



FY 2017 Recommended Budget Budget Question

Board Question #: 77

BUDGET QUESTION: Did VRE boost its capital reserves in the FY 2017 Budget?

RESPONSE: The VRE budget does increase its capital reserves by \$3.0 million with \$1.0 million of planned to be used in FY 2017. This \$3.0 million increase in the capital reserve is paid by the participating jurisdictions through their subsidies. The total VRE's uncommitted capital reserve balance at the end of FY 2017 is estimated at \$22.9 million. Overall, the total subsidy to VRE from all participating jurisdictions is increasing by \$821,439 for FY 2017. Spotsylvania's increase is \$78,861. Subsidies are based upon operating and capital costs and are allocated based upon each locality's proportionate ridership.

The reserve may be used for:

- Completion of projects that require further funding;
- A source of additional local match for state and federal funding if necessary to show local commitment;
- Advancing major projects prior to seeking funding;
- Projects not eligible for or suited to grant funding.

VRE is a capital intensive operation.