

MINUTES
NVTC COMMISSION MEETING –OCTOBER 6, 2022
FIRST FLOOR LARGE CONFERENCE ROOM – 2300 WILSON BLVD.
ARLINGTON, VIRGINIA

The meeting of the Northern Virginia Transportation Commission was called to order by Vice-Chair Palchik at 7:09 p.m.

Members Present

Walter Alcorn
Sarah Bagley
Nick Clemente
Matt de Ferranti
Jennifer DeBruhl (Alternate, Commonwealth of Virginia) *(via electronic participation)*
Adam Ebbin
John Foust
Libby Garvey *(via electronic participation)*
Aimee S. Gilroy
Dalia Palchik
M. David Skiles
Paul Smedberg
David Snyder
John C. Tuck III
James Walkinshaw

Members Not Present

Canek Aguirre
John J. Bell
Katie Cristol
Matt Letourneau
Jeff McKay
David Meyer
Mike Turner

Staff Present

Kate Mattice, Executive Director
Monique Blyther
Genoveva Cutrell
Andrew D’huyvetter
Matt Friedman
Allan Fye
Rhonda Gilchrest
Xavier Harmony
Scott Kalkwarf
Tenley O’Hara
Ben Owen
Ann McGrane

Melissa Walker
Ronnetta Zack-Williams
Aimee Perron Siebert *(via electronic participation)*
Rich Dalton (VRE)
Steve MacIsaac (VRE)
Joe Swartz (VRE)
Cindy Bullock (VRE)

Opening Remarks

Vice-Chair Palchik welcomed everyone to the October 6, 2022 NVTC meeting and noted that the meeting is also being livestreamed for the public on YouTube. She stated that unfortunately Chair Aguirre is unable to attend, so she will be chairing this meeting.

Vice-Chair Palchik stated that DRPT Director DeBruhl is participating electronically via Zoom from Richmond under the provision of a member living 60 or more miles away from the meeting location. Ms. Garvey is also participating electronically as she is out of state on travel due to a personal reason. Mr. Storck is serving as Mr. McKay's alternate and will participate in the votes. Commission Secretary Rhonda Gilchrest confirmed an in-person quorum was present.

Ms. Mattice stated that NVTC did not receive any public comments this month.

Minutes of the July 7, 2022 NVTC Meeting

Mr. Alcorn moved, with a second by Mr. Skiles, to approve the Minutes of the September 1, 2022 meeting. The vote in favor was cast by Commissioners Alcorn, Bagley, Clemente, Ebbin, Foust, Gilroy, Palchik, Skiles, Smedberg, Snyder and Tuck. Mr. de Ferranti and Mr. Storck abstained. A roll call vote followed for Ms. Garvey who was participating electronically and she voted in the affirmative. The motion passed.

Consent Agenda

Vice-Chair Palchik stated that there are three action items on the Consent Agenda:

- A. Authorize the Notice of Direct Contribution to the Jurisdictions
- B. Authorize the Issuance of a Request for Proposals for a Northern Virginia Regional Bus Analysis
- C. Authorize the Chair to Send a Letter of Endorsement of Loudoun County's Transit Ridership Incentive Program (TRIP) Grant Application

Mr. de Ferranti moved, with a second by Mr. Smedberg, to approve the Consent Agenda. The vote in favor was cast by Commissioners Alcorn, Bagley, Clemente, de Ferranti, Ebbin, Foust, Gilroy, Palchik, Skiles, Smedberg, Snyder, Storck and Tuck. A roll call vote followed for Ms. Garvey who was participating electronically and she voted in the affirmative. The motion passed.

Commuter Choice Program

Vice-Chair Palchik stated that the Program Advisory Committee (PAC) and the Joint Commission Working Group both met on September 15. She asked Mr. Snyder, who is the chair of the Program

Advisory Committee, to give an update on the PAC committee's activities and introduce the Commuter Choice action.

Mr. Snyder stated that at the September PAC meeting, the committee heard updates from staff on the on Envision Route 7 BRT, zero-emission buses and the I-395/95 Commuter Choice program. He stated that the Envision Route 7 BRT project update focused on staff and consultant efforts to spread the word about the project across the study area at various community events and via digital newsletters and social media. There is a Falls Church public meeting scheduled for Tuesday, October 11 at 6:30 p.m. at Meridian High School. He stated that staff put together a communications toolkit, which is available for Commissioners, to help get the word out and generate a strong turnout for the meeting. Staff also launched the Route 7 BRT Strategic Implementation Plan work and will be diving deep with local senior transportation staff to understand key governance and operational issues as they develop a roadmap for planning, funding and eventual building and operating of the BRT. Staff will continue to brief the PAC throughout this effort as this framework will be important to the successful implementation of the Route 7 BRT.

Mr. Snyder stated that staff also updated PAC members on the Commission's upcoming work on a Northern Virginia Zero Emission Bus Strategic Plan. Staff is about halfway through the procurement process and anticipates bringing the contract award to the Commission later this fall. Ms. Mattice stated that staff is in the process of reviewing proposals. Mr. Snyder stated that the Zero-Emission Bus Strategic Plan will provide the Commission with a roadmap of how to best coordinate the implementation of zero-emission buses across Northern Virginia and provide local transit providers with some technical expertise and guidance. With all the federal funding for zero-emission buses and infrastructure available through the Infrastructure and Investment Jobs Acts (IIJA), there is an opportunity collaboratively to tap into those funds and leverage regional and state funds as well. Mr. Snyder stated that this is a critical coordination effort, which will avoid duplication while achieving economies of scale.

Mr. Snyder also reported that the committee was briefed by the Commuter Choice team about proposed policy changes that staff will seek in November along with the next I-395/95 call for projects. He stated that the Commission is being asked at tonight's meeting to authorize the executive director to submit the Commuter Choice FY 2022 Annual Report to the Commonwealth Transportation Board (CTB). Since the I-395/95 element of the Commuter Choice program is a joint effort with the Potomac and Rappahannock Transportation Commission (PRTC), they are receiving this same briefing and taking the same action at their meeting tonight. Mr. Snyder concluded by asking Commuter Choice Senior Program Manager Ben Owen to provide more information and respond to questions.

Mr. Walkinshaw arrived at 7:19 p.m.

Mr. Owen gave a brief overview of the FY 2022 Commuter Choice Annual Report. NVTC is required per the Memoranda of Agreement in both corridors to submit a report to the Commonwealth each fall on the projects funded under the Commuter Choice program as well as their performance relative to their expected benefits. He noted that this year's report is exciting on two fronts. For one, ridership is way up. The 22 projects active this spring helped over 4,000

people move through the I-66 Inside the Beltway and I-395/95 corridors each weekday. This figure is a fivefold increase from FY 2021 and clear indication that transit is on the upswing in certain markets.

Staff also estimated the broader benefits of the funding to Northern Virginia's economy and quality of life since 2017. They are substantial and wide-ranging. To get these figures, staff analyzed projects' person-throughput figures for each year they were available and compared trips that commuters would be likely to make with and without each project (time, distance, etc.), and scaled up to the overall program. NVTC staff has also produced a short video that highlights the report in full. The video was played for Commissioners. Mr. Owen stated that it was a team effort to produce the video – led by Monique Blyther and Ben Owen with script support by Adam Hager and Silas Sullivan. Vice-Chair Palchik congratulated staff on the impressive video.

Ms. Bagley moved, with a second by Mr. de Ferranti, to authorize the executive director to submit the NVTC Commuter Choice Program FY 2022 Annual Report to the Commonwealth Transportation Board. The vote in favor was cast by was cast by Commissioners Alcorn, Bagley, Clemente, de Ferranti, Ebbin, Foust, Gilroy, Palchik, Skiles, Smedberg, Snyder, Storck, Tuck and Walkinshaw. A roll call vote followed for Ms. Garvey who was participating electronically and she voted in the affirmative. The motion passed.

Vice-Chair Palchik reported that the Joint Commission Working Group also met on September 15, chaired by Jeff McKay who could not be here tonight. The Working Group is comprised of six members – three Commissioners from NVTC and three from PRTC. Jeff McKay, Sarah Bagley and Libby Garvey are the NVTC members. While there are no I-395/95-related actions for the Commission this evening, the Joint Working Group did dive into the upcoming call for projects and some proposed policy changes. She asked Mr. Owen to give an update on the Working Group meeting.

Mr. Owen stated that for the upcoming I-395/95 funding round, there is an estimated \$45 million or more available. This is a result as this corridor in general was less affected by the pandemic and the last call for projects had fewer proposals given less certainty. Staff has already begun engagement with potential applicants to think transformatively. Project applicants are encouraged to submit capital projects as NVTC is limited in how much of the funding can go to transit operations (capped at no more than 50% of funding over nine years). With future funding rounds in mind as well, estimating that a maximum of about \$16 million can comfortably go to transit operations in this round – defined narrowly as the costs directly involved in operations (operator and dispatcher wages and benefits, fuel, licenses).

Mr. Owen stated that NVTC staff Adam Hager is briefing the Potomac and Rappahannock Transportation Commission at their meeting tonight. Applications are due January 27, 2023. Approval of the Program of Projects will be requested at the June Commission meeting. He reviewed the project requirements, scoring and selection process, and public comment.

Mr. Owen stated that the current technical evaluation process has been in place since 2019. Each year staff looks at possible changes resulting from lessons learned or ways to improve the administration of the program. Most of the possible points in the scoring come from technical factors that relate to the improvement goals for the corridor – maximizing person throughput

and implementing effective multimodal improvements. The single most important factor is person throughput which is the efficiency by which a proposed project moves more people through the corridor (in terms of people to vehicles). Staff also looks at travel time savings, connections between modes of transportation and regional activity centers, the ability of a project to absorb potential car trips that might be priced onto parallel roads due to tolling or congestion in general purpose lanes. Other factors include cost effectiveness, applicant preference and interagency collaboration.

Mr. Owen explained that staff are proposing modest changes this year. First, it is proposed to shift points from applicant preference and collaboration to technical merit and cost effectiveness to help emphasize the measurable aspects of the scoring process. Currently under the Accessibility factor staff looks at whether projects connect regional activity centers. There is interest from Commissioners and staff around the region in incorporating equity. Staff proposes to add Equity Emphasis Areas (EEAs), which are designated by the Metropolitan Washington Council of Governments, into the mix and would be treated interchangeably with activity centers for evaluation purposes. These proposed changes were shared with applicant staff as well as the Joint Commission Working Group earlier this month and staff received positive feedback.

Mr. Smedberg asked if these proposed changes need to be approved by the Commonwealth Transportation Board. Mr. Owen clarified that the proposed changes only need to be approved by both Commissions.

Mr. Walkinshaw asked if geographical areas are clearly defined for the I-66 and I-395/95 corridors. Mr. Owen stated that the focus is on selecting projects that ultimately pass more people through the corridor and can demonstrate a nexus to that. Mr. Walkinshaw stated that there could be projects that benefit drivers from both I-66 and I-395/95 and wonders how such a project would score. Mr. Skiles stated that the Meeks decision requires a project to benefit the toll-payer in that specific corridor. Vice-Chair Palchik stated that she is interested in how to reach more people, and suggested staff think through how to communicate and educate the public. Mr. Owen stated that staff is looking at revamping the Commuter Choice web pages to be less technical. Vice-Chair Palchik stated that Commissioners could help spread the word and educate constituents on the Commuter Choice program, mainly to remind the public that the Commuter Choice program is funded with toll revenue, not local taxes.

Washington Metropolitan Area Transit Authority (WMATA)

Vice-Chair Palchik asked WMATA Board member, Paul Smedberg, and NVTC WMATA Committee Chair, Walter Alcorn, to give their reports.

Report from the WMATA Board Members. Mr. Smedberg reported that last month the WMATA Board's Finance and Capital Committee received an update from WMATA staff on the FY 2024 Budget outlook. For the upcoming FY 2024 Budget, the operating funding gap is currently \$184.7 million. WMATA staff project some passenger revenue increases (in part due to fare evasion prevention efforts), non-passenger revenue increase, and expense reductions that bring that gap down to \$146.2 million. In order to close that gap, the Board will need to

make a number of policy decisions around fare and service optimization, increasing the preventive maintenance transfer, and increasing current subsidy. He reported that the Board is considering how to advance fare policy goals around simplification and may look at a fare increase. For the preventative maintenance transfer, this would be a proposed increase of the transfer of eligible maintenance expenses from the operating budget to the capital budget. He stated that he wants to be clear here that the same amount of maintenance work would be completed, it is just a matter of where to charge the expenses. For the last concept, a subsidy increase beyond the 3% cap legislation would require a legislative change in Virginia and Maryland. He stated that from a Virginia perspective, there is no interest in changing the cap at this time. As these currently are just options for WMATA Board to consider, the Board will have to make some difficult decisions to close the budget gap. The Board will continue to discuss these options and the General Manager will put forth a formal budget proposal in November.

Mr. Smedberg stated that even more challenging is the long-term projections for the operating budget as WMATA has a structural operating budget challenge that has been accelerated by the pandemic and is driven by the agency's customer revenue structure, cost structure and subsidy structure. Assuming the 3% cap continues and that ridership only recovers to 75% of pre-pandemic levels, WMATA is looking at an operating gap of \$738 million in FY 2025 that grows to \$924 million by FY 2029. Simply put, the long-term outlook is bleak and WMATA needs a new operating funding model.

Mr. Smedberg then spoke to the fare evasion issues. Earlier this week, WMATA announced it will be launching a warning campaign aimed at deterring fare evasion. Beginning in November, Metro Police (MTPD) will issue citations to those not paying their fares. In Maryland and Virginia, fare evasion is criminal offense. Four years after decriminalizing fare evasion and making it a civil penalty, the District has now put in place newly established procedures necessary for MTPD to conduct enforcement. He explained that each jurisdiction sets its policies around fare evasion, and MTPD did not have the ability to enforce fare evasion in the District until the District completed these new procedures. WMATA currently estimates revenue losses due to fare evasion total \$40 million in FY 2022, or 22% of the upcoming operating budget gap. It is important to note that while many school systems in the region provide transit benefits or subsidized fares, students are required to enroll in these programs and to tap their cards. WMATA is also piloting faregate modifications that will prevent customers from entering rail stations without paying, and Metro continues to work with local partners to offer subsidized fare products. A low-income fare pilot is underway in the District and there is a proposal before DC Council that would provide \$100 a month in SmartTrip for qualified residents to ride buses and trains.

Mr. Smedberg reported that the WMATA has held two sessions on the new strategic transformation plan, which NVTC will hear a presentation on the plan at a future meeting. In response to a question, Mr. Smedberg stated that it is not a strategic plan, but more looking at what the organization will look like in the near future.

Mr. Foust asked if the cost of repairs for the 7000-series railcars are covered under the warranty. Mr. Smedberg responded that it would need to be covered in the budget but the manufacturer is supplying parts.

Mr. Storck asked about the fare evasion issue and he asked how WMATA compares to other systems regarding the loss of revenue due to fare evasion. Mr. Smedberg stated that every system in the country is dealing with the same issues. He guessed that the larger transit systems, which includes Metro, are in the higher tier of greater loss of revenue. Regarding the overall budget, Mr. Smedberg stated that there is nothing to move the needle in a significant way, so the region will need to come together and understand that Metro is the life blood of the region and connects the three jurisdictions together and drives the economy. There will need to be a new sustainable funding structure. Mr. Smedberg stated that the estimated loss of revenue is \$40 million due to fare evasion. Vice-Chair Palchik asked WMATA staff to provide some additional information on the amounts and comparisons.

Mr. Walkinshaw stated that the idea of the District decriminalizing fare evasion without having a plan in place to impose civil penalties is damaging to the effort to build a coalition of support for a new funding structure at Metro. It is frustrating. He also asked about the soft language on the fare evasion posters. Mr. Smedberg stated that this is a first step and stronger language will come.

In response to a question from Mr. de Ferranti, Mr. Smedberg did state that ridership is up and people are coming back, although not necessarily during peak times. Weekend usage is up. Commissioners had a brief discussion on the WMATA budget. Mr. D'huyvetter provided some numbers but Vice-Chair Palchik asked WMATA staff to provide some more information.

Ms. Bagley observed that the announcement that the six Blue and Yellow Line Metrorail stations south of the Reagan National Airport station will be closed an extra two weeks is unfortunate and disappointing and she asked about contingencies and if the two-week delay will be the only delay. Mr. Smedberg stated that the contingencies will continue with the additional bus service, etc.

Report from the Chair of the NVTC WMATA Committee. Mr. Alcorn reported that the WMATA Committee met on September 29 and reviewed NVTC staff's seven proposed strategies to reduce the growth in costs and improve efficiencies for the 2022 Report on the Performance and Condition of WMATA. Proposed strategies directed at WMATA include:

- Rebuild customer confidence
- Enforce fare payment uniformly across the system
- Implement a simple and convenient fare structure
- Increase non-fare revenues from real estate and advertising
- Manage labor costs

Mr. Alcorn stated that the two strategies directed at NVTC are to 1) explore the implications of local transit agencies assuming the operation of Metrobus services in Northern Virginia, and 2) examine and develop options for a new financial operating model for WMATA. This last recommendation would be implemented by NVTC creating a WMATA Operating Funding and Reform Working Group which would evaluate and explore WMATA's short- and long-term operating budget gaps and Virginia's unique jurisdictional funding and modal relationship with WMATA, examine existing and new operating revenues, and explore opportunities to reform WMATA and state level laws or policies around WMATA budget and subsidy.

Mr. Alcorn stated that the WMATA Committee will meet again on October 20 at 6:00 p.m. and the annual report will be presented to the Commission at the November followed by requested action at the December Commission meeting.

Mr. Alcorn also reported that WMATA staff updated the committee on the Bus Network Redesign, which kicked off last month. The redesign will incorporate Metrobus, Prince George's TheBus, and City of Fairfax CUE, while building on other local bus services in the region. The Better Bus Redesign seeks to improve service for customers by addressing the region's changing ridership patterns, increasing access to frequent service, promoting equity and access to opportunity, aligning with bus priority investments, and defining Metrobus' role for the region. The main deliverable of the study is to produce a financially constrained, recommended network for Board approval in the FY 2025 budget. This would be coordinated with a new jurisdictional subsidy allocation formula for Metrobus. The redesign effort will feature extensive engagement and outreach beginning this month.

Legislative Update

Vice-Chair Palchik reported that the Legislative and Policy Committee met on September 29 to begin discussing NVTC's 2023 state and federal legislative priorities. Since Mr. Meyer is not present, she asked Ms. Mattice to give the legislative update.

Ms. Mattice stated that the Legislative and Policy Committee met and provided staff with feedback for next year's federal and state legislative priorities. The committee supported staff's proposals as follows:

Federal:

- Maximize the region's access to funds from the infrastructure bill, including USDOT and FTA discretionary programs
- Secure funding to complete NEPA for the Envision Route 7 BRT project
- Identify creative opportunities to leverage federal funding to address WMATA's upcoming fiscal challenges over the next few years
- Encourage federal return to work policies to leverage the use of federal transit benefits and maximize local transit services

Commonwealth:

- Protect existing funding that supports our local transit systems, WMATA, and VRE
- Restore funding lost with the elimination of the grocery tax and restore full funding to NVT
- Support VRE's efforts to explore legislation to make its state funding formula reflect its unique operating structure
- Support funding and reduce barriers to implement transit technology such as zero-emission buses

Ms. Mattice noted that based on consensus from the committee, there is no need to have an October 20 committee meeting unless the full Commission wants to add any items that may need

additional analysis by staff and discussion by the committee. Commissioners had nothing to add. Ms. Mattice stated that the 2023 Legislative and Policy Agenda will be presented at the November meeting, with action at the December meeting.

Ms. Mattice also provided an update about the upcoming Joint NVTC-PRTC Annual Legislative Forum on Monday, December 5 at the Embassy Suites in Springfield. She announced that Congressman Beyer has been invited to give welcoming remarks and Secretary of Transportation Miller has been invited to provide the keynote address. The forum will also include a panel discussion with transit CEOs from WMATA, VRE and OmniRide and a TED Talk-style presentation. There will also be space for display tables if jurisdictional transit agencies would like to have a table at this event.

Vice-Chair Palchik noted that Mr. Dalton and Mr. Schofield have not yet arrived from PRTC, so she suggested moving the VRE agenda item to the end of the meeting. There were no objections.

Department of Rail and Public Transportation (DRPT)

DRPT Director DeBruhl reported that Governor's Transportation Conference is being held October 26-28 in Virginia Beach, following the Commonwealth Transportation Board (CTB) meeting on October 26. The CTB will be taking action on DRPT's recommendation regarding WMATA's annual certification. She expects that to go smoothly.

DRPT Director DeBruhl also announced that DRPT is welcoming a new Chief of Transit, Zach Trogdon, on October 25. Mr. Trogdon comes to DRPT from the Williamsburg Area Transit Authority (WATA) where he has been Executive Director since 2017. Prior to that, he was the County Administrator in Charles City County and a Town Manager in North Carolina.

Ms. Bagley stated that she attended today DRPT's transit equity presentation, which was a really good presentation. She thanked DRPT staff. Vice-Chair Palchik suggested sharing the information, link or recording to Commissioners.

Executive Director Report

Ms. Mattice encouraged Commissioners to read her Executive Director Newsletter, which highlights some of NVTC's recent efforts and events. Commissioners were provided with a copy at their seats.

Ms. Mattice introduced NVTC's new Senior Transit Technology Program Manager Ann McGrane. Ann brings over 13 years of public and private sector experience, most recently having worked at Stantec and New York City Department of Transportation. Originally from Fairfax County, Ann is passionate about bringing sustainable, efficient transit and transportation options to communities across Northern Virginia. Ann has joined NVTC as a Senior Program Manager to lead NVTC's Transit Technology Program, which includes the upcoming work with the Northern

Virginia Regional Zero-Emission Bus Strategic Plan as well as the ongoing work with fare collection and zero- and reduced-fare policy research.

Ms. Mattice then asked Monique Blyther to provide some highlights of NVTC's most-successful marketing campaign to date. Ms. Blyther stated that by the end of the three-month campaign, the Re-Discover Your Ride advertisement aired over 9,200 times collectively via WTOP, WAMU and Spanish radio station El-ZoL. After each airing there were 339 daily visits to the novarides.org website for a total of nearly 50,000 page visits, including more than 14,000 to the dedicated Spanish landing page. That's nearly double the number of visits compared to the 2021 campaign and 189% over NVTC's fall 2019 campaign, conducted before the pandemic.

Ms. Blyther reported that there was spectacular engagement with the campaign's online and social media ads. The top social media performer was Twitter with a staggering 23% click-through rate (CRT). The industry average is roughly 0.28%. The Spanish-language Twitter ads clocked in at 25%. She also provided information about the other platforms used during this campaign, including Waze.

Ms. Blyther noted that the Transit Resource Center team will review ridership data when it becomes available, to see if there are any trends that parallel NVTC's marketing campaign. Overall, the campaign has received positive feedback. NVTC's partners at WTOP conveyed this is one of the most successful Spanish-language ad campaigns they'd ever seen. They credit the development and use of a dedicated landing page in Spanish. Finally, staff look forward to running another campaign in 2023. DRPT will be providing grant opportunities related to the Yellow Line reopening next Spring. Staff intend to apply for a marketing grant once that process opens.

Vice-Chair Palchik stated that she is so impressed with the outcomes of the marketing campaign. Moving forward as other jurisdictions work on their individual marketing campaigns, she would like to see the partnership with NVTC and the jurisdictions grow working together to multiply the success of educating the public. Ms. Mattice noted that both Monique Blyther and Matt Friedman are connected to the jurisdictional public information officers (PIOs) so everyone is learning and sharing. It is a good network for communication and best practices.

In response to a question from Ms. Bagley, Ms. Blyther stated that the novarides.org page includes a trip planning tool, so staff is working to gather additional data on where people are interested in riding. Once the data is available, staff can share it with Commissioners.

Ms. Mattice noted that the August 2022 Financial Report was provided in the written meeting materials. Commissioners had no questions.

Virginia Railway Express (VRE)

Vice-Chair Palchik noted that VRE Chief Financial Officer Mark Schofield had arrived from PRTC. Mr. Schofield stated that he could provide some brief remarks for the VRE CEO Report since Mr. Dalton was still in route.

Mr. Ebbin left at 8:26 p.m. and did not return.

VRE CEO Report. Mr. Schofield reported that VRE completed its free ride program for the month of September and saw a 20-25% increase in ridership. For the month of October, free rides will continue for Zones 1, 2 and 3 to continue to provide service during the Metrorail shutdown. The second annual Tour de VRE — a bike ride designed to raise awareness of and financial support for research into triple negative breast cancer – will be held on October 7. VRE will also be participating in Clifton Day on October 9 by offering train rides between Manassas and Rolling Road stations. The train ride to Clifton is free. The return trip is \$5 for kids and adults.

Refer the Preliminary FY2024 VRE Operating and Capital Budget to the Jurisdictions. Mr. Schofield stated that the Commission is being asked to approve Resolution #2386, which will authorize the VRE CEO to refer the preliminary FY 2024 VRE Operating and Capital Budget to the jurisdictions for their review and comment. Budget details are provided in the written materials, but he wants to focus on ridership and fare revenue. He reported that for the current year VRE is predicting average daily trips to reach 8,000, which will generate about \$25 million in passenger revenue. For FY 2024, VRE staff is projecting continued growth but at a slower rate to about 10,000 trips per day, resulting in \$29 million in passenger revenue. Mr. Schofield stated that as of right now, no fare increase is proposed for FY 2024.

Mr. Schofield stated that for now, VRE is not facing any near- term fiscal cliff. VRE will continue to use pandemic relief funding, of which VRE has \$7 million remaining of CARES Act funds but are on track to be fully expended by FY 2023. This will result in a deficit in the preliminary FY 2024 budget of \$32 million, which would be supported by American Rescue Plan Act (ARPA) funds. He stated that VRE has three important things it needs to do – expand the market VRE serves by finding new riders and offering new service; reduce expenses; and continue to receive the robust contributions and support from VRE partners. Mr. Schofield stated that the preliminary budget includes \$18.3 million jurisdictional subsidy (returning to FY 2021 level). The allocation of subsidy will depend on the VRE Master Agreement survey results. Preliminary results will be available for review at the November Operations Board meeting. VRE does expect to see a shift in ridership between the jurisdictions, which will impact the jurisdictional subsidy. Mr. Schofield also gave an update on the Transform Rail in Virginia program.

Mr. Walkinshaw stated that VRE has come a long way. While ridership numbers are not close to pre-pandemic levels, there has been a steady increase over the last year. There is a strong consensus on the Operations Board that VRE needs to return to having a jurisdictional subsidy. The Board also had a robust discussion about fares, recognizing that this might not be the right time to change the fares. VRE staff is looking at different service enhancements. One of the keys to attracting new riders is providing more service options.

Mr. Walkinshaw moved, with a second by Mr. Skiles, to approve Resolution #2386, which will authorize the VRE CEO to refer the preliminary FY 2024 VRE Operating and Capital Budget to the jurisdictions for their review and comment. The vote in favor was cast by Commissioners The vote in favor was cast by was cast by Commissioners Alcorn, Bagley, Clemente, de Ferranti, Foust, Gilroy, Palchik, Skiles, Smedberg, Snyder, Storck, Tuck and Walkinshaw. A roll call vote followed

for Ms. Garvey who was participating electronically and she voted in the affirmative. The motion passed.

Closed Session

Vice-Chair Palchik stated that the Commission needs a Closed Session for a VRE matter. She explained that for the benefit of the listening public, the Commission will return to Open Session. The YouTube feed will continue with it muted and a screen notice stating that NVTC is in Closed Session. The meeting will resume LIVE when NVTC returns to Open Session.

Mr. Skiles moved, with a second by Mr. Alcorn, to move the following motion:

“Pursuant to the Virginia Freedom of Information Act, Section 2.2-3711.A.1 of the Code of Virginia, I move that the Northern Virginia Transportation Commission convene a closed meeting for discussion of a personnel matter concerning the performance of the Virginia Railway Express chief executive officer.”

The vote in favor was cast by Commissioners Alcorn, Bagley, Clemente, de Ferranti, Foust, Gilroy, Palchik, Skiles, Smedberg, Snyder, Storck, Tuck and Walkinshaw. A roll call vote followed for Ms. Garvey who was participating electronically and she voted in the affirmative. The motion passed.

The Commission entered into Closed Session at 8:42 p.m. and returned to Open Session at 9:03 p.m. The live stream feed was restored for public viewing. Mr. Dalton arrived while the Closed Session was in progress, although he did not participate in the Closed Session.

Vice-Chair Palchik moved, with a second by Mr. Snyder, 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 Alcorn, Bagley, Clemente, de Ferranti, Foust, Gilroy, Palchik, Skiles, Smedberg, Snyder, Storck, Tuck and Walkinshaw. A roll call vote followed for Ms. Garvey who was participating electronically and she voted in the affirmative. The motion passed.

Mr. Walkinshaw moved, with a second by Mr. Skiles, to approve the Second Amendment to the Employment Agreement with Rich Dalton, and that the VRE Operations Board Chair be authorized to execute it on behalf of the Commission. The vote in favor was cast by Commissioners Alcorn, Bagley, Clemente, de Ferranti, Foust, Gilroy, Palchik, Skiles, Smedberg,

Snyder, Storck, Tuck and Walkinshaw. A roll call vote followed for Ms. Garvey who was participating electronically and she voted in the affirmative. The motion passed.

Vice-Chair Palchik thanked Mr. Dalton for his service as VRE CEO.

Adjournment

Without objection, Vice-Chair Palchik adjourned the meeting at 8:49 p.m.

Approved this 3rd day of November 2022.

Canek Aguirre
Chair

Matt de Ferranti
Secretary-Treasurer



RESOLUTION #2486

SUBJECT: Authorize the VRE CEO to Refer the Preliminary FY 2024 VRE Operating and Capital Budget to the Jurisdictions

WHEREAS: The Virginia Railway Express (VRE) Master Agreement requires the VRE Operations Board to submit to the Commissions a preliminary fiscal year budget by September 30 each year;

WHEREAS: The VRE Chief Executive Officer has provided the VRE Operations Board with the preliminary FY 2024 VRE Operating and Capital Budget;

WHEREAS: The preliminary FY 2024 budget proposes no increase in passenger fares and a return to the prior total annual jurisdictional subsidy level of FY 2021; and

WHEREAS: The VRE Operations Board recommends the following action.

NOW, THEREFORE, BE IT RESOLVED that the Northern Virginia Transportation Commission hereby authorizes the VRE CEO to forward the preliminary FY 2024 VRE Operating and Capital Budget to the jurisdictions for further formal review and comment.

BE IT FURTHER RESOLVED that NVTC that hereby directs VRE staff to consider and address comments by the jurisdictions and to forward a final recommended budget to the VRE Operations Board at the December 2022 meeting for consideration and referral to the Commissions for adoption in January 2023.

Approved this 6th day of October 2022.

Matt de Ferranti
Secretary-Treasurer

Canek Aguirre
Chair