NVTC for VRE in a separate account, in accordance with §33.2-1525.A of the Code of Virginia. The VRE Operations Board and Commissions approve the projects that are to be funded in whole or in part by the C-ROC, and VRE provides a quarterly report on the C-ROC Fund, including disbursements received, amounts expended, the purpose of the expenditures, and investment and interest earnings.

VRE has completed the financing analysis stage for an issuance of debt backed by the C-ROC Fund. A CROC-backed debt issuance will not require credit support from the VRE member jurisdictions and will not be a debt of the Commonwealth or the Commissions’ member jurisdictions. A legal opinion on the risks to the Commission and jurisdictions regarding the debt will be provided prior to final authorization to proceed to sale and issuance of the bonds.

A CROC-backed debt issuance is expected to achieve an investment grade rating, comparable to similar recent public bond issuances in Virginia backed by regional fuels and/or sales taxes. Based on an evaluation of available options, and with the concurrence of VPRA, VRE staff recommend a public bond issuance over alternatives such as the Virginia Resources Authority or the USDOT TIFIA program.

With the approval of the Operations Board and the Commissions, VRE staff – in coordination with VRE’s financial advisor and bond counsel – will advance to the implementation stage of the debt issuance, to include selection of an underwriter and a trustee, completion of required legal due diligence, and formal engagement with the credit rating agencies. Staff will return to the Operations Board and the Commissions in the second half of FY 2022 for approval of the bond documents and a final authorization to proceed with the sale and issuance of the bonds.

The [attached VRE memorandum](#) provides additional background information.

Financing Analysis and Recommendation

In October 2021, the Operations Board received an informational update on the financing analysis for the debt issuance conducted by PFM, VRE’s financial advisor. The financing analysis has two primary components: (1) a credit assessment, which examines how the rating agencies are likely to view a financing backed by the C-ROC Fund; and (2) an overview of financing options, which evaluates various alternatives and programs for accessing the public debt markets.

Credit Assessment

The three major credit rating agencies (Moody’s, S&P, and Fitch) have defined rating criteria applicable to Special Tax Bonds such as the planned C-ROC financing. PFM has completed a preliminary credit assessment for a CROC-backed debt issuance and estimates ratings will fall in the double-A category. A formal process for obtaining indicative credit ratings, which is common for inaugural credits, will be one of the initial steps taken if the Commissions provide authorization to proceed.

Financing Options

PFM investigated five financing options for the CROC-backed financing:

1. Public bond issue
2. Virginia Pooled Financing Program of the Virginia Resources Authority (VRA)
3. Transportation Infrastructure Finance and Innovation Act (TIFIA) Program of the USDOT
4. Railroad Rehabilitation and Improvement Financing (RRIF) Program of the USDOT
5. Virginia Transportation Infrastructure Bank (VTIB)

Of these five options, three were eliminated from consideration:

- A financing through VRA would require the credit back stop of VRE’s local jurisdictions, which is counter to the recently amended Financial & Debt Management Principles.
- The RRIF program has the same borrowing costs and features as TIFIA but requires the additional payment of an upfront credit risk premium, making it inferior to TIFIA.
- VTIB funding is highly constrained, and VPRA indicated that any VTIB support of the Transforming Rail in Virginia program would likely go through VPRA directly rather than indirectly through VRE.

Of the remaining two options, a TIFIA loan would produce greater total proceeds (i.e., available project funds) as a result of its lower interest cost, but a public bond issue would have other benefits to VRE and VPRA, including a shorter timeframe to implement and greater control over the bond covenants. With the concurrence of VPRA, VRE staff recommend pursuing a public bond issuance, backed by the C-ROC Fund, in order to meet VRE's commitments under the Funding Agreement.

Risks Associated with Regional Fuels Tax

As noted above, the C-ROC Fund will be the only revenue source pledged for the repayment of a CROC-backed debt issuance. Bondholders will have no recourse to VRE, the Commissions, the VRE member jurisdictions or the Commonwealth if the revenues coming into the C-ROC Fund are insufficient for the payment of debt service (principal and interest).

Two broad categories of risk can be considered for the regional fuels taxes flowing into the C-ROC Fund: economic and political. Economic risks relate to commercial or technological changes in the broader economy that may impact the amount of fuel purchased by consumers. For example, widespread adoption of electric vehicles (EV's) might reduce the total volume of gasoline purchased and thus reduce total fuel tax revenues collected in the NVTC and PRTC regions (assuming no change to the underlying tax structure). Political risks refer to legislative actions that might reduce, eliminate, redirect or delay revenues flowing into the C-ROC Fund.

Rating agencies are aware of the economic and political risks associated with fuels taxes and will incorporate an assessment of those risks into the ratings they ultimately give to CROC-backed debt. Potential investors are also aware of these economic risks, as well as political considerations such as non-appropriation risk, when they decide whether or not to purchase CROC-backed bonds. Such risks will be carefully disclosed in the offering documents circulated prior to the sale of the bonds. The rating agencies have closely monitored and understand recent changes to transportation funding in the Commonwealth and how such actions have impacted revenue streams flowing to both regional authorities and state agencies who have issued debt supported by such revenue.

However, the structure of the CROC-backed bonds and the C-ROC Fund itself will provide additional protection to bondholders against reduced fuels tax revenues. The planned debt service coverage ratio of 2.0x (i.e., total annual C-ROC revenues will be twice the annual debt service) provides protection against a partial reduction in C-ROC Fund revenues. Moreover, the C-ROC Fund has first priority on the regional fuels taxes collected in the NVTC and PRTC regions, which in FY 2021 totaled approximately \$76 million. If fuels tax revenues are reduced (either incrementally due to economic changes or all at once due to political action), the other regional transportation programs or projects that rely on the fuels taxes will be impacted first, before the repayment of C-ROC debt service, which will be the first priority use of C-ROC funds.

Finally, it is important to note that other revenue bond programs in the Commonwealth rely directly on regional fuels taxes, particularly the Commonwealth Transportation Board's I-81 Corridor revenue bonds and the Hampton Roads Transportation Accountability Commission (HRTAC) revenue bonds. These agencies have shown that the risks associated with revenue bonds

backed by regional fuels taxes have been accepted by both the rating agencies and bond investors.

Next Steps

With the approval of the Operations Board and the Commissions, VRE staff – in coordination with VRE’s financial advisor and bond counsel – will advance to the implementation stage of the debt issuance, to include selection of an underwriter and a trustee, completion of required legal due diligence, and formal engagement with the credit rating agencies. Staff will return to the Operations Board and the Commissions in the second half of FY 2022 for approval of the bond documents and a final authorization to proceed to sale and issuance of the bonds.

Fiscal Impact

If the Commissions approve advancement to the implementation stage, the professional costs (legal, financial advisory, etc.) associated with the sale and issuance of the CROC-backed bonds will either be provided for in the VRE FY 2022 operating budget or will be paid for out of the bond proceeds. The cost and timing of any required contributions to a debt service reserve fund or operating reserve, as well as the timing of principal and interest payments, will be determined as part of the implementation.



MINUTES
VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD MEETING

November 19, 2021

14700 Potomac Mills Road, Woodbridge, VA 22192

Members Present

*Walter Alcorn (NVTC)
 *Andrea Bailey (PRTC)
 *Preston Banks (PRTC)
 *Elizabeth Bennett-Parker (NVTC)
 *Meg Bohmke (PRTC)
 *Katie Cristol (NVTC)
 *Margaret Franklin (PRTC)

*Cindy Lamb (PRTC)
 *Jeanine Lawson (PRTC)**
 *Jennifer Mitchell (DRPT)**
 *Gary Skinner (PRTC) ‡**
 *Ralph Smith (PRTC)
 *Dan Storck (NVTC)
 *James Walkinshaw (NVTC)

Members Absent

Matt Kelly (PRTC)

Alternates Present

Alternates Absent

Canek Aguirre (NVTC)
 Victor Angry (PRTC)
 Pete Candland (PRTC)
 Hector Cendejas (PRTC)
 Dr. Deborah Frazier (PRTC)
 Libby Garvey (NVTC)
 Jason Graham (PRTC)
 Jeff McKay (NVTC)
 Michael McLaughlin (VPRA)
 Alanna Mensing (PRTC)
 Pam Sebesky (PRTC)

Jurisdiction

Fairfax County
 Prince William County
 City of Manassas Park
 City of Alexandria
 Stafford County
 Arlington County
 Prince William County

Stafford County
 Prince William County
 Commonwealth of Virginia
 Spotsylvania County
 City of Manassas
 Fairfax County
 Fairfax County

City of Fredericksburg

City of Alexandria
 Prince William County
 Prince William County
 City of Manassas Park
 Spotsylvania County
 Arlington County
 City of Fredericksburg
 Fairfax County
 Commonwealth of Virginia
 City of Manassas Park
 City of Manassas

*Voting Member

**Indicates arrival/departure following the commencement of the Operations Board Meeting. Notation of exact arrival/departure time is included in the body of the minutes.

‡ Indicates Member participated remotely

Staff and General Public

Cindy Bullock – VRE
JoAnne Carter – PFM
Rich Dalton – VRE
John Duque – VRE
Robert Hostelka – VRE
Lezlie Lamb – VRE
Megan Landis - PWC

Steve MacIsaac – VRE
Kate Mattice – NVTC
Mark Schofield – VRE
Joe Stainsby - PRTC
Alex Sugatan – VRE
Joe Swartz – VRE

Chair Bennett-Parker called the meeting to order at 9:01 A. M. The Pledge of Allegiance and roll call followed.

Chair Bennett-Parker announced that Member Gary Skinner had requested remote participation due being out of town, and in accordance with the newly adopted Electronic Participation Policy, a physical quorum must be present and a motion and a second was required to allow Mr. Skinner to do so.

Ms. Bailey moved, with a second by Ms. Bohmke, to approve the remote participation by Mr. Skinner. The vote in favor was cast by Members Alcorn, Bailey, Banks, Bennett-Parker, Bohmke, Cristol, Franklin, Lamb, Smith, Storck and Walkinshaw.

Safety Moment – 3

VRE Chief Executive Officer, Rich Dalton, opened the meeting with a Safety Briefing.

Approval of the Agenda – 4

Ms. Bailey moved, with a second by Mr. Alcorn , to approve the agenda. The vote in favor was cast by Members Alcorn, Bailey, Banks, Bennett-Parker, Bohmke, Cristol, Franklin, Lamb, Skinner, Smith, Storck and Walkinshaw.

[Ms. Lawson arrived at 9:05 a.m.]

Approval of the Minutes of the October 15, 2021, VRE Operations Board Meeting – 5

Ms. Bohmke moved, with a second by Ms. Cristol, to approve the Minutes from the October 15, 2021, VRE Operations Board meeting. The vote in favor was cast by Members Alcorn, Bailey, Banks, Bennett-Parker, Bohmke, Cristol, Franklin, Lamb, Lawson, Skinner, Smith, Storck and Walkinshaw.

Chair’s Comments – 6

Chair Bennett-Parker welcomed everyone to the November VRE Operations Board meeting. She reminded Members that the meeting was being live-streamed and that keep side conversations should be kept to a minimum, and to also speak up when addressing the Board.

The Chair stated the Nominating Committee, whose members are Mr. Alcorn and Ms. Bohmke, had met just prior to the Operations Board meeting, and would bring a slate of nominees for the 2022 VRE Operations Board Officers to the December meeting for a vote. She also announced that the Finance

Committee, chaired by Ms. Bohmke and whose members include Mr. Banks, Ms. Cristol, Mr. Kelly and Mr. Storck, would be meeting after adjournment of the Operations Board meeting. An invitation was extended to all to attend the meeting if interested.

Chief Executive Officer's Report – 7

VRE CEO briefed the Operations Board on the following topics:

- Safety Update
- Ridership
- Performance
- Project Spotlight: Equipment Asset Management
- Diversity, Equity and Inclusion
- Federal Infrastructure Bill

[Ms. Mitchell arrived at 9:19 a.m.]

Public Comment Time –8

Chair Bennett-Parker stated the public was encouraged to use electronic means to submit public comments and stated that any written comments would be provided to the Board and attached to the minutes of this meeting. One written comment was submitted online, read at the meeting, and is attached. The Chair then inquired as to if there were any members of the public present who wanted to comment, of which there were none.

Action Items - 9

Authorization to Participate in a Joint Request for Proposals for Auditing Services -9A

Mr. Alcorn moved, with a second by Ms. Bailey, to authorize VRE to participate in a joint Request for Proposals for auditing services. The vote in favor was cast by Members Alcorn, Bailey, Banks, Bennett-Parker, Bohmke, Cristol, Franklin, Lamb, Lawson, Mitchell, Skinner, Smith, Storck and Walkinshaw.

Authorization to Execute a Contract for Repair and Overhaul of Air Brake Equipment – 9B

Ms. Bohmke moved, with a second by Ms. Bailey, to authorize the CEO to execute a contract with Wabtec Global Services in an amount not to exceed \$1,422,968, for repair and overhaul of air brake equipment. The vote in favor was cast by Members Alcorn, Bailey, Banks, Bennett-Parker, Bohmke, Cristol, Franklin, Lamb, Lawson, Mitchell, Skinner, Smith, Storck and Walkinshaw.

Recommend the Commissions Approve the 2022 VRE Legislative Agenda – 9C

Ms. Franklin moved, with a second by Ms. Lamb, to recommend the Commissions approve the 2022 VRE Legislative Agenda and authorize the CEO to actively pursue the elements set forth within. Ms. Cristol suggested an amendment to the Legislative Agenda item for *Meetings Held By Electronic Communications Means* to read “**Support, in coordination with VRE’s parent commissions and other stakeholders, on legislative proposals that would maximize the flexibility of VRE and other public bodies to make policies on the conduct of electronic **and/or hybrid** meetings, that allow greater access to the public and opportunities for members to participate remotely outside of a declared state of emergency,**

allowing the board to be more efficient, effective, and responsive while remaining open and transparent to the public.”

The vote in favor was cast Members Alcorn, Bailey, Banks, Bennett-Parker, Bohmke, Cristol, Franklin, Lamb, Lawson, Mitchell, Skinner, Smith, Storck and Walkinshaw.

Recommendation to Advance Public Bond Issuance Backed by the Commuter Rail Operating and Capital (C-ROC) Fund – 9D

Ms. Lawson moved, with a second by Ms. Bohmke, to recommend the Commissions authorize VRE staff advance a public bond issuance backed by the Commuter Rail Operating and Capital (C-ROC) fund. The vote in favor was cast by Members Alcorn, Bailey, Banks, Bennett-Parker, Bohmke, Cristol, Franklin, Lamb, Lawson, Mitchell, Skinner, Smith, Storck and Walkinshaw.

VRE Operations Board Resolution of Support for Prince William County Application for NVTA FY 2022-2027 Six-Year Program – 9E

Ms. Franklin moved, with a second by Ms. Bailey, to support Prince William County’s application for the Route 1 at Route 123 Interchange project for funding consideration in the Northern Virginia Transportation Authority Fiscal Year 2022-2027 Six-Year Program, subject to Prince William County ensuring the design for the project will enhance and not degrade or make unsafe current conditions for vehicles, pedestrians or bicyclists at the VRE Woodbridge Station and collaborating with VRE through the design and construction of the project. The vote in favor was cast by Members Alcorn, Bailey, Banks, Bennett-Parker, Bohmke, Cristol, Franklin, Lamb, Lawson, Mitchell, Smith, Storck and Walkinshaw.

[Mr. Skinner left the meeting at 10:30 a.m.]

Information Items – 10

Update on FY 2023 Operating and Capital Budget – 10A

VRE Chief Financial Officer, Mark Schofield, briefed the Board on the status of the FY 2023 Operating and Capital Budget.

Spending Authority Report – 10B

In October the following purchases greater than \$50,000 but less than \$200,000 were made:

- On October 4, 2021, VRE issued a Task Order in the amount of \$79,715 to Fresh Air Duct Cleaning, LLC under the Custodial & Seasonal Services for VRE Facilities Contract to prepare and paint the steel components at Franconia Springfield Station.
- On October 26, 2021, VRE issued a Task Order in the amount of \$64,499 to STV Incorporated under the Mechanical Engineering Consulting Services (MEC) Contract to prepare locomotive truck overhaul specifications and provide assistance during VRE’s procurement process.

Board Members’ Time – 12

Chair Bennett-Parker asked if Members had any additional business.

Ms. Bailey moved, with a second by Ms. Lamb to adjourn the meeting at 10:47 a.m.

The vote in favor was cast by Members Alcorn, Bailey, Banks, Bennett-Parker, Bohmke, Cristol, Franklin, Lamb, Lawson, Mitchell, Smith, Storck and Walkinshaw.

Approved this 17th day of December 2021

Elizabeth Bennett-Parker
Chair

James Walkinshaw
Secretary

CERTIFICATION

This certification hereby acknowledges the minutes for the November 19, 2021 Virginia Railway Express Operations Board Meeting have been recorded to the best of my ability.



Lezlie M. Lamb

CEO REPORT

NOVEMBER 2021



OUR MISSION

The Virginia Railway Express, a joint project of the Northern Virginia Transportation Commission and the Potomac Rappahannock Transportation Commission, will provide safe, cost-effective, accessible, reliable, convenient, and customer responsive commuter-oriented rail passenger service. VRE contributes to the economic vitality of its member jurisdictions as an integral part of a balanced, intermodal regional transportation system.



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CEO REPORT | NOVEMBER 2021

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VIRGINIA RAILWAY EXPRESS
A better way. A better life.

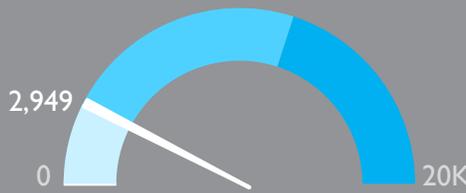


PERFORMANCE AT A GLANCE



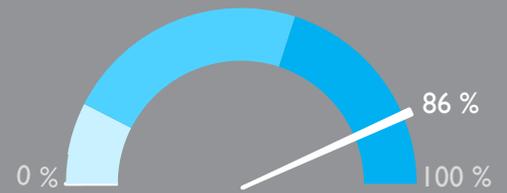
PARKING UTILIZATION

The total number of parking spaces used in the VRE system during the month, divided by the total number of parking spaces available.



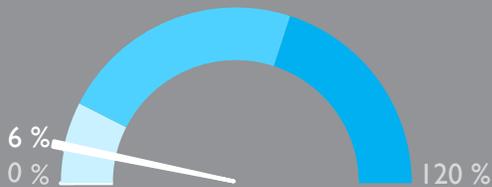
AVERAGE DAILY RIDERSHIP

The average number of boardings each operating day inclusive of Amtrak Step-Up boardings and reduced, "S" schedule, service.
Same month, previous year: 1,399



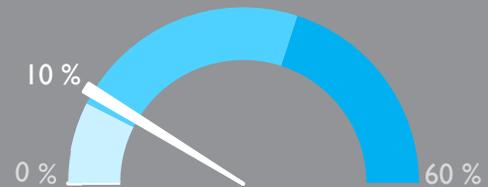
ON-TIME PERFORMANCE

Percent of trains arriving at their destination within 5 minutes of the schedule.
Same month, previous year: 90%



SYSTEM CAPACITY

The percent of peak hour train seats occupied. The calculation excludes reverse flow and non-peak hour trains.



OPERATING RATIO

Through September 2021

Year-to-date operating revenues divided by year-to-date operating expenses, which represents the share of operating costs paid by the riders.
Board-approved goal: 52%

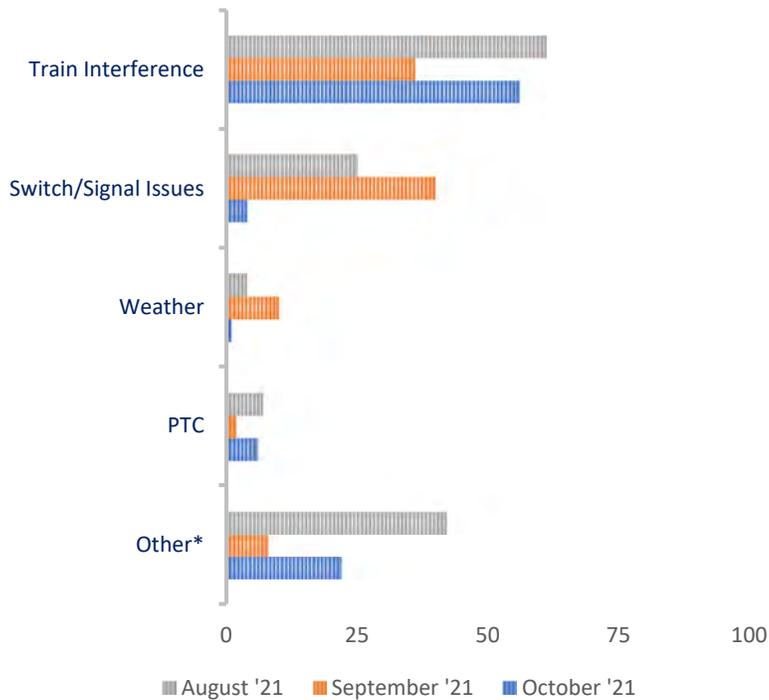
October 2021

ON-TIME PERFORMANCE

OUR RECORD

	October 2021	September 2021	October 2020
Manassas Line	83%	83%	95%
Fredericksburg Line	89%	87%	94%
Systemwide	86%	85%	94%

PRIMARY REASON FOR DELAY



VRE operated 640 trains in October. The on-time rate for October was 86 percent.

Eighty-nine trains arrived more than 5 minutes late to their final destinations. Of those late trains, 53 were on the Manassas Line (60 percent), and 36 were on the Fredericksburg Line (40 percent).

Although we saw similar numbers in September, there was a significant increase in the “other” category for various isolated reasons. Train interference, which continues to lead all categories, saw a jump in numbers this month.

*Includes trains that were delayed due to operational testing and passenger handling.

LATE TRAINS

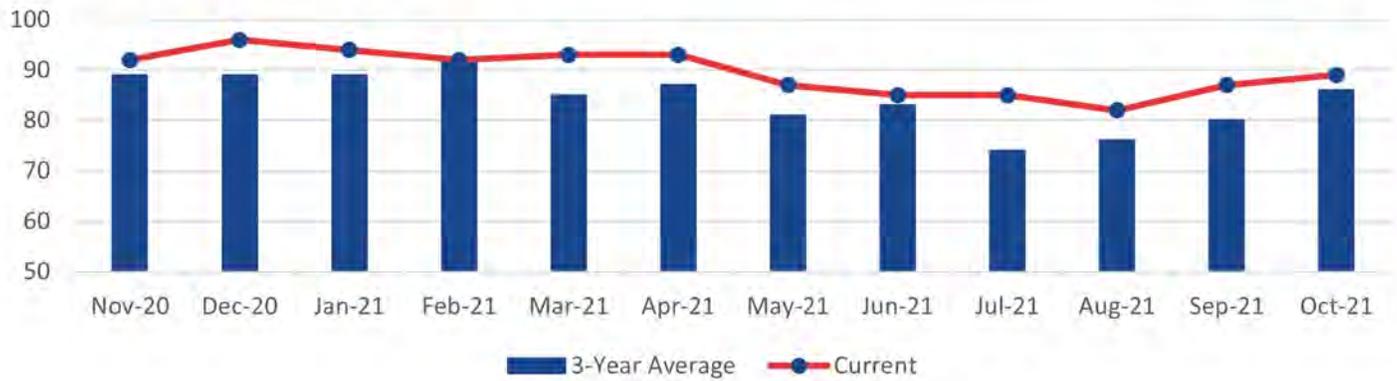
	System Wide			Fredericksburg Line			Manassas Line		
	Aug.	Sept.	Oct.	Aug.	Sept.	Oct.	Aug.	Sept.	Oct.
Total late trains	139	96	89	62	42	36	77	54	53
Average minutes late	14	14	25	15	13	27	13	14	24
Number over 30 minutes	11	2	23	7	1	10	4	1	13
Heat restrictions	14	0	0	14	0	0	0	0	0

ON-TIME PERFORMANCE

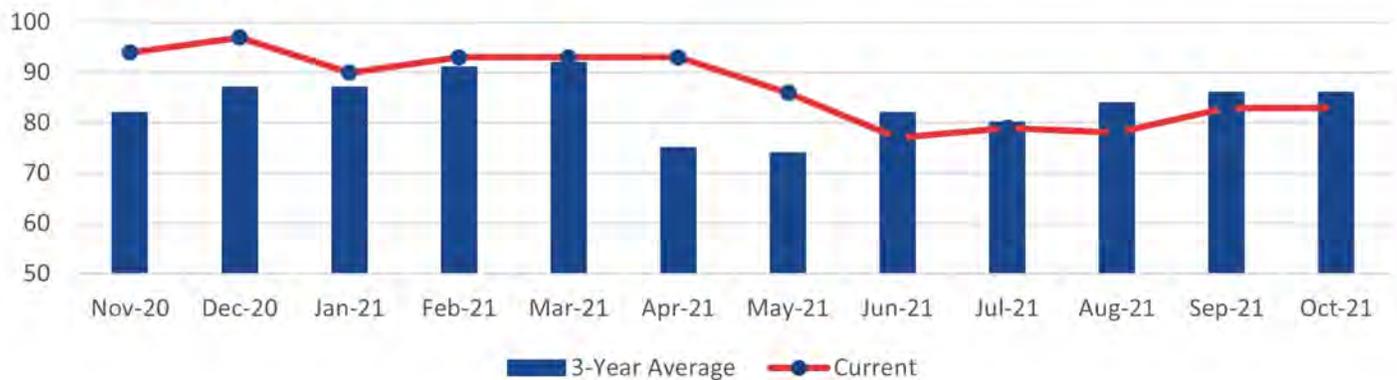
VRE SYSTEM



FREDERICKSBURG LINE



MANASSAS LINE



AVERAGE DAILY RIDERSHIP

VRE SYSTEM



FREDERICKSBURG LINE



MANASSAS LINE



RIDERSHIP UPDATES

Average daily ridership in October was 2,949. During October, we ran a full-service schedule with 32 trains daily.

	October 2021	September 2021	October 2020
Monthly Ridership	58,989	57,255	29,383
Average Daily Ridership	2,949	2,726	1,399
Full Service Days	20	20	21
“S” Service Days	0	1	0

SUMMONSES ISSUED

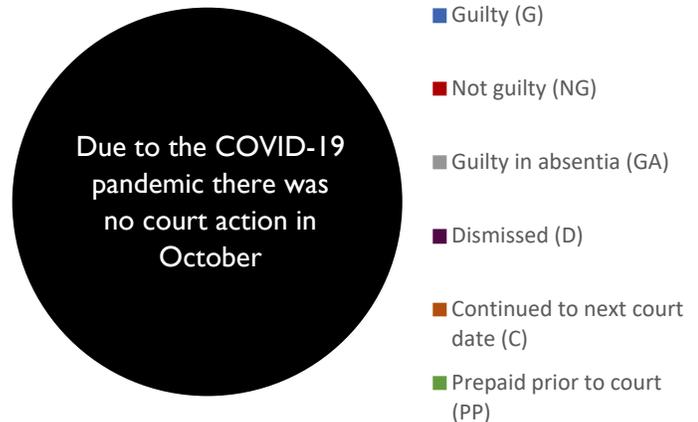
VRE SYSTEM



SUMMONSES WAIVED OUTSIDE OF COURT

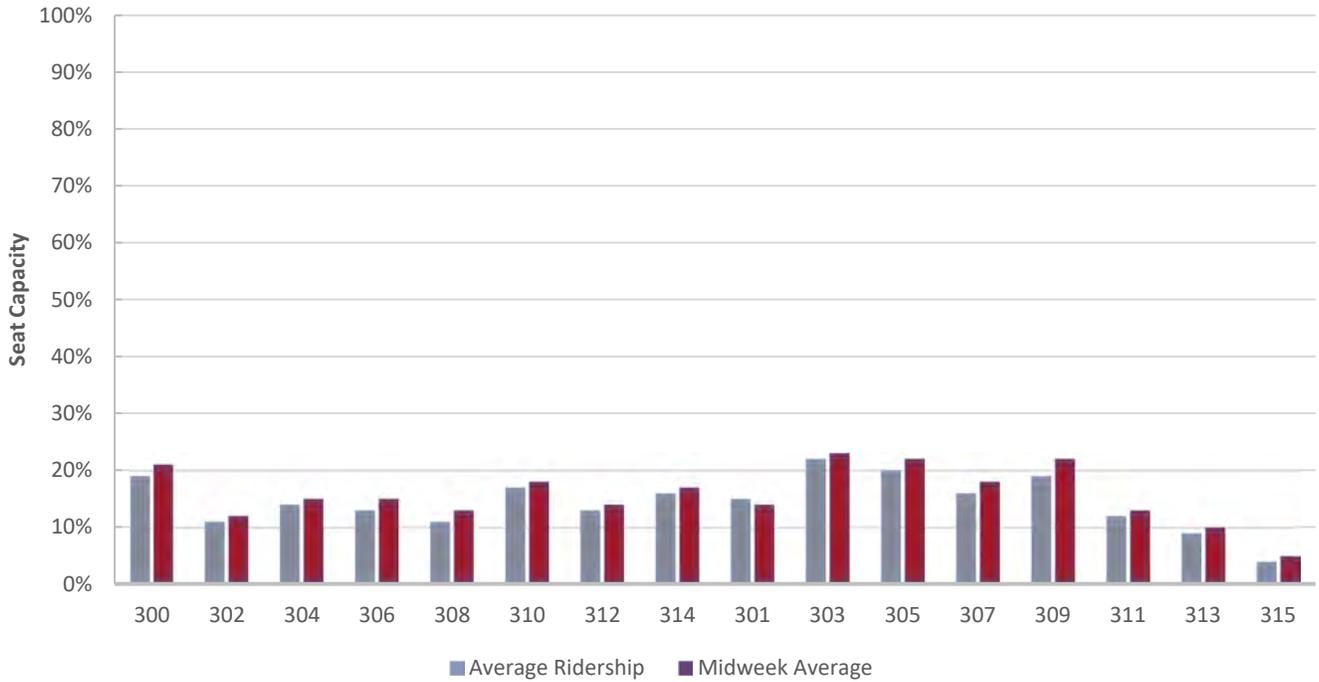
Reason for Dismissal	Occurrences
Passenger showed proof of a monthly ticket	0
One-time courtesy	0
Per the request of the conductor	0
Defective ticket	0
Per ops manager	0
Unique circumstances	0
Insufficient information	0
Lost and found ticket	0
Other	0
Total Waived	0

MONTHLY SUMMONSES COURT ACTION

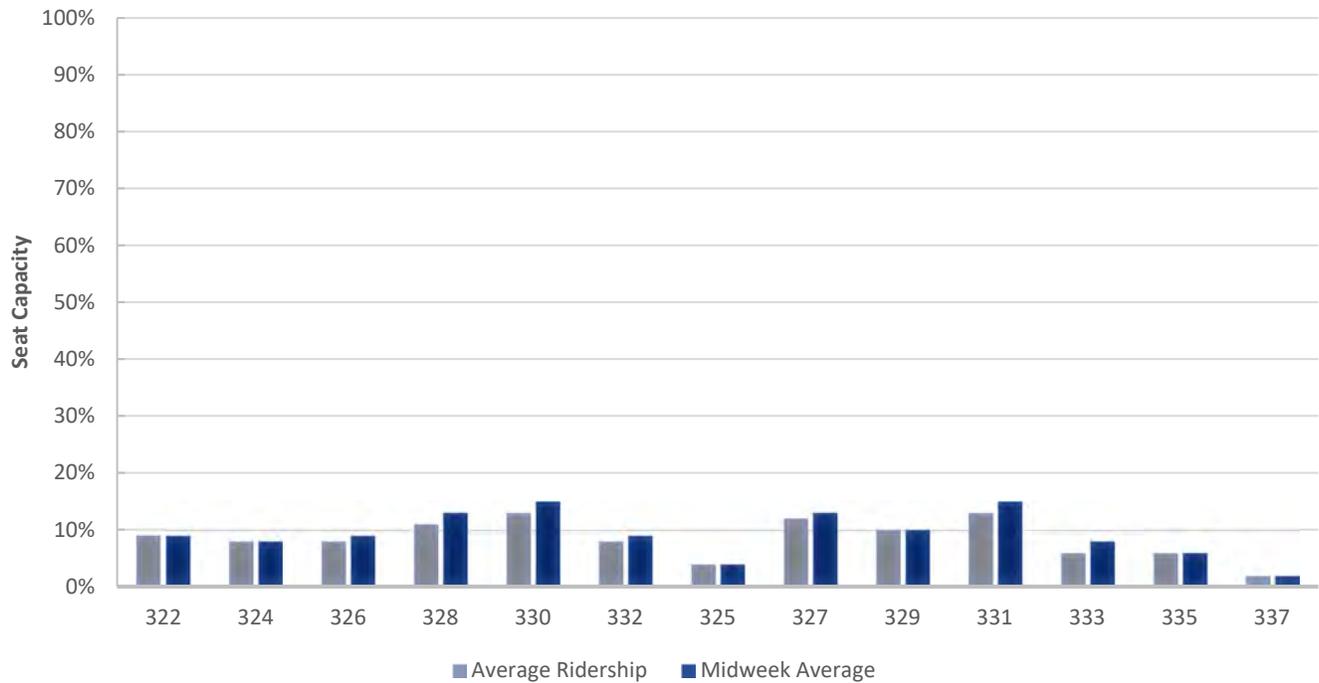


TRAIN UTILIZATION

FREDERICKSBURG LINE

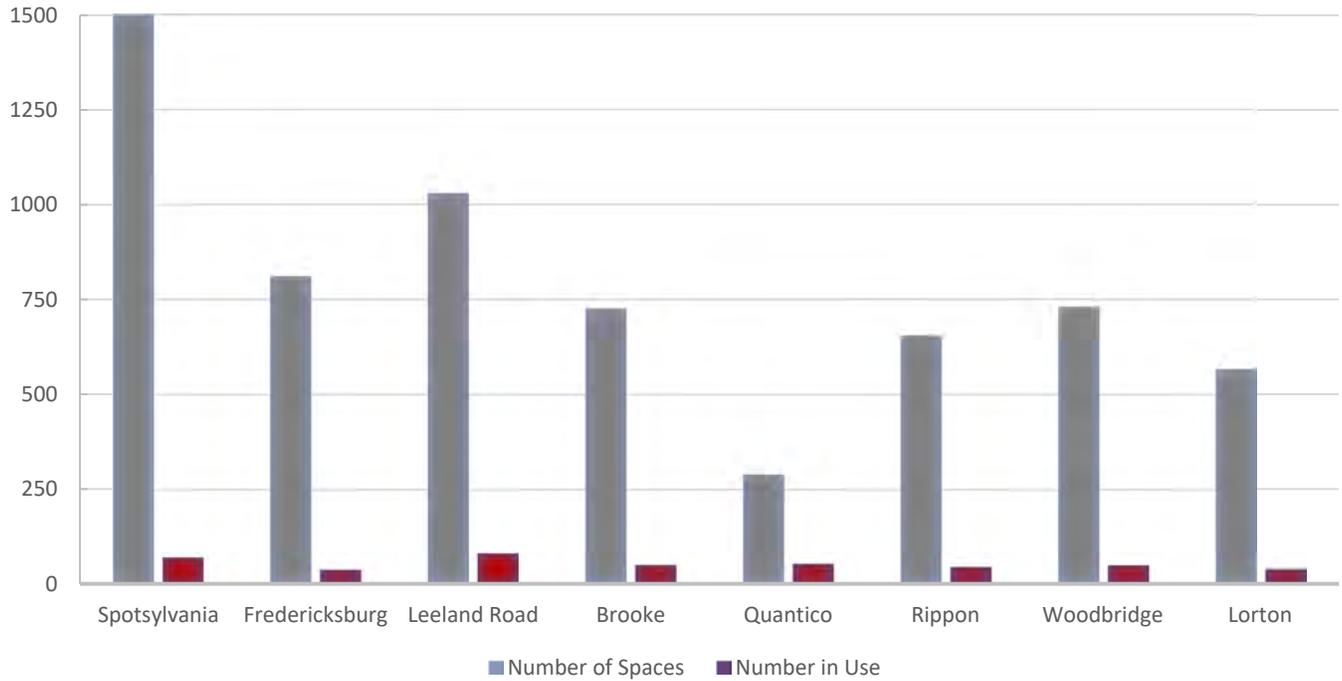


MANASSAS LINE

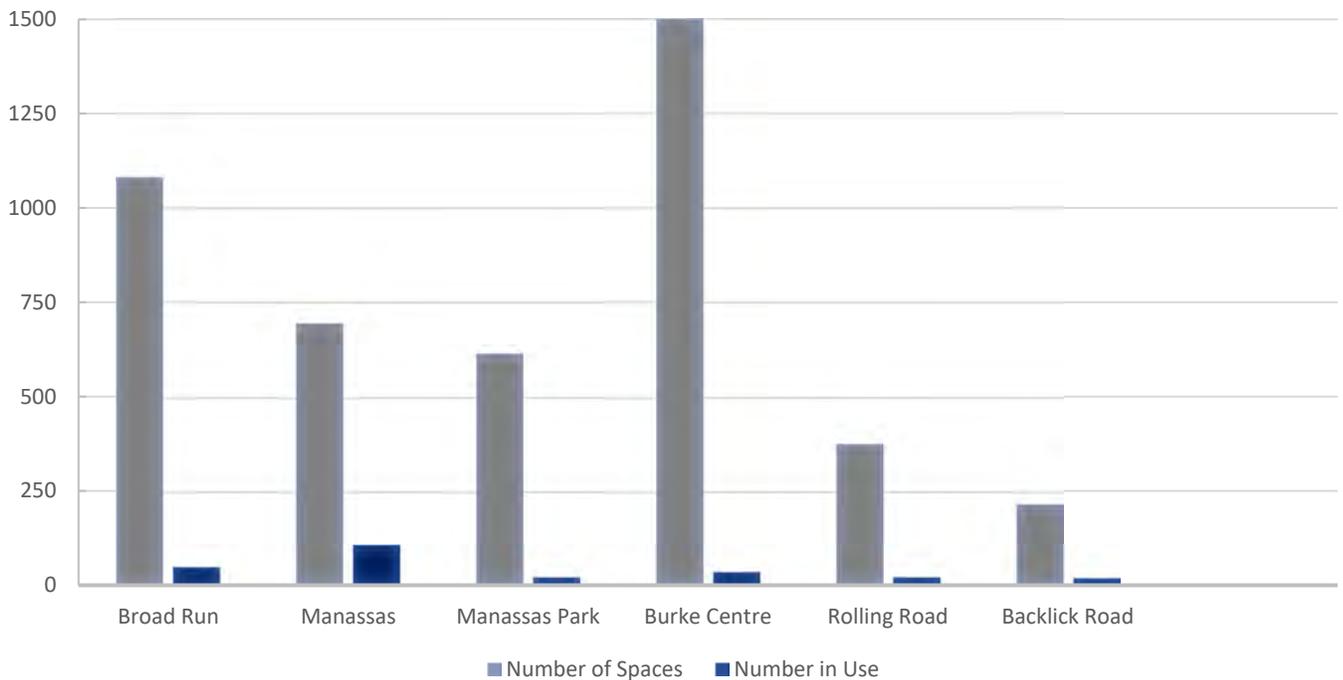


PARKING UTILIZATION

FREDERICKSBURG LINE



MANASSAS LINE



FINANCIAL REPORT

Fare revenue through the first quarter of FY 2022 (September 2021) is approximately \$2.2 million below budget (an unfavorable variance of -48%) and is 16% above the same period in FY 2021.

The coronavirus (COVID-19) pandemic continues to negatively impact VRE ridership. Ridership has remained significantly below pre-pandemic levels during the first quarter, with average daily ridership of 2,589 in July, 2,625 in August and 2,726 in September, as compared to average daily ridership of 18,692 in February 2020 (the last full month not affected by the pandemic). We expect to report significant ridership and revenue impacts related to the pandemic throughout the remainder of FY 2022.

The operating ratio for the first quarter of FY 2022 is 10%, which is below VRE's amended budgeted operating ratio of 18% for the full 12 months of the fiscal year. VRE is normally required to budget a minimum operating ratio of 50%, but this requirement has been waived for FY 2022 because of the pandemic.

A summary of the FY 2022 financial results through September follows, including information on major revenue and expense categories. Please note that these figures are preliminary and unaudited.

FY 2022 Operating Budget Report							
Month Ended September 30, 2021							
	CURR. MO.	CURR. MO.	YTD	YTD	YTD \$	YTD %	TOTAL FY21
	ACTUAL	BUDGET	ACTUAL	BUDGET	VARIANCE	VARIANCE	BUDGET
Operating Revenue							
Passenger Ticket Revenue	813,346	1,519,667	2,392,028	4,631,365	(2,239,337)	-48.4%	18,236,000
Other Operating Revenue	-	25,000	10,681	76,190	(65,509)	-86.0%	300,000
Subtotal Operating Revenue	813,346	1,544,667	2,402,710	4,707,556	(2,304,846)	-49.0%	18,536,000
Jurisdictional Subsidy (1)	-	-	183,038	175,451	7,587	4.3%	343,997
Federal/State/Other Jurisdictional Subsidy	1,575,034	1,385,127	4,756,071	4,186,351	569,720	13.6%	16,398,201
Appropriation from Reserve/Other Income	18,534,122	9,749,111	18,534,122	18,969,472	(435,350)	-2.3%	54,035,604
Interest Income	4,445	29,167	16,236	88,889	(72,653)	-81.7%	350,000
Total Operating Revenue	20,926,947	12,708,071	25,892,177	28,127,719	(2,235,542)	-7.9%	89,663,802
Operating Expenses							
Departmental Operating Expenses	10,546,717	11,117,387	24,110,450	26,620,095	2,509,645	9.4%	83,441,604
Debt Service	518,516	518,516	1,555,549	1,555,549	-	0.0%	6,222,198
Other Non-Departmental Expenses	-	-	-	-	-	0.0%	-
Total Operating Expenses	11,065,233	11,635,904	25,666,000	28,175,645	2,509,645	8.9%	89,663,802
Net income (loss) from Operations	9,861,714	1,072,168	226,177	(47,926)	274,103		-
Operating Ratio			10%	18%		Budgeted Goal	22% 50%

(1) Total jurisdictional subsidy is \$4,756,658. Portion shown as budgeted and actual are attributed to Operating Fund only.

Commuter Rail Operating and Capital (C-ROC) Fund Quarterly Report

Background

Dedicated C-ROC funding for VRE began on July 1, 2018. The C-ROC Fund receives \$15 million annually (\$1.25 million monthly) from fuel taxes collected in the NVTC and PRTC regions. C-ROC funds are received from the Department of Motor Vehicles (DMV) and are held by NVTC for VRE in a separate account, in accordance with §33.2-1525.A of the Code of Virginia. The VRE Operations Board and Commissions approve the projects that are to be funded in whole or in part by the C-ROC, and VRE provides a quarterly report on the C-ROC Fund, including disbursements received, amounts expended, the purpose of the expenditures, and investment and interest earnings.

C-ROC Fund as of September 30, 2021

A summary of the C-ROC Fund through the first quarter of FY 2022 is presented below. Due to lags in the determination of total fuel tax revenue by DMV and the transfer of funds from DMV to NVTC/VRE, total C-ROC funds received may be less than total funds earned.

C-ROC Fund as of September 30, 2021

Period	Funds Earned	Funds Received	Interest Earned	Expenditures	C-ROC Account Balance (LGIP)
FY 2022 (Jul-Sep)	\$3,250,000	\$1,250,000	\$6,668	\$0	
Life to Date (sum of all periods)	\$48,750,000	\$46,250,000	\$468,005	\$0	\$46,718,005

The VRE Operations Board and the Commissions have approved the commitment of \$45 million in C-ROC funding to key capital projects – \$30 million for the L'Enfant Station and Fourth Track project and \$15 million for the Crystal City Station Improvements project. This commitment reflects three years of projected C-ROC funding (FY 2019 through FY 2021), and expenditures will be reflected above when construction commences on these projects.

VRE has also committed to using C-ROC funds to support the Transforming Rail in Virginia (TRV) program. A Funding Agreement was executed in March 2021 between the Commissions and the Virginia Passenger Rail Authority which includes provisions for the Commissions to fund a portion of the TRV Program's "Planned Improvements" as well as the purchase of real property for right-of-way acquired by the Commonwealth from CSX Transportation (CSXT). The Commissions will utilize C-ROC funds for both a debt issuance and on a pay-as-you-go (PAYGO) basis as the source of the funding commitment. Sale and issuance of the CROC-backed debt is expected in the second half of FY 2022.

FACILITIES UPDATE

The following is a status update of VRE facilities projects.

Completed projects:

1. Minor stair steel repairs and caulking at Franconia-Springfield station
2. Restriping of Manassas station parking garage



Manassas station parking garage restriping in progress

Projects scheduled to be completed this quarter:

1. Design of waiting area at L'Enfant station
2. Painting of Franconia-Springfield station
3. Replacement of existing west platform and canopy lighting with LED lighting at Woodbridge station
4. Testing of dry standpipes at Woodbridge and Manassas station parking garages
5. Painting of stairwells, railings, and platform steel at Manassas station parking garage
6. Installation of cubicle furniture at Alexandria headquarters
7. Replacement of fluorescent lighting with LED lighting at Alexandria headquarters and Fredericksburg office
8. Replacement of ceiling tiles at Alexandria headquarters Suite 201
9. Replacement of vertical blinds with window shades at Alexandria headquarters
10. Delivery of air purifiers at Alexandria headquarters, Fredericksburg office, Crossroads MASF buildings and Broad Run MASF buildings
11. Procurement of contract for continued Roadway Worker Protection (RWP) railroad safety training services



Manassas station parking garage generator, overhauled, repainted and ready for delivery

Projects scheduled to be initiated this quarter:

1. Submission of IFB package for waiting area at L'Enfant station
2. Minor structural concrete repairs at Woodbridge station parking garage
3. Minor structural concrete bridge repairs at Rippon and Brooke stations
4. Repair of platform sealer delamination at Spotsylvania station
5. Repair of concrete stairs at Burke Centre station

NOVEMBER 2021

6. Replacement of existing lighting with LED lighting at Manassas station parking garage
7. Replacement of existing yard lighting with LED lighting at Crossroads MASF and Broad Run MASF
8. Issuance of general signage services request for quotes

Ongoing projects:

1. Overhaul of emergency generators at Woodbridge and Manassas stations, Alexandria headquarters and Fredericksburg office
2. Procurement of waste and recycling receptacles for station platforms
3. Procurement of benches for station platforms

UPCOMING PROCUREMENTS

1. Locomotive Master Controller
2. Renewal of locomotive head end power engine systems
3. Program management consulting services
4. Modernization of VRE Woodbridge Station east elevator
5. Forklift trucks
6. Passenger car wheelchair lift assemblies
7. Purchase of LED light fixtures
8. Variable Messaging System replacement
9. Tactile strip replacements
10. Construction management services for Fredericksburg Station platform rehabilitation
11. Construction of Fredericksburg Station platform rehabilitation
12. Construction Manager / General Contractor for the Alexandria Station improvements project

CAPITAL PROJECTS UPDATE

Project Name	Project Description	Current Phase	Budget	Project Notes
Alexandria Station Improvements	Passenger safety will be improved by replacing an at-grade pedestrian track crossing with elevators to connect the two platforms. The elevators, along with the current and proposed stairs, will connect to the existing tunnel between the two platforms. Adjustments to platform elevation will eliminate the need for step-boxes to access VRE and Amtrak trains. The center platform will be widened and lengthened to accommodate trains on both tracks.	Final Design	\$ 30,975,014.00	Permit coordination ongoing with the City of Alexandria
Broad Run Expansion	To accommodate forecasted ridership growth and increase service reliability, improvements are needed at both the Maintenance and Storage Facility (MSF) and station. The MSF will be enlarged to store longer trains and additional equipment. That will require shifting the existing platform to the east and adding a pedestrian tunnel between the platform and the existing and proposed parking lots. A second, 600-space parking lot and third main track will also be constructed.	Final Design	\$ 137,230,000.00	Final-design consultant contract authorized by VRE Operations Board (July 2021). Final 30% design plans and cost estimate complete. NEPA Documented Categorical Exclusion approved by FTA and FAA.
Brooke Station Improvements	Design and construction of a platform extension up to 700 feet to accommodate full-length VRE trains.	Development	\$ 9,284,208.00	With the future track projects by DRPT in consideration, the VRE concept design is being revised to account for the changes.
Crossroads MSF - Storage Expansion, Short-term	The project constructs additional storage tracks at the Crossroads Maintenance and Storage Facility (MSF) adjacent to the existing facility.	Development	\$ 8,365,765.00	SMART SCALE funding for this project is allocated in FY 2022 and 2023. A funding agreement is pending.
Crystal City Station Improvements	Improved station access and service reliability will result from construction of a new, expanded station. The platform at the relocated station will allow for the simultaneous boarding of two full-length trains. The station's design will accommodate a future pedestrian/bicycle connection between the station and Ronald Reagan National Airport.	Development	\$ 50,114,624.00	Operations Board authorized option to advance the preliminary engineering package to a 60% level of design. Anticipate issuing notice to proceed on 60% design efforts this quarter.
Facilities Design Guidelines Update	Update to the 2019 VRE Facility Design Guidelines.	Final Design	\$ 80,000.00	Gathering designs and details from recent projects to include in Facility Design Guideline update.
Franconia-Springfield Station Improvements	Extended platforms will be able to accommodate eight-car trains, eliminating the need for passengers near the rear to move to a different railcar when disembarking. Enhanced passenger safety and reduced station dwell times will result. The longer platforms will increase operational flexibility and capacity. The design will allow for a future third mainline track.	Final Design	\$ 13,000,000.00	VRE is performing an underground utility investigation for the pedestrian tunnel. The platform design is on hold pending tunnel investigation.

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CAPITAL PROJECTS UPDATE

Project Name	Project Description	Current Phase	Budget	Project Notes
Fredericksburg Station Rehabilitation	The rehabilitation of platforms, stairs and bridges will improve passenger safety and better accommodate the boarding and disembarking of riders from VRE and Amtrak trains. New stairs will allow passengers to move between the platform and a parking lot without crossing the street at grade level. New signage, sidewalks, lighting and paint are included, as is installation of a low-clearance warning sign to a bridge that has experienced numerous vehicle strikes.	Final Design	\$ 3,000,000.00	VRE continues to finalize the 100% design package, while also developing draft agreements for the upcoming construction phase.
HQ Office Renovations	The project will improve employee safety and security and maximize workspace efficiency at VRE Headquarters, and will include modifications to kitchen, supply room, mail room, bathroom/shower, office and cubicle areas in the north and south wings. The east wing will be modified to include additional offices.	Construction	\$ 250,000.00	Work substantially complete. Punch list work in progress. Cubicle furniture delivery expected November 30.
Leeland Road Parking Improvements	This project will expand the surface parking lot at the Leeland Road station by approximately 225 spaces to accommodate future demand.	Development	\$ 5,519,178.00	The project is funded through Virginia SMART SCALE. Funding is allocated for FY20 and 22. A funding agreement is pending.
Leeland Road Station Improvements	Design and construction of a platform extension to accommodate full-length VRE trains.	Development	\$ 6,736,091.00	With the future track projects by DRPT in consideration, the VRE concept design is being revised to account for the changes.
L'Enfant Station Waiting Area	The existing platform at the L'Enfant station experiences overcrowding during the evening service period. The proposed project will create an additional paved area behind the existing platform, currently landscaped with shrubs and grass, for riders to wait for trains or to bypass riders waiting on the platform.	Final Design	\$ 350,000.00	HDR submitted 100% plans, currently under review.
L'Enfant Track and Station Improvements	Expansion of the VRE L'Enfant Station to provide two platform edges and serve full-length trains. Add a new mainline track between LE and VA interlockings.	Development	\$ 79,980,000.00	A property boundary and topographical survey is underway. Alternatives analysis and concept design to define a preferred alternative initiated.

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CAPITAL PROJECTS UPDATE

Project Name	Project Description	Current Phase	Budget	Project Notes
Lifecycle Overhaul and Upgrade (LOU) Facility Upgrade	Featuring 33,000 square feet of maintenance space, the LOU will allow VRE to cost-effectively maintain rolling stock, as well as systems and components, in a state of good repair. It will optimize maintenance and reduce costs by allowing the in-house replacement of items before they fail. The LOU will house two tracks that can hold up to four cars at one time and be equipped with a drop table and wheel truing machine. To maintain storage capacity within Crossroads Yard three new tracks are being constructed to provide enhanced flexibility to our operations crews for train movements and storage.	Construction	\$ 52,183,632.00	LOU building, with a footprint nearly the size of a football field, is taking shape. Excavation activities for the building's deep foundations are nearly complete.
Manassas Park Parking Expansion	A new garage will nearly double the 600 spaces currently available in the existing surface lot. A pedestrian bridge will provide grade-separated access to the existing platform and lot. The VRE station and garage are an integral part of the City Center Redevelopment District, the proposed transit-accessible high-density mixed-use town center of Manassas Park.	Final Design	\$ 25,983,000.00	90% design in progress.
Manassas Station Improvements	The project expands the VRE Manassas Station platform to serve full length trains and enhances pedestrian access to the station. Alternatives to increase the platform length to enable boarding and alighting from all passenger cars will be evaluated.	Development	\$ 9,125,000.00	This project is funded with I-66 OTB funding. Initiation of project planning pending completion of a Force Account Addendum with Norfolk Southern Railway.
New York Avenue Midday Storage Facility	This new facility will store trains currently located in Amtrak's Ivy City coach yard, as Amtrak now has need for the storage tracks. The New York Avenue site, which is proximate to Washington Union Station, will be able to accommodate additional VRE trains.	Development	\$ 89,666,508.00	Coordinating with Amtrak to finalize agreements and refine conceptual design.
Potomac Shores Station	This new station, in a master-planned community in Prince William County, is being funded, designed, and constructed by the developer of Potomac Shores in consultation with VRE and other stakeholders. The station will be just a short walk from the town center. A new side platform will be constructed which is designed to be converted into an island platform in the future when the 3rd track is added to corridor operations.	Final Design	\$ -	Pre-final 100% design package under development with submission to Prince William County for site/building permits pending.

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CAPITAL PROJECTS UPDATE

Project Name	Project Description	Current Phase	Budget	Project Notes
Quantico Station Improvements	Service and safety will be enhanced through the construction of a new center platform, ADA-compliant pedestrian bridges, existing platform extension, and third track. These improvements will allow the station to accommodate additional passengers and more frequent and longer trains and operations flexibility with three boardable platform edges.	Construction	\$ 23,973,061.00	Contractor continues to coordinate with utilities concurrently with early activities.
Rippon Station Improvements	Extend existing platform with a second pedestrian overpass.	Development	\$ 16,634,794.00	With the future track projects by DRPT in consideration, the VRE concept design is being revised to account for the changes.
Rolling Road Station Improvements	An extended platform will accommodate eight-car trains, eliminating the need for passengers near the rear to move to a different railcar when disembarking. Enhanced passenger safety and reduced station dwell times will result. Rehabilitation and repair of the existing platform, replacement of stairs and the existing canopy roof, and an upgrade of the lighting and communication systems are planned.	Construction	\$ 5,000,000.00	Precast installed and canopy structure installation in progress.

For more information about VRE capital projects, visit <https://projects.vre.org/list>



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RESOLUTION #2464

SUBJECT: Approve the 2022 VRE Legislative Agenda

WHEREAS: VRE is an essential part of regional transportation network for the Northern Virginia and DC Metropolitan region;

WHEREAS: VRE serves residents throughout the Commonwealth to provide a meaningful public transportation option;

WHEREAS: It is essential for VRE to educate and advocate for desired legislative and regulatory outcomes with members of Congress and their staff, with staff of federal entities, in the Virginia General Assembly and with the Governor and his administration;

WHEREAS: VRE has coordinated its Legislative Agenda with the staffs of the Commissions and member jurisdictions; and

WHEREAS: The VRE Operations Board recommends the following action.

NOW, THEREFORE, BE IT RESOLVED that the Northern Virginia Transportation Commission hereby approves the 2022 VRE Legislative Agenda and authorizes the VRE Chief Executive Officer to actively pursue the elements set forth in the document.

Approved this 2nd day of December 2021.

Katie Cristol
Chair

Dalia Palchik
Secretary-Treasurer

DRAFT

Virginia Railway Express 2022 Legislative Agenda State Funding and Legislative Issues

State Funding

1. Support state funding initiatives for the Long Bridge expansion and *Transforming Rail in Virginia* projects, and protect funds currently allocated for those projects.
2. Safeguard funding for the Commuter Rail Operating and Capital (C-ROC) fund to ensure its future availability for critical capital projects and mitigating VRE revenue impacts resulting from lower ridership.
3. Explore ways to diversify C-ROC revenue sources to include sustainable options that will reduce reliance on the gas tax.
4. Advocate for proposals that would ensure part of any state budget surplus funds transit and passenger rail programs.

Virginia Passenger Rail Authority (VPRA)

1. Advance legislation requiring that future gubernatorial appointees to the Virginia Passenger Rail Authority Board of Directors for the Northern Virginia Transportation Commission (NVTC)/ Potomac and Rappahannock Transportation Commission (PRTC) districts are selected from lists provided by the NVTC and PRTC boards of commissioners.
2. Engage with staff and gubernatorial appointees to the VPRA Board.
3. Monitor, analyze and respond to any proposed VPRA-related legislation or policy affecting VRE's fiscal or operational position.

Northern Virginia Transportation Authority (NVTA) Funding

1. Support actions by NVTA and others to fully restore funding for NVTA.

Virginia Transit Association (VTA)

1. Analyze VTA and others' proposals to increase funding for public transportation and the creation of programs that will increase ridership.

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Meetings Held Through Electronic Communication Means

1. **Support**, in coordination with VRE's parent commissions and other stakeholders, legislative proposals that maximize the flexibility of VRE and other public bodies to make policies on **the conduct of electronic and/or hybrid meetings** that allow greater access to the public and opportunities for members to participate remotely outside of a declared state of emergency, enabling the Ops Board to be more efficient, effective, and responsive while remaining open and transparent to the public.

Transportation Authorities

1. Monitor proposals to create additional transportation authorities that would include VRE jurisdictions.

Other Issues

1. Monitor, evaluate and respond to legislative proposals that could impact VRE such as changes to the Virginia Freedom of Information Act and the Virginia Public Procurement Act, as well as monitor the Joint Legislative & Audit Review Committee study on transportation infrastructure and funding, and any legislative proposals that come from it.

DRAFT

Virginia Railway Express 2022 Legislative Agenda Federal Funding, Legislative and Regulatory Issues

COVID Relief Funding

1. As necessary, protect unobligated and unspent COVID relief funding for critical VRE operations. Ensure the American Recovery Plan Act COVID relief funding provided to the Federal Transit Administration is not repurposed for use in an unrelated program.

Federal Grant Programs

1. Work with the U.S. Department of Transportation (DOT), Virginia's congressional delegation, relevant congressional committees, and regional stakeholders to educate and secure administration and congressional support for discretionary grant applications submitted by VRE or with VRE as a key partner.

U.S. DOT Rulemaking

1. Monitor and comment on relevant proposed guidance, rulemakings, or requests for comment from U.S. DOT to help advance sensible permit streamlining and regulatory reforms applicable to VRE's operations and Capital Improvement Program.

Surface Transportation Reauthorization

1. If not signed into law in 2021, continue to partner with industry stakeholders and associations to advocate for robust funding levels and appropriate policies to support commuter rail and mass transit. Efforts will include, but are not limited to, engaging with the Virginia congressional delegation, participating in association committee meetings, providing comments on policy and regulatory position documents, and collaborating on legislative advocacy.

Liability Insurance Reform

1. If not accomplished in 2021, continue to coordinate with the American Public Transportation Association, Commuter Rail Coalition, and other stakeholders to advocate for the creation of the proposed Federal Liability Insurance program.

Surface Transportation Board (STB) Authority

1. Educate Congress and the administration on the imperative of preserving STB's jurisdiction over VRE and other common carrier commuter railroads. This will come in the form of letters to Members of Congress and committees of jurisdiction, as well as in-person or virtual meetings to discuss VRE's position and circumstance. Monitor industry, congressional, and administration efforts affecting the ability of VRE, and similar commuter railroads, to seek relief from the STB when negotiating with Amtrak. As necessary, submit comments to regulatory bodies to advocate for preserving STB jurisdiction over VRE.

DRAFT

Broadband Infrastructure

1. The bipartisan infrastructure bill includes \$65 billion in funding for broadband infrastructure and implements programs such as the Broadband Equity, Access and Deployment Program (\$42.45 billion); the Enabling Middle Mile Broadband Infrastructure Program (\$1 billion); and the Digital Equity Act Competitive Grant Program (\$2.75 billion).
2. While VRE is not eligible on its own, it will support the Commonwealth and local jurisdictions as they seek to take advantage of these programs.
3. Monitor relevant federal legislation and future rulemaking to guard against mandates that would require VRE, the Commonwealth, or local jurisdictions to participate in broadband infrastructure projects without fair compensation.

RESOLUTION #2465

SUBJECT: Authorize VRE Staff to Advance Public Bond Issuance Backed by the Commuter Rail Operating and Capital (C-ROC) Fund

WHEREAS: In March 2021 VRE entered into an Agreement for Passenger Rail Improvements and Funding (“Funding Agreement”) with the Virginia Department of Rail and Public Transportation, which was subsequently assigned to the Virginia Passenger Rail Authority;

WHEREAS: The Funding Agreement includes provisions for the Commissions to fund a portion of the Planned Improvements of the Transforming Rail in Virginia Program, as well as the purchase of real property for right-of-way acquired by the Commonwealth;

WHEREAS: The Commissions will utilize Commuter Rail Operating and Capital funds for both a debt issuance and on a pay-as-you-go basis as the source of the funding commitment;

WHEREAS: In September 2021 the Commissions approved updated and amended Financial and Debt Management Principles for VRE to guide the issuance of debt backed by the Commuter Rail Operating and Capital Fund;

WHEREAS: A financing analysis conducted by VRE’s financial advisor has determined that a public bond issuance is the most advantageous option for issuing this debt in accordance with the Funding Agreement, and that an investment grade credit rating would be expected from the major credit rating agencies for such debt; and

WHEREAS: The VRE Operations Board recommends the following action.

NOW, THEREFORE, BE IT RESOLVED that the Northern Virginia Transportation Commission hereby authorizes VRE staff to advance a public bond issuance backed by the Commuter Rail Operating and Capital Fund including selection of an underwriter and a trustee, completion of required legal due diligence, formal engagement with the credit rating agencies, and to return to the Operations Board and the Commissions in the second half of FY 2022 for approval of final bond documents and a final authorization to proceed to sale and issuance of the bonds.

Approved this 2nd day of December 2021.

Katie Cristol
Chair

Dalia Palchik
Secretary-Treasurer



VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD

Agenda Item 9-D
Action Item

To: Chair Bennett-Parker and the VRE Operations Board

From: Rich Dalton

Date: November 19, 2021

**Re: Recommendation to Advance Public Bond Issuance Backed by the
Commuter Rail Operating and Capital (C-ROC) Fund**

Recommendation:

The VRE Operations Board is asked to recommend the Commissions authorize VRE staff advance a public bond issuance backed by the Commuter Rail Operating and Capital (C-ROC) Fund, including preparation of final bond issuance documents for approval by the Commissions.

Summary:

VRE has completed the financing analysis stage for an issuance of debt backed by the C-ROC Fund. The commitment to this debt issuance was formalized in the Funding Agreement executed in March 2021 between VRE and the Virginia Department of Rail and Public Transportation (DRPT), which was subsequently assigned to the Virginia Passenger Rail Authority (VPRA).

A CROC-backed debt issuance will not require credit support from the VRE member jurisdictions and will not be a debt of the Commonwealth or the Commissions' member jurisdictions. A CROC-backed debt issuance is expected to achieve an investment grade rating, comparable to similar recent public bond issuances in Virginia backed by regional fuels and/or sales taxes. Based on an evaluation of available options, and with the concurrence of VPRA, VRE staff recommend a public bond issuance over alternatives such as the Virginia Resources Authority or the USDOT TIFIA program.

With the approval of the Operations Board and the Commissions, VRE staff – in coordination with VRE's financial advisor and bond counsel – will advance to the implementation stage of the debt issuance, to include selection of an underwriter and a trustee, completion of required legal due diligence, and formal engagement with the credit



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2300 Wilson Blvd., Suite 230
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Potomac and Rappahannock
Transportation Commission
14700 Potomac Mills Road
Woodbridge, VA 22192
703-580-6121

rating agencies. Staff will return to the Operations Board and the Commissions in the second half of FY 2022 for approval of the bond documents and a final authorization to proceed with the sale and issuance of the bonds.

Background:

In November 2020, the Operations Board recommended the Commissions approve and authorize the Chief Executive Officer (CEO) to execute an Agreement for Passenger Rail Improvements and Funding (the “Funding Agreement”) with DRPT. The Commissions authorized execution in December 2020, and the agreement was executed in March 2021. The Funding Agreement includes provisions for the Commissions to fund a portion of the Transforming Rail in Virginia (TRV) Program’s “Planned Improvements” as well as the purchase of real property for right-of-way acquired by the Commonwealth from CSX Transportation (CSXT). The Commissions will utilize C-ROC funds for both a debt issuance and on a pay-as-you-go (PAYGO) basis as the source of the funding commitment. Once complete, the Planned Improvements will allow a significant increase in VRE service in accordance with the terms of the separate Operating and Access Agreement with the VPRA.

In July 2021, the Operations Board recommended the Commissions approve VRE’s amended Financial and Debt Management Principles, which the Commissions subsequently approved in September 2021. The original Principles, which were adopted in 2013, did not contemplate the issuance of CROC-backed debt, which will vary significantly from VRE’s existing debt. In particular, only C-ROC revenues will be pledged as the source of repayment for CROC-backed debt, and CROC-backed debt will not have a credit back-stop from the VRE member jurisdictions or the Commonwealth. The amended Principles are aligned with the authorizing elements of the C-ROC statutes; reflect the key provisions of the Funding Agreement with VPRA; identify parameters and guidelines for debt issuance; set thresholds for affordability, such as debt service coverage; and ultimately support investment grade credit ratings.

Financing Analysis and Recommendation:

In October 2021, the Operations Board received an informational update on the financing analysis for the debt issuance conducted by PFM, VRE’s financial advisor. The financing analysis has two primary components: (1) a credit assessment, which examines how the rating agencies are likely to view a financing backed by the C-ROC Fund; and (2) an overview of financing options, which evaluates various alternatives and programs for accessing the public debt markets.

Credit Assessment

The three major credit rating agencies (Moody’s, S&P, and Fitch) have defined rating criteria applicable to Special Tax Bonds such as the planned C-ROC financing. PFM has completed a preliminary credit assessment for a CROC-backed debt issuance and estimates ratings will fall in the double-A category. A formal process for obtaining indicative credit ratings, which is common for inaugural credits, will be one of the initial steps taken if the Commissions provide authorization to proceed.

Financing Options

PFM investigated five financing options for the CROC-backed financing:

1. Public bond issue
2. Virginia Pooled Financing Program of the Virginia Resources Authority (VRA)
3. Transportation Infrastructure Finance and Innovation Act (TIFIA) Program of the USDOT
4. Railroad Rehabilitation and Improvement Financing (RRIF) Program of the USDOT
5. Virginia Transportation Infrastructure Bank (VTIB)

Of these five options, three were eliminated from consideration:

- A financing through VRA would require the credit back stop of VRE's local jurisdictions, which is counter to the recently amended Financial & Debt Management Principles.
- The RRIF program has the same borrowing costs and features as TIFIA but requires the additional payment of an upfront credit risk premium, making it inferior to TIFIA.
- VTIB funding is highly constrained, and VPRA indicated that any VTIB support of the Transforming Rail in Virginia program would likely go through VPRA directly rather than indirectly through VRE.

Of the remaining two options, a TIFIA loan would produce greater total proceeds (i.e., available project funds) as a result of its lower interest cost, but a public bond issue would have other benefits to VRE and VPRA, including a shorter timeframe to implement and greater control over the bond covenants. With the concurrence of VPRA, VRE staff recommend pursuing a public bond issuance, backed by the C-ROC Fund, in order to meet VRE's commitments under the Funding Agreement.

Risks Associated with Regional Fuels Tax

As noted above, the C-ROC Fund will be the only revenue source pledged for the repayment of a CROC-backed debt issuance. Bondholders will have no recourse to VRE, the Commissions, the VRE member jurisdictions or the Commonwealth if the revenues coming into the C-ROC Fund are insufficient for the payment of debt service (principal and interest).

Two broad categories of risk can be considered for the regional fuels taxes flowing into the C-ROC Fund: economic and political. Economic risks relate to commercial or technological changes in the broader economy that may impact the amount of fuel purchased by consumers. For example, widespread adoption of electric vehicles (EV's) might reduce the total volume of gasoline purchased and thus reduce total fuel tax revenues collected in the NVTC and PRTC regions (assuming no change to the underlying tax structure). Political risks refer to legislative actions that might reduce, eliminate, redirect or delay revenues flowing into the C-ROC Fund.

Rating agencies are aware of the economic and political risks associated with fuels taxes and will incorporate an assessment of those risks into the ratings they ultimately give to CROC-backed debt. Potential investors are also aware of these economic risks, as well as

political considerations such as non-appropriation risk, when they decide whether or not to purchase CROC-backed bonds. Such risks will be carefully disclosed in the offering documents circulated prior to the sale of the bonds. The rating agencies have closely monitored and understand recent changes to transportation funding in the Commonwealth and how such actions have impacted revenue streams flowing to both regional authorities and state agencies who have issued debt supported by such revenue.

However, the structure of the CROC-backed bonds and the C-ROC Fund itself will provide additional protection to bondholders against reduced fuels tax revenues. The planned debt service coverage ratio of 2.0x (i.e., total annual C-ROC revenues will be twice the annual debt service) provides protection against a partial reduction in C-ROC Fund revenues. Moreover, the C-ROC Fund has first priority on the regional fuels taxes collected in the NVTC and PRTC regions, which in FY 2021 totaled approximately \$76 million. If fuels tax revenues are reduced (either incrementally due to economic changes or all at once due to political action), the other regional transportation programs or projects that rely on the fuels taxes will be impacted first, before the repayment of C-ROC debt service, which will be the first priority use of C-ROC funds.

Finally, it is important to note that other revenue bond programs in the Commonwealth rely directly on regional fuels taxes, particularly the Commonwealth Transportation Board's I-81 Corridor revenue bonds and the Hampton Roads Transportation Accountability Commission (HRTAC) revenue bonds. These agencies have shown that the risks associated with revenue bonds backed by regional fuels taxes have been accepted by both the rating agencies and bond investors.

Next Steps:

With the approval of the Operations Board and the Commissions, VRE staff – in coordination with VRE's financial advisor and bond counsel – will advance to the implementation stage of the debt issuance, to include selection of an underwriter and a trustee, completion of required legal due diligence, and formal engagement with the credit rating agencies. Staff will return to the Operations Board and the Commissions in the second half of FY 2022 for approval of the bond documents and a final authorization to proceed to sale and issuance of the bonds.

Fiscal Impact:

Referral of this action to the Commissions has no immediate fiscal impact. If the Commissions approve advancement to the implementation stage, the professional costs (legal, financial advisory, etc.) associated with the sale and issuance of the CROC-backed bonds will either be provided for in the VRE FY 2022 operating budget or will be paid for out of the bond proceeds. The cost and timing of any required contributions to a debt service reserve fund or operating reserve, as well as the timing of principal and interest payments, will be determined as part of the implementation.

**Virginia Railway Express
Operations Board Resolution**

9D-11-2021

**Recommendation to Advance Public Bond Issuance Backed by the Commuter
Rail Operating and Capital (C-ROC) Fund**

WHEREAS, in March 2021, VRE entered into an Agreement for Passenger Rail Improvements and Funding (“Funding Agreement”) with the Virginia Department of Rail and Public Transportation, which was subsequently assigned to the Virginia Passenger Rail Authority; and,

WHEREAS, the Funding Agreement includes provisions for the Commissions to fund a portion of the Planned Improvements of the Transforming Rail in Virginia Program, as well as the purchase of real property for right-of-way acquired by the Commonwealth from CSX Transportation; and,

WHEREAS, the Commissions will utilize Commuter Rail Operating and Capital funds for both a debt issuance and on a pay-as-you-go basis as the source of the funding commitment; and,

WHEREAS, in September 2021, the Commissions approved updated and amended Financial and Debt Management Principles for VRE to guide the issuance of debt backed by the Commuter Rail Operating and Capital Fund; and,

WHEREAS, a financing analysis conducted by VRE’s financial advisor has determined that a public bond issuance is the most advantageous option for issuing this debt in accordance with the Funding Agreement, and that an investment grade credit rating would be expected from the major credit rating agencies for such debt;

NOW, THEREFORE, BE IT RESOLVED, the VRE Operations Board does hereby recommend the Commissions authorize VRE staff to advance a public bond issuance backed by the Commuter Rail Operating and Capital Fund including selection of an underwriter and a trustee, completion of required legal due diligence, formal engagement with the credit rating agencies, and to return to the Operations Board and the Commissions in the second half of FY 2022 for approval of final bond documents and a final authorization to proceed to sale and issuance of the bonds.

Approved this 19th day of November 2021

Elizabeth Bennett-Parker
Chair

James Walkinshaw
Secretary

TO: Chair Cristol and NVTC Commissioners
FROM: Kate Mattice
DATE: November 24, 2021
SUBJECT: Department of Rail and Public Transportation (DRPT)

At the December meeting DRPT Director Jennifer Mitchell will give her report. The [monthly DRPT Report](#), which provides updates on DRPT programs and initiatives, is attached.



COMMONWEALTH of VIRGINIA

Jennifer L. Mitchell
Director

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600 E. Main Street, Suite 2102
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Virginia Relay Center
800-828-1120 (TDD)

TO: Chair Cristol and NVTC Commissioners

FROM: Jennifer Mitchell, Director

DATE: November 22, 2021

SUBJECT: Virginia Department of Rail and Public Transportation (DRPT) Update

The next Commonwealth Transportation Board (CTB) [meeting](#) is December 7 and 8 at the VDOT Auditorium in Richmond.

The Governor's Transportation Conference is December 1-3 in Crystal City. The [agenda](#) and [registration](#) are available online.

DRPT's Transit Equity and Modernization Study is ongoing. An interim report is due to the General Assembly on December 1, and the final report is due in mid-2022. The second meeting of the Transit Equity Committee (TEC) was held on November 16. The TEC is comprised of Chief Executives from several transit systems across the Commonwealth. NVTC jurisdictions represented on the TEC include Arlington and Alexandria. More information can be found on the study [website](#).

FY23 applications for DRPT's statewide transit grant program, [MERIT](#) (Making Efficient + Responsible Investments in Transit), opened on December 1 and closes on February 1, 2022. Projected five year capital needs are also due February 1. Transit agencies are required to update their data in DRPT's Transit Asset Management system (TransAM) by January 15, and Transit Development Plan (TDP) update letters are due January 18, 2022. Application guidance can be found on DRPT's [website](#). DRPT hosted a series of FY 23 grant application webinars in November, of which archived recordings can also be found there.

Finally the [Virginia Breeze](#) intercity bus service launched a new route, the Highlands Rhythm, between Bristol and Union Station in Washington, DC on November 13. The route makes one round trip daily with stops in Northern Virginia at the West Falls Church Metro Station and Dulles International Airport along with five other stops in the I-81 corridor.

DRPT.Virginia.gov

Improving the mobility of people and goods while expanding transportation choices.

TO: Chair Cristol and NVTC Commissioners
FROM: Kate Mattice
DATE: November 24, 2021
SUBJECT: Executive Director Report

A. Executive Director Newsletter

NVTC's Executive Director Newsletter provides updates on specific NVTC projects and programs and highlights items of interest at the federal and state levels and among partners such as the Transportation Planning Board (TPB) and the Northern Virginia Transportation Authority (NVTA).

This month the Executive Director Newsletter will be provided as a blue-sheeted item at the meeting. The newsletter will report on what the *Infrastructure Investment and Jobs Act* provides for Virginia, the call for projects for Round Five of Commuter Choice on the I-66 Corridor and the recent meeting of NVTC's Legislative Committee.

B. NVTC Financial Report

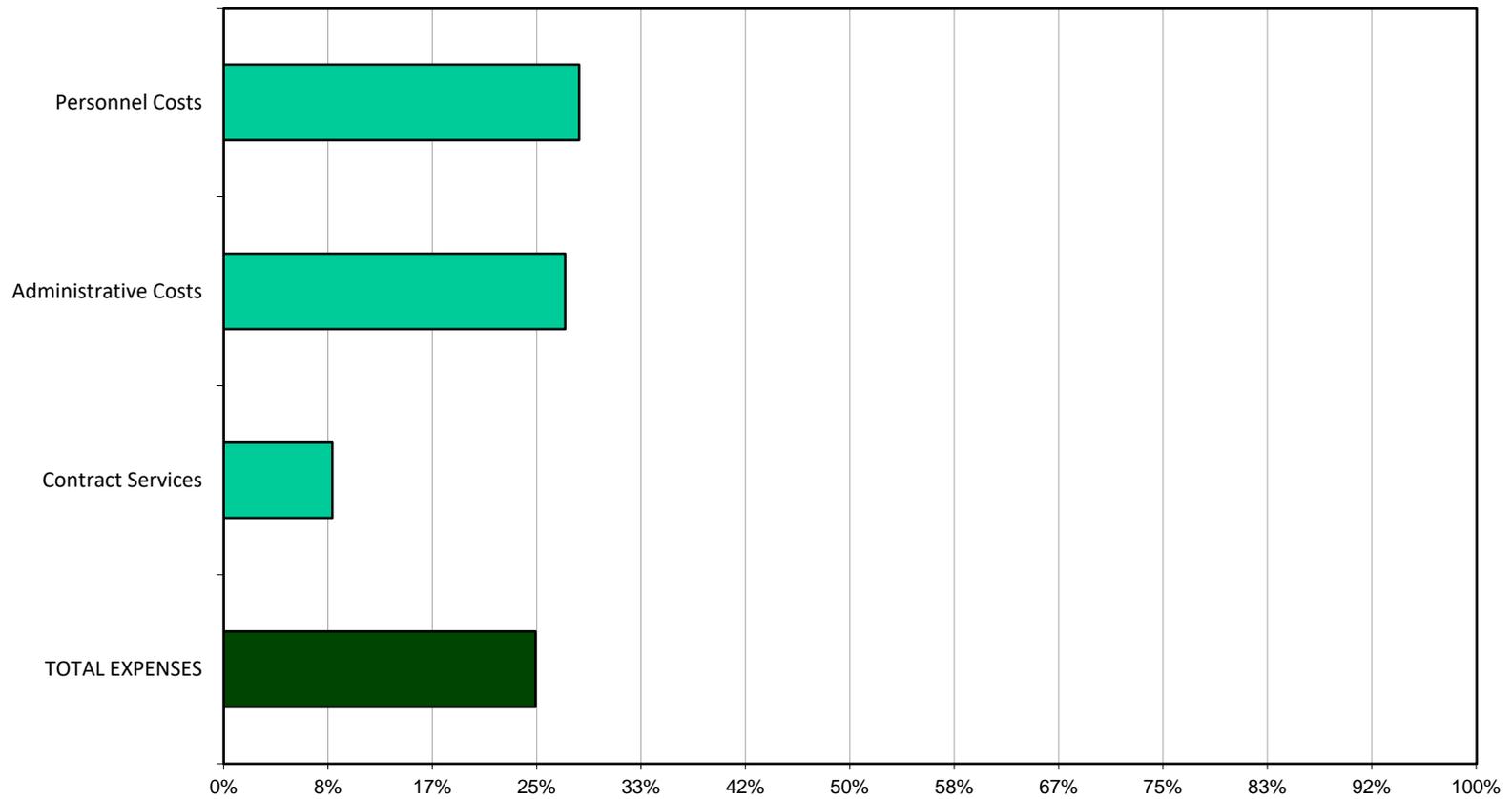
The October 2021 Financial Report is provided as information.



Northern Virginia Transportation Commission

Financial Reports
October 2021

PERCENTAGE OF FY 2022 NVTC ADMINISTRATIVE BUDGET USED
October 2021
(TARGET 33.3% OR LESS)



Note: Refer to pages 2 and 3 for details

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
G&A BUDGET VARIANCE REPORT
October 2021**

	Current Month	Year To Date	Annual Budget	Balance Available	Balance %
<u>Personnel Costs</u>					
Salaries and Wages	\$ 144,559.32	\$ 590,522.02	\$ 2,102,700.00	\$ 1,512,177.98	71.9%
Temporary Employee Services	-	-	-	-	
Total Personnel Costs	<u>144,559.32</u>	<u>590,522.02</u>	<u>2,102,700.00</u>	<u>1,512,177.98</u>	<u>71.9%</u>
<u>Benefits</u>					
Employer's Contributions:					
FICA	8,160.59	43,836.29	144,000.00	100,163.71	69.6%
Group Health Insurance	11,002.36	47,868.51	183,100.00	135,231.49	73.9%
Retirement	7,730.00	55,496.00	170,000.00	114,504.00	67.4%
Workmans & Unemployment Compensation	210.32	945.46	5,500.00	4,554.54	82.8%
Life Insurance	109.62	2,405.38	6,800.00	4,394.62	64.6%
Long Term Disability Insurance	755.48	3,273.78	11,000.00	7,726.22	70.2%
Total Benefit Costs	<u>27,968.37</u>	<u>153,825.42</u>	<u>520,400.00</u>	<u>366,574.58</u>	<u>70.4%</u>
<u>Administrative Costs</u>					
Commissioners Per Diem	1,300.00	3,800.00	14,500.00	10,700.00	73.8%
<i>Rents:</i>	<i>31,669.88</i>	<i>128,502.86</i>	<i>408,200.00</i>	<i>279,697.14</i>	<i>68.5%</i>
Office Rent	31,619.88	127,687.98	379,600.00	251,912.02	66.4%
Parking & Transit Benefits	50.00	814.88	28,600.00	27,785.12	97.2%
<i>Insurance:</i>	<i>602.05</i>	<i>1,969.40</i>	<i>7,400.00</i>	<i>5,430.60</i>	<i>73.4%</i>
Public Official Bonds	-	100.00	2,300.00	2,200.00	95.7%
Liability and Property	602.05	1,869.40	5,100.00	3,230.60	63.3%
<i>Travel:</i>	<i>158.83</i>	<i>4,081.40</i>	<i>44,000.00</i>	<i>39,918.60</i>	<i>90.7%</i>
Conference / Professional Development	102.11	3,505.71	27,100.00	23,594.29	87.1%
Non-Local Travel	-	-	2,500.00	2,500.00	100.0%
Local Travel, Meetings and Related Expenses	56.72	575.69	14,400.00	13,824.31	96.0%

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
G&A BUDGET VARIANCE REPORT
October 2021**

	<u>Current Month</u>	<u>Year To Date</u>	<u>Annual Budget</u>	<u>Balance Available</u>	<u>Balance %</u>
<i>Communication:</i>	1,328.06	3,546.78	16,000.00	12,453.22	77.8%
Postage	-	-	1,400.00	1,400.00	100.0%
Telephone and Data	1,328.06	3,546.78	14,600.00	11,053.22	75.7%
<i>Publications & Supplies</i>	486.85	1,856.91	28,900.00	27,043.09	93.6%
Office Supplies	23.32	175.38	3,000.00	2,824.62	94.2%
Duplication and Paper	446.60	1,664.60	10,900.00	9,235.40	84.7%
Public Engagement	16.93	16.93	15,000.00	14,983.07	99.9%
<i>Operations:</i>	4,376.09	7,208.46	37,700.00	30,491.54	80.9%
Furniture and Equipment (Capital)	2,598.00	2,598.00	13,000.00	10,402.00	80.0%
Repairs and Maintenance	50.00	200.00	1,000.00	800.00	80.0%
Computer Operations	1,728.09	4,410.46	23,700.00	19,289.54	81.4%
<i>Other General and Administrative:</i>	918.87	3,492.20	10,000.00	6,507.80	65.1%
Memberships	80.75	834.72	1,600.00	765.28	47.8%
Fees and Miscellaneous	679.12	2,498.48	6,900.00	4,401.52	63.8%
Advertising (Personnel/Procurement)	159.00	159.00	1,500.00	1,341.00	89.4%
Total Administrative Costs	<u>40,840.63</u>	<u>154,458.01</u>	<u>566,700.00</u>	<u>412,241.99</u>	<u>72.7%</u>
<u>Contracting Services</u>					
Auditing	-	-	25,100.00	25,100.00	100.0%
Contract Services and Support - Commuter Choice	12,695.99	19,400.92	463,600.00	444,199.08	95.8%
Contract Services and Support - Other	6,211.91	24,847.64	120,000.00	95,152.36	79.3%
Legal	2,916.67	11,666.68	35,000.00	23,333.32	66.7%
Total Contract Services	<u>21,824.57</u>	<u>55,915.24</u>	<u>643,700.00</u>	<u>587,784.76</u>	<u>91.3%</u>
 Total Gross G&A Expenses	 <u>\$ 235,192.89</u>	 <u>\$ 954,720.69</u>	 <u>\$ 3,833,500.00</u>	 <u>\$ 2,878,779.31</u>	 <u>75.1%</u>

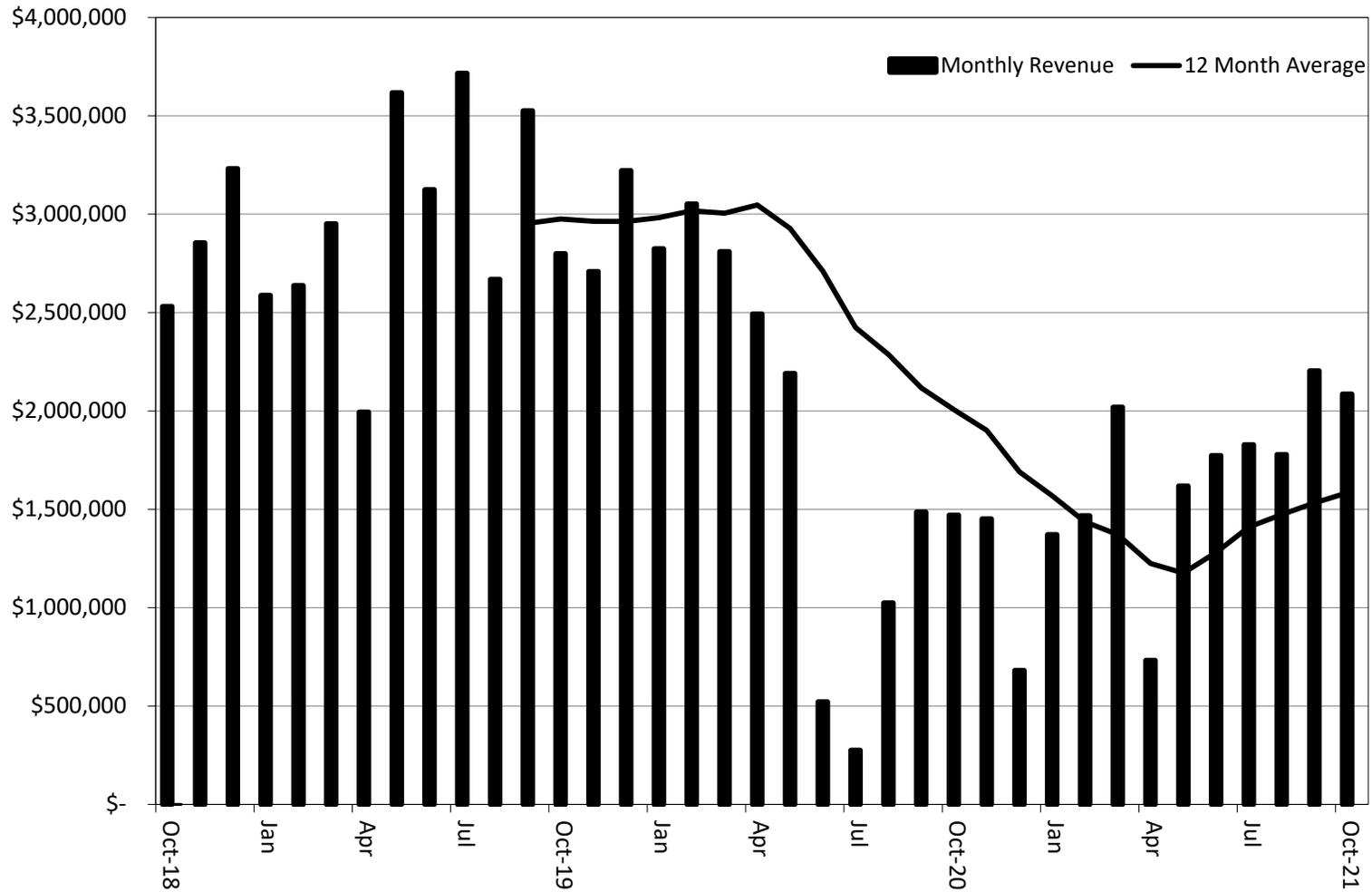
NVTC
RECEIPTS and DISBURSEMENTS
October 2021

Date	Payer / Payee	Purpose	Wells Fargo Checking	Wells Fargo Savings	Virginia LGIP		
					NVTC G&A / Project	Commuter Choice	Trusts
RECEIPTS							
5	VPRA	Capital grants receipts			\$ 128,921.00		
5	Alexandria	G&A contribution		10,491.00			
6	DRPT	Capital grants receipt - Alexandria			109,080.00		
6	DRPT	Grant receipt - Regional marketing campaign			720.00		
12	DRPT	Capital grant receipt - Alexandria			97,649.00		
14	DRPT	Capital grant receipt - Alexandria					660,000.00
14	VRE	Reimbursement for staff support		14,788.89			
14	Loudoun	Local match - Regional fare collection project		4,609.93			
14	PRTC	Local match - Regional fare collection project		9,469.22			
20	DRPT	Capital grants receipt - Fairfax					50,064.00
21	DRPT	Capital grants receipt - Fairfax					57,545.00
26	DRPT	Capital and operating grant receipt - WMATA					14,758,482.00
27	DRPT	Capital grants receipt - Arlington					113,594.00
31	Banks	Investment earnings		5.75	30.82	2,182.94	8,947.42
			-	39,364.79	336,400.82	2,182.94	15,648,632.42
DISBURSEMENTS							
1-31	Various	G&A expenses	(235,890.37)				
1	WMATA	Metrobus operating					(16,263,727.00)
1	WMATA	Metroaccess operating					(4,941,725.00)
1	WMATA	Metrorail operating					(22,148,317.00)
1	WMATA	CIP					(245,597.00)
1	WMATA	Project development					(176,970.00)
1	WMATA	Debt service					(3,751,108.00)
5	VRE	Grant revenue			(128,921.00)		
5	Kimley-Horn	Consulting - Commuter Choice program	(3,002.82)				
7	Alexandria	Cost incurred			(519,561.00)		
7	NVRC	Commuter Choice I-395/95 project reimbursement				(39,126.00)	
7	PRTC	Commuter Choice I-395/95 project reimbursement				(612,469.00)	
8	PRTC	Commuter Choice I-66 project reimbursement				(1,116,627.00)	
8	Arlington	Commuter Choice I-66 project reimbursement				(58,464.00)	
9	Alexandria	Commuter Choice I-395/95 project reimbursement				(25,572.00)	
9	Loudoun	Commuter Choice I-66 project reimbursement				(68,572.00)	
14	Stantec	Consulting - NTD collection project	(5,269.60)				
14	Kimley-Horn	Consulting - Fare collection project	(8,965.82)				
22	Alexandria	Other capital					(1,654,111.00)
22	Alexandria	Cost incurred			(97,649.00)		
31	Banks	Service charges	(66.91)	(37.02)			
			(253,195.52)	(37.02)	(746,131.00)	(1,920,830.00)	(49,181,555.00)
TRANSFERS							
12	Transfer	From LGIP to checking	150,000.00		(150,000.00)		
15	Transfer	From LGIP to LGIP (NTD project)			5,269.60		(5,269.60)
26	Transfer	From LGIP to LGIP (NTD project)			5,223.65		(5,223.65)
			150,000.00	-	(139,506.75)	-	(10,493.25)
NET INCREASE (DECREASE) FOR MONTH							
			\$ (103,195.52)	\$ 39,327.77	\$ (549,236.93)	\$ (1,918,647.06)	\$ (33,543,415.83)

**NVTC
INVESTMENT REPORT
October 2021**

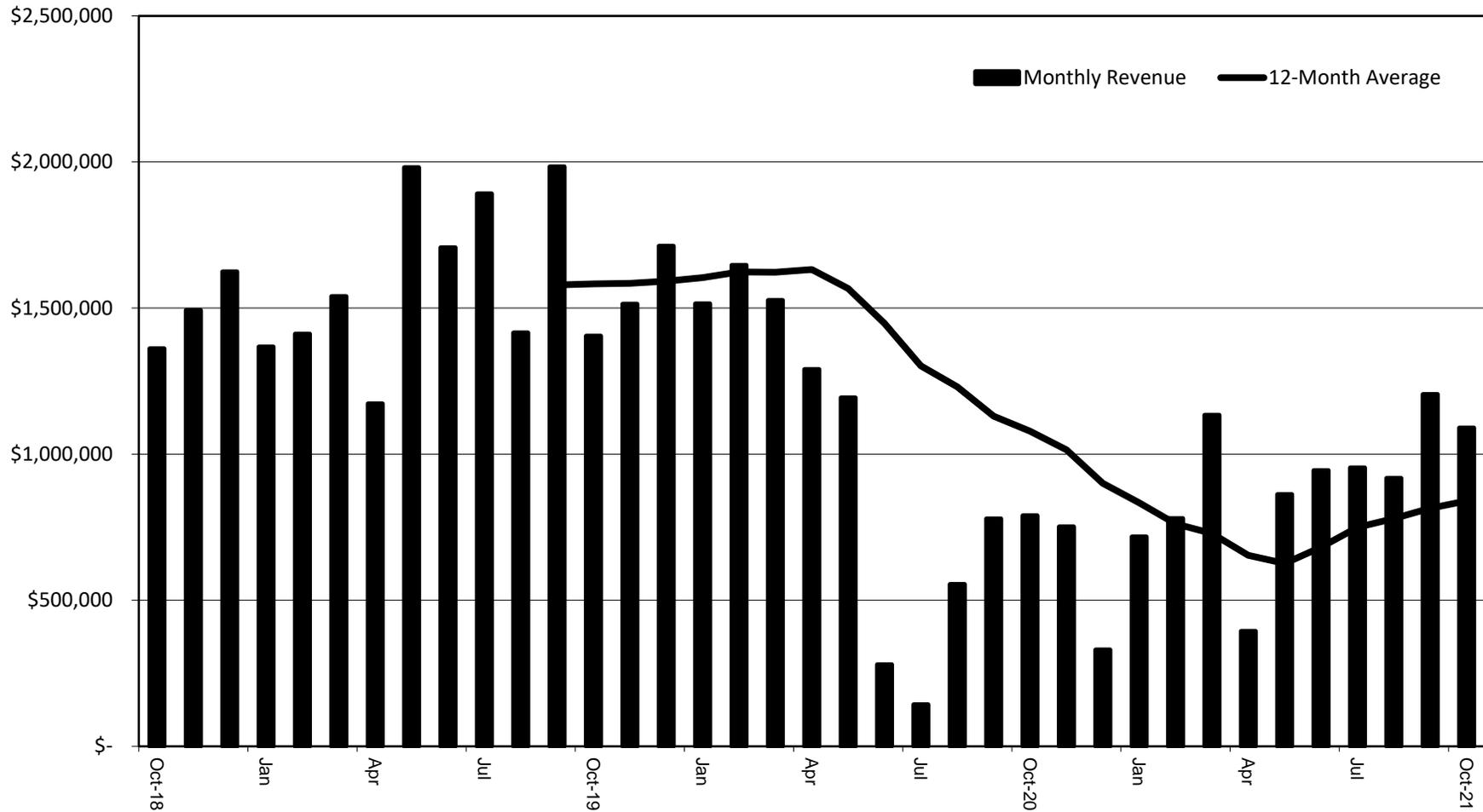
<u>Type</u>	<u>Rate</u>	<u>Balance 9/30/2021</u>	<u>Increase (Decrease)</u>	<u>Balance 10/31/2021</u>	<u>Balance</u>			
					<u>NVTC G&A/Project</u>	<u>Commuter Choice</u>	<u>Jurisdictions Trust Fund</u>	<u>Loudoun Trust Fund</u>
<u>Cash Deposits</u>								
Wells Fargo: NVTC Checking	N/A	\$ 123,061.33	\$ (103,195.52)	\$ 19,865.81	\$ 19,865.81	\$ -	\$ -	\$ -
Wells Fargo: NVTC Savings	0.160%	15,841.50	39,327.77	55,169.27	55,169.27	-	-	-
<u>Investments</u>								
Bank of America: Virginia Local Government Investment Pool	0.059%	270,653,313.32	(36,011,299.82)	234,642,013.50	240,434.64	43,354,030.74	145,036,643.37	46,010,904.75
		<u>\$ 270,792,216.15</u>	<u>\$ (36,075,167.57)</u>	<u>\$ 234,717,048.58</u>	<u>\$ 315,469.72</u>	<u>\$ 43,354,030.74</u>	<u>\$ 145,036,643.37</u>	<u>\$ 46,010,904.75</u>

NVTC MONTHLY GAS TAX REVENUE ALL JURISDICTIONS FISCAL YEARS 2019-2022



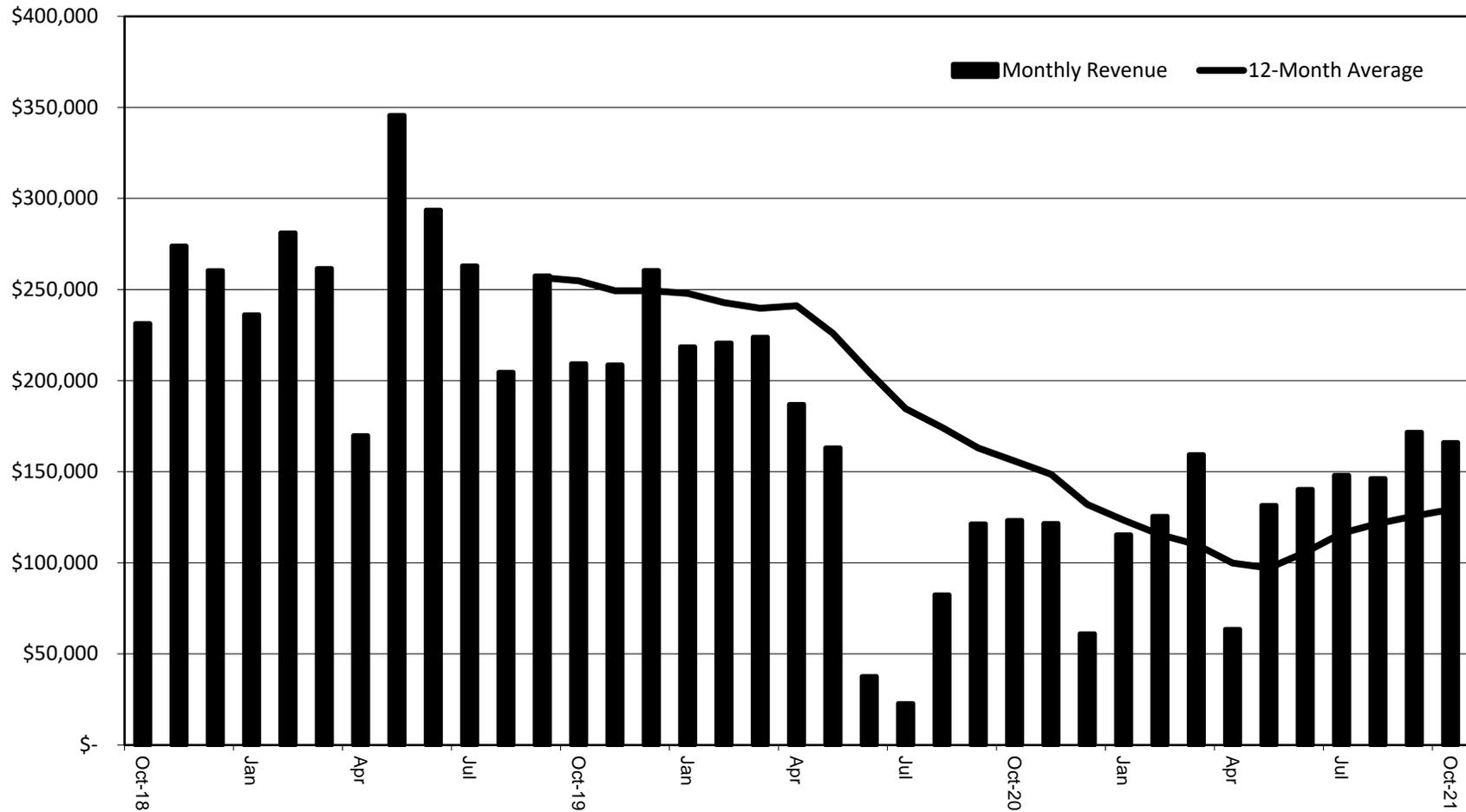
Note: Taxes shown as received by NVTC in a particular month are generated from sales two months earlier.

NVTC MONTHLY GAS TAX REVENUE FAIRFAX COUNTY FISCAL YEARS 2019-2022



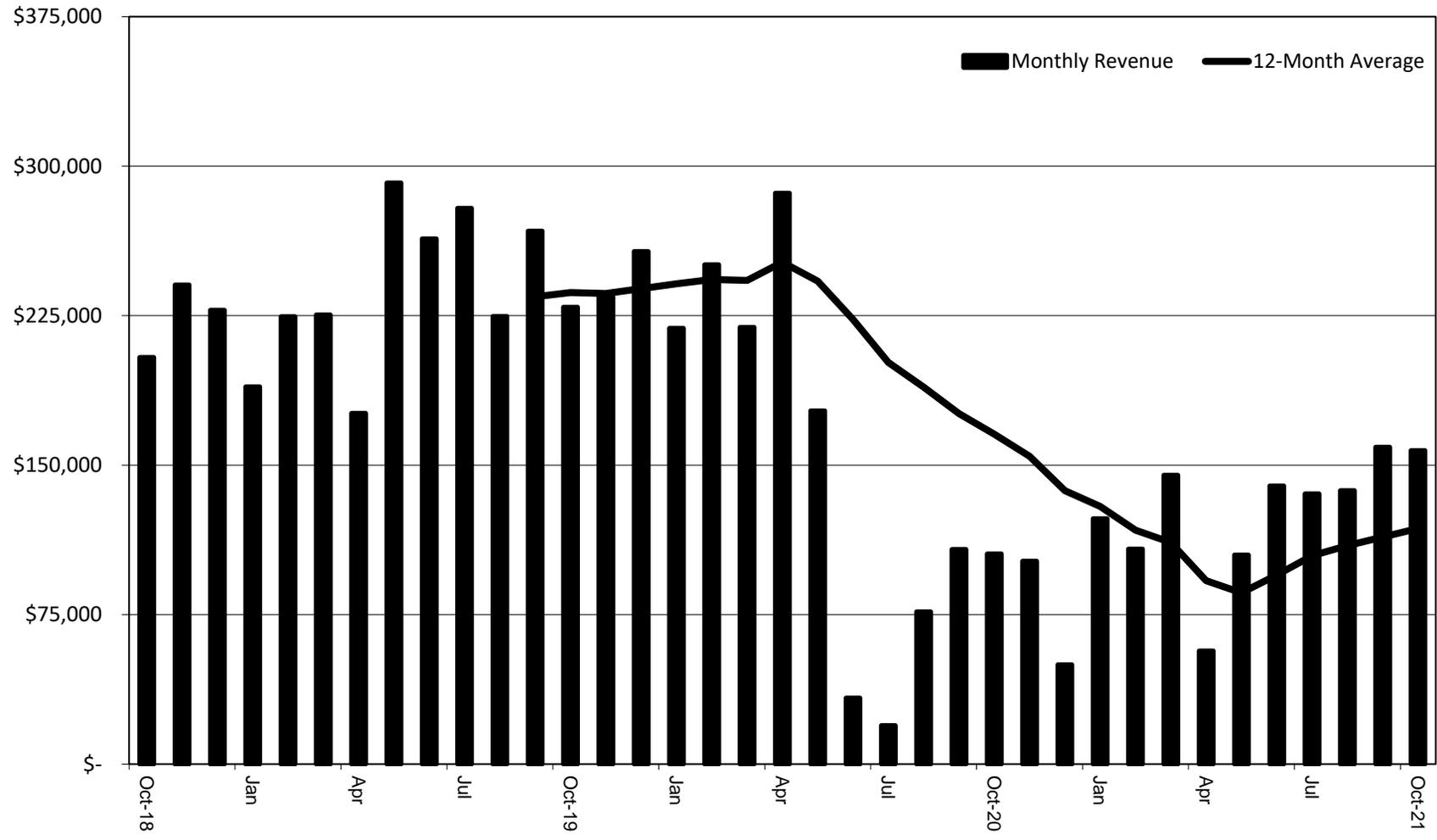
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NVTC MONTHLY GAS TAX REVENUE CITY OF ALEXANDRIA FISCAL YEARS 2019-2022



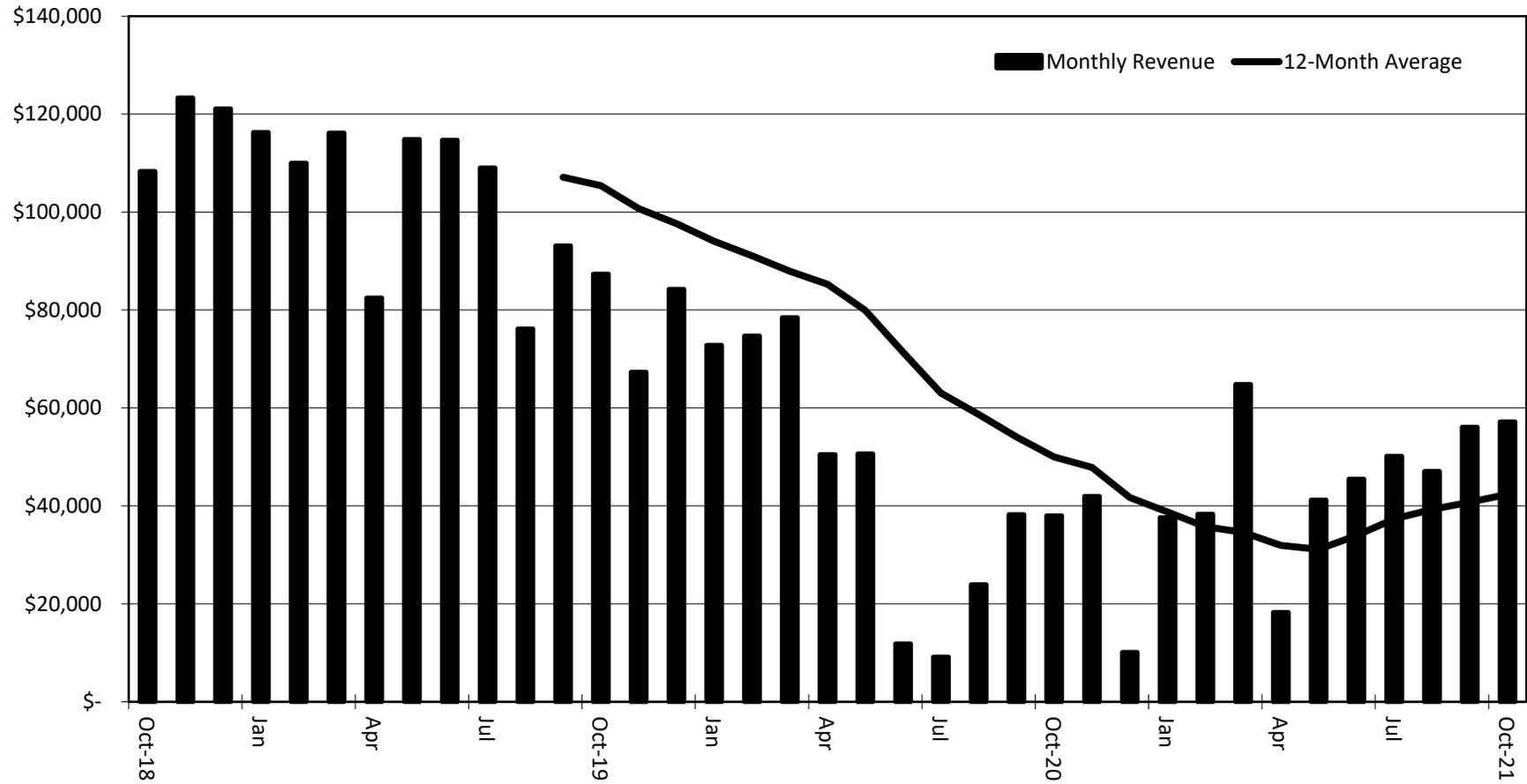
Note: Taxes shown as received by NVTC in a particular month are generated from sales two months earlier.

NVTC MONTHLY GAS TAX REVENUE ARLINGTON COUNTY FISCAL YEARS 2019-2022



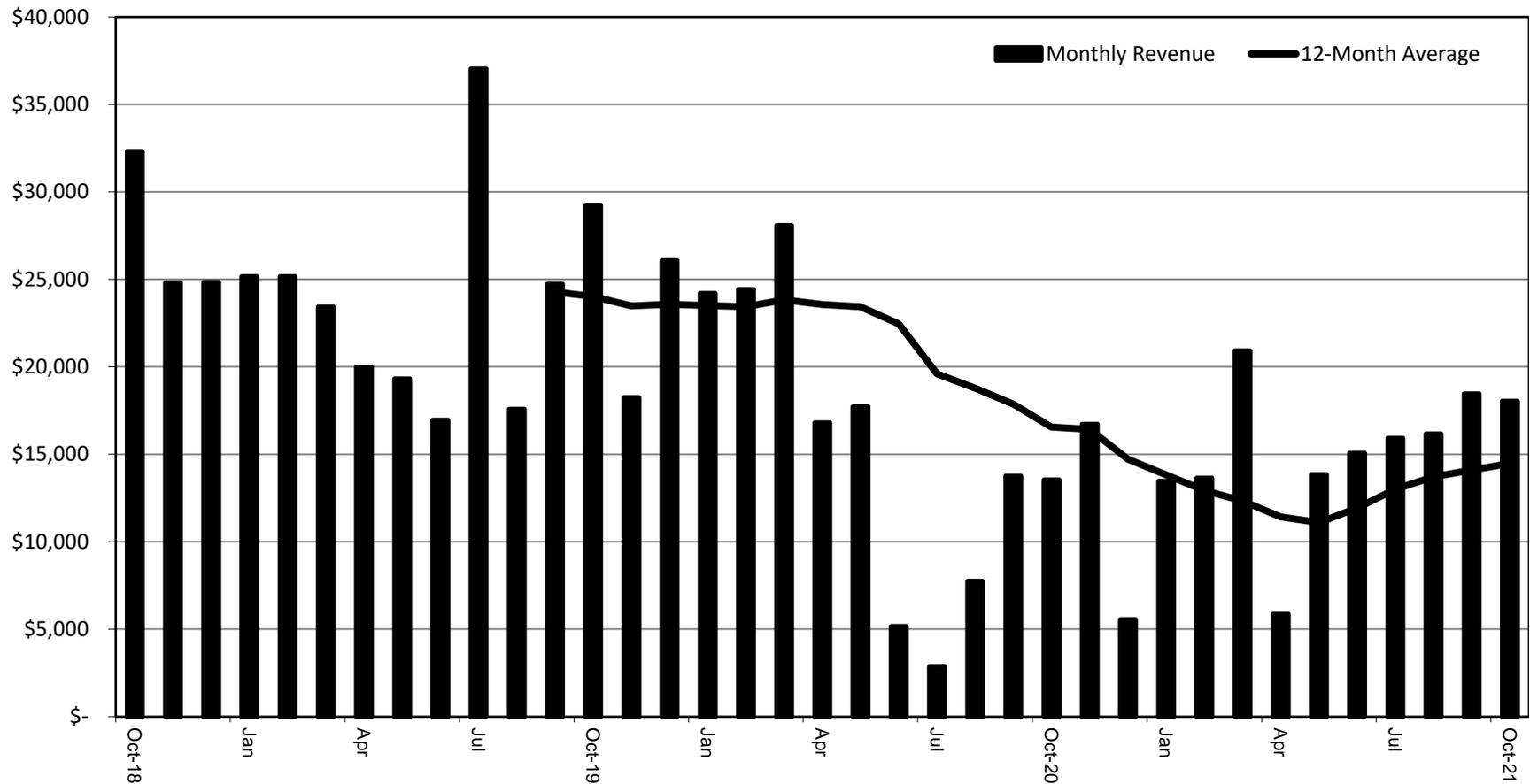
Note: Taxes shown as received by NVTC in a particular month are generated from sales two months earlier.

NVTC MONTHLY GAS TAX REVENUE CITY OF FAIRFAX FISCAL YEARS 2019-2022



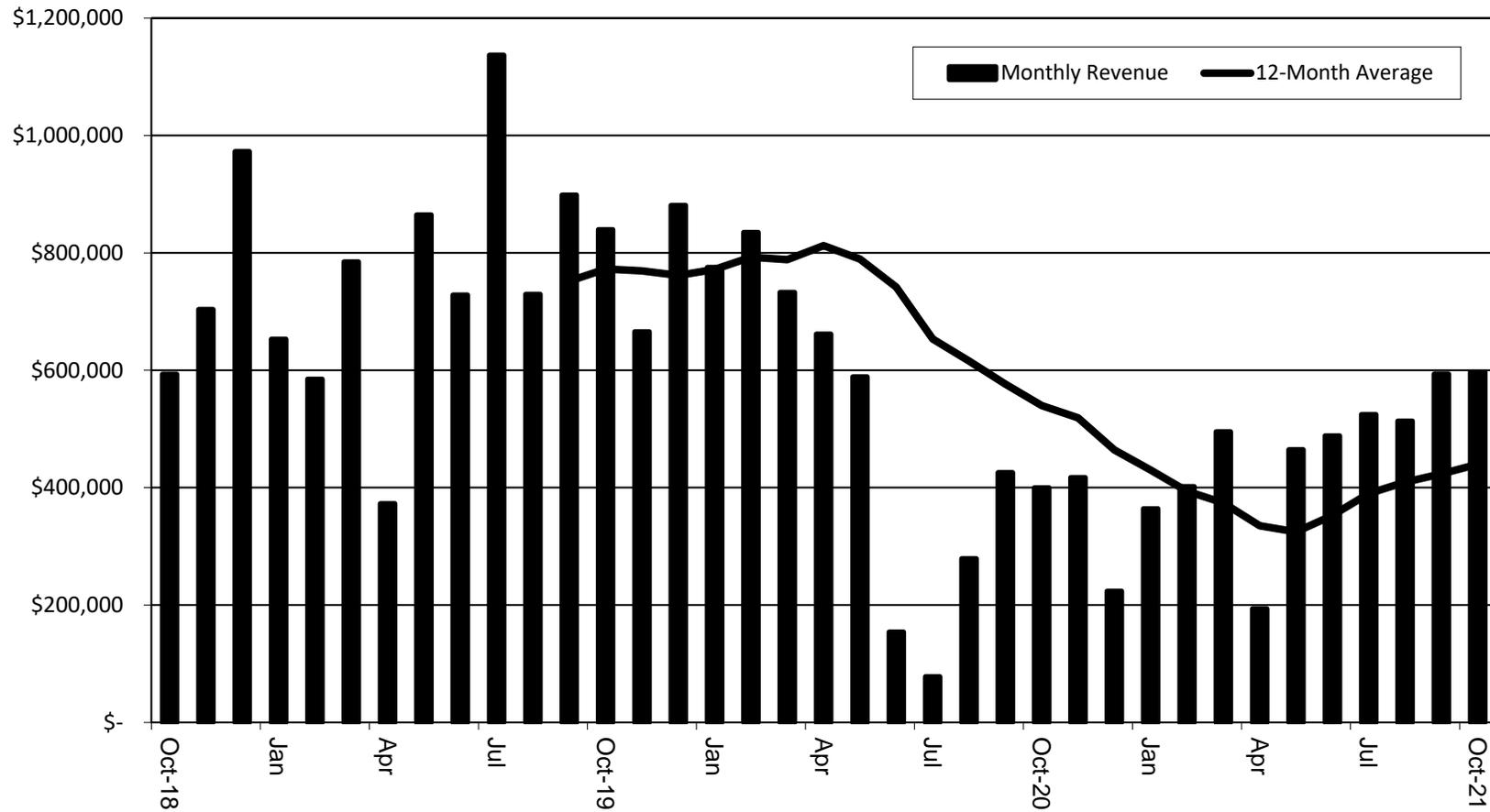
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NVTC MONTHLY GAS TAX REVENUE CITY OF FALLS CHURCH FISCAL YEARS 2019-2022



Note: Taxes shown as received by NVTC in a particular month are generated from sales two months earlier .

NVTC MONTHLY GAS TAX REVENUE LOUDOUN COUNTY FISCAL YEARS 2019-2022



Note: Taxes shown as received by NVTC in a particular month are generated from sales two months earlier.