

POTOMAC AND RAPPAHANNOCK
TRANSPORTATION COMMISSION

RESOLUTION

MOTION: _____

RESOLUTION NO. 07-06-_____
OFFICIAL COMMISSION MEETING
JUNE 7, 2007

SECOND: _____

RE: **AUTHORIZATION TO DRAW DOWN FROM THE 2% MOTOR FUELS TAX FUNDS TO SUBSIDIZE THE VRE OPERATING AND CAPITAL BUDGET FOR FISCAL YEAR 2008**

WHEREAS, the Master Agreement requires the Potomac and Rappahannock Transportation Commission, and the Northern Virginia Transportation Commission to approve the annual budget of the VRE and forward it to the participating jurisdictions with a request to budget and appropriate their respective shares of the capital and operating costs of VRE; and

WHEREAS, on April 5, 2007, the Commissions approved a series of proposed amendments to the Master Agreement that revise the subsidy formula over a four year phase-in period, among other changes; and

WHEREAS, the VRE member jurisdictions have approved the amendments to the Master Agreement; and

WHEREAS, draw downs will be made in accordance with the new subsidy allocation formula, with fiscal year 2008 as the first year of a four year phase-in, to allow for payment to VRE on July 2, 2007 and January 2, 2008, in the amount of \$4,199,987.50 (each) from the 2% motor fuels tax revenues as indicated by the participating jurisdictional breakdown as follows:

<u>Jurisdiction</u>	<u>July 2, 2007</u>	<u>January 2, 2008</u>
Prince William County	\$2,312,438.00	\$2,312,438.00
Stafford	1,214,867.50	1,214,867.50
Manassas	327,538.50	327,538.50
Manassas Park	179,787.00	179,787.00
Fredericksburg	<u>165,356.50</u>	<u>165,356.50</u>
Total	<u>\$4,199,987.50</u>	<u>\$4,199,987.50</u>

ITEM 12-B.2

(13 PAGES)

NOW, THEREFORE, BE IT RESOLVED that the Potomac and Rappahannock Transportation Commission does hereby authorize the draw down in two (2) installments to the VRE with the total draw down in the amount of \$8,399,975 to subsidize the VRE operating and capital costs for FY 2008, in accordance with the first year phase-in of the new subsidy allocation formula.

June 7, 2007

TO: Chairman Gibbons and Commissioners

FROM: Alfred H. Harf
Executive Director

RE: VRE Operating and Capital Budget Subsidy for Fiscal Year 2008

Recommendation:

Authorize the draw down from the 2% motor fuels tax funds to subsidize the VRE operating and capital budget for fiscal year 2008.

Background:

The Virginia Railway Express Master Agreement requires the Potomac and Rappahannock Transportation Commission and the Northern Virginia Transportation Commission to approve the annual budget of the VRE and forward it to the participating jurisdictions with a request to budget and appropriate their respective shares of the capital and operating costs of VRE.

In February 2006, the VRE Operations Board, with participation of all VRE member jurisdictions, initiated an analysis of alternate VRE governance structures and formulas for subsidy allocation. The Commissions previously adopted and forwarded to member jurisdictions an alternate FY 2008 VRE Operating and Capital Budget, which reflected a proposed change to the subsidy formula, effective contingent upon approval of amendments to the Master Agreement. On April 5, 2007, the Commissions approved a series of proposed amendments to the Master Agreement that include the proposed revision to the subsidy formula over a four year phase-in period. VRE member jurisdictions thereafter approved the amendments to the Master Agreement. The annual jurisdictional subsidy will now be based on system ridership rather than the original allocation of 90% system ridership and 10% population.

Fiscal Impact:

Draw downs will be made in accordance with the new subsidy allocation formula, with fiscal year 2008 as the first year of a four year phase-in, to allow for payment to VRE on July 2, 2007 and January 2, 2008, in the amount of \$4,199,987.50 (each) from the 2% motor fuels tax revenues by the participating jurisdictions as follows:

<u>Jurisdiction</u>	<u>July 2, 2007</u>	<u>January 2, 2008</u>
Prince William County	\$2,312,438.00	\$2,312,438.00
Stafford	1,214,867.50	1,214,867.50
Manassas	327,538.50	327,538.50
Manassas Park	179,787.00	179,787.00
Fredericksburg	<u>165,356.50</u>	<u>165,356.50</u>
Total	<u>\$4,199,987.50</u>	<u>\$4,199,987.50</u>