

VPRA Decision Brief
Adoption of Management Reserve Policy
August 30, 2023

Issue: The Virginia Passenger Rail Authority (“VPRA”) desires to establish a Management Reserve Policy.

Facts: In its FY23 budget, VPRA began funding a management reserve and increased the balance of such reserve within its FY24 budget. During the FY24 budget presentation to the Board on May 25, 2023, the Board directed VPRA staff to work with members of the VPRA Finance and Audit Committee to develop recommendations regarding a management reserve fund. On July 11, 2023, VPRA presented a draft Management Reserve Policy to the VPRA Finance and Audit Committee establishing a management reserve goal of up to five percent of VPRA’s future operations and capital project expenditures, a process for management reserve balance determination, and requirements for use of reserve funds. By resolution, the VPRA Finance and Audit Committee thereafter directed VPRA staff to present the draft Management Reserve Policy to the Board for consideration on August 30, 2023.

Recommendation: Formally adopt the Management Reserve Policy.

Action Required by VPRA: Adopt the Management Reserve Policy by majority vote.

Options: Approve. Deny. Defer.