

MEETING WILL BEGIN SOON

ALEXANDRIA TRANSIT COMPANY
BOARD OF DIRECTORS MEETING
DECEMBER 11, 2024



CALLING OF THE ROLL



David Kaplan
Chair of the Board



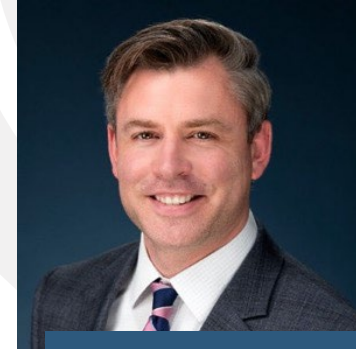
Steve Kleist
Vice-Chair



Ajashu Thomas



Matt Harris



Jesse O'Connell



Kursten Phelps



Arish Gajjar



Praveen Kathpal



Hillary Orr



Kendel Taylor



Arthur Wicks



PUBLIC COMMENT PERIOD

Those wishing to speak during the public comment period may pre-register at dashbus.com/ and join via Zoom.

Alternatively, attendees may use the “RAISE HAND” feature to be recognized for comment.



COLLABORATION AND ENGAGEMENT

2b. Chairs Report

David Kaplan, Chair of the Board

- i. Consideration of Approval: Board Policies

2c. T&ES Report

Hillary Orr, Deputy Director, Transportation & Environmental Services
(City of Alexandria)

2d. Other Board Member Reports

Kendel Taylor & Arthur Wicks – City Budget and Revenues Presentation



CITY OF ALEXANDRIA

DASH Board Meeting

December 11, 2024

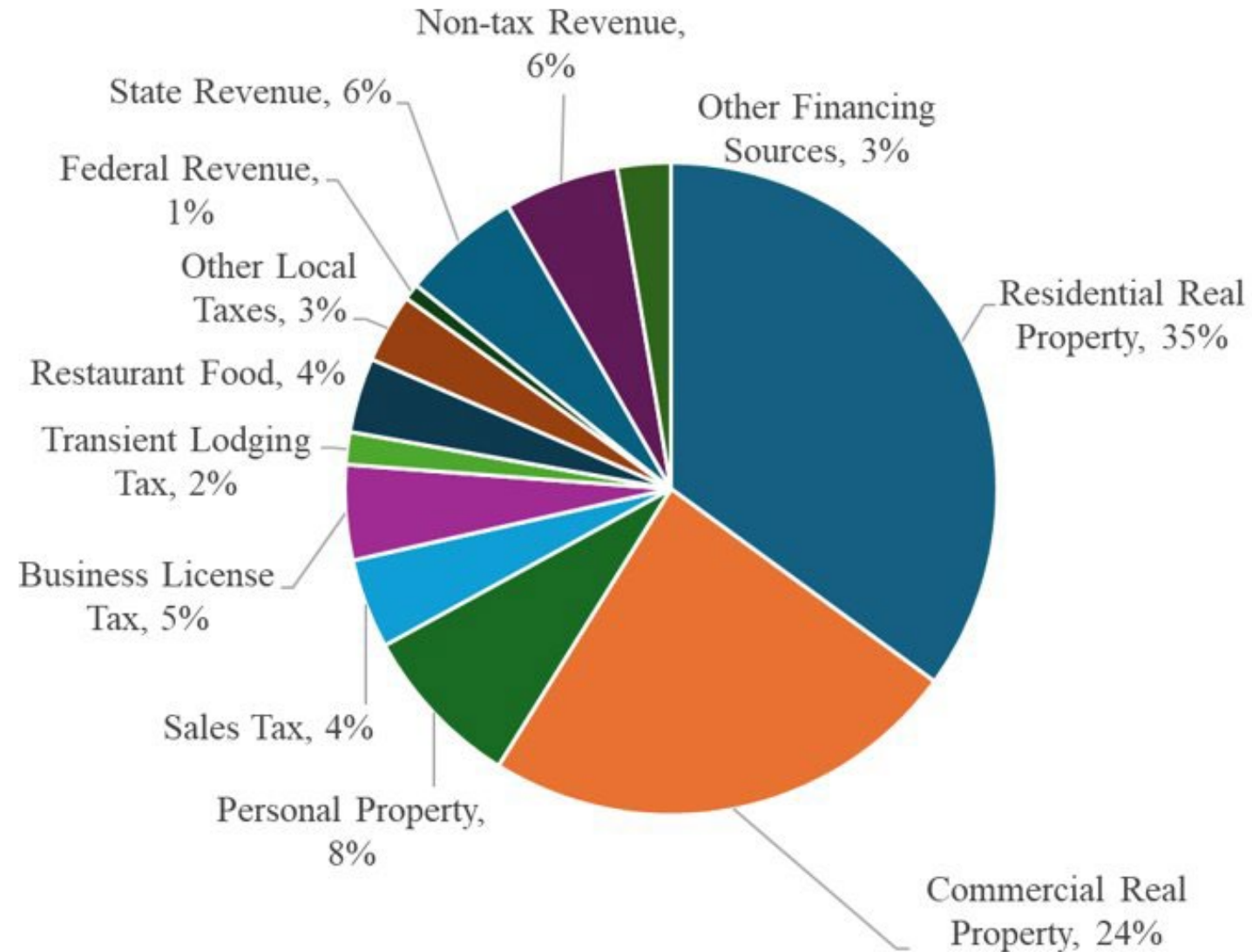




Revenue Outlook



General Fund Revenue Basics





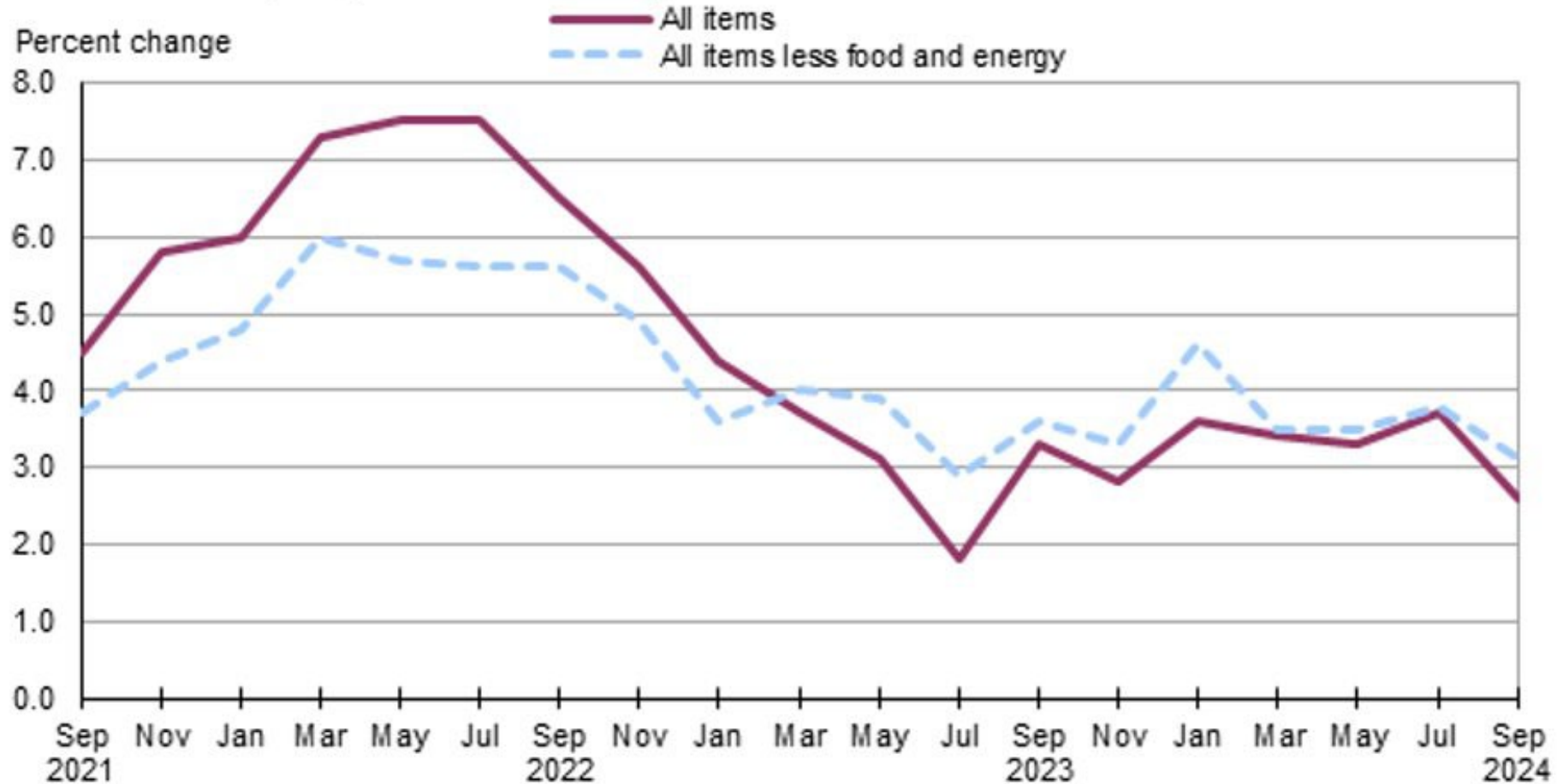
Revenue Outlook

- Consumer spending remains strong, but growth has slowed
 - Sales tax revenue increase of 7% in FY 2023
 - Sales tax revenue increase of less than 2% in FY 2024
 - Transient lodging tax revenue is the highest ever in FY 2024
- Real estate
 - 2024 Residential appreciation – <3%
 - 2025 Residential range – 3 to 4%
 - Similar range in 2026
- Vehicle values remain high, driving personal property tax revenue



Regional Inflation

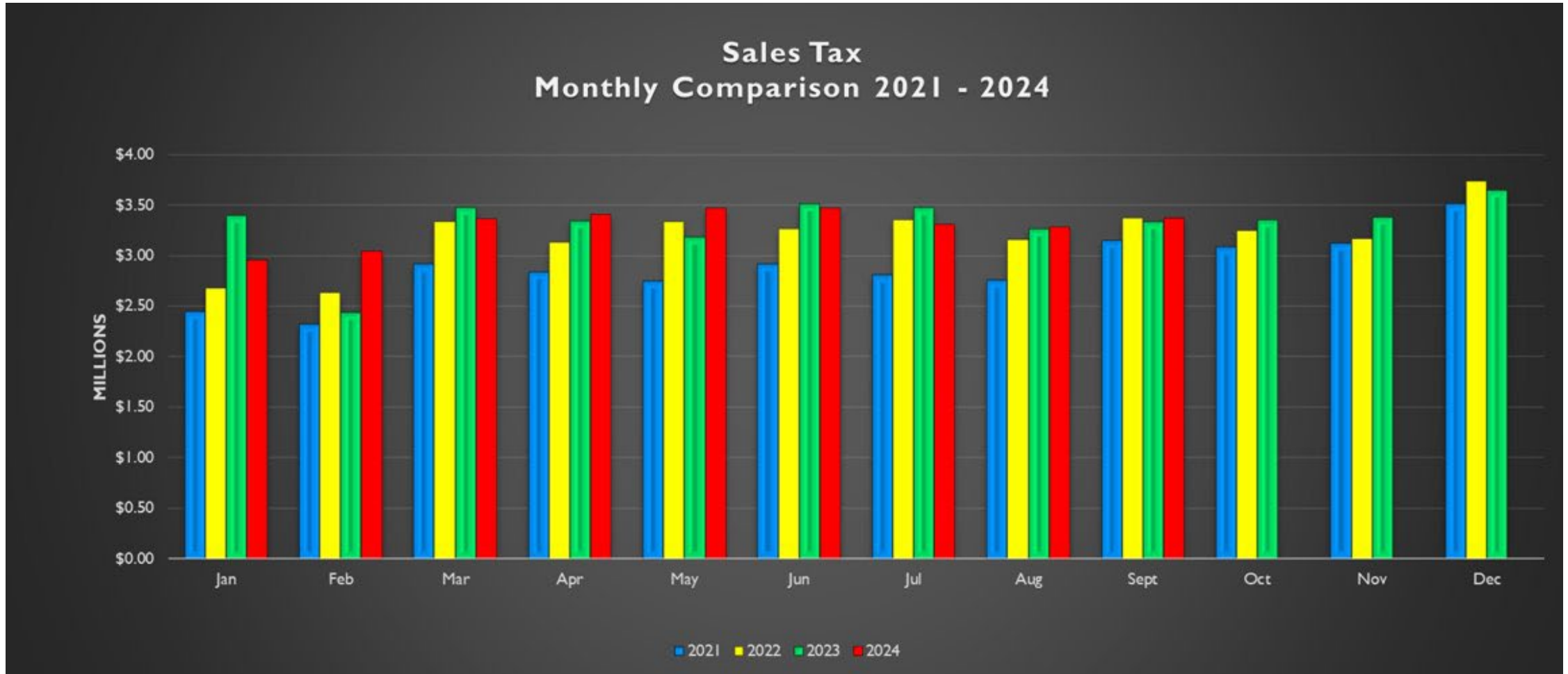
Chart 1. Over-the-year percent change in CPI-U, Washington-Arlington-Alexandria, DC-VA-MD-WV, September 2021–September 2024



Source: U.S. Bureau of Labor Statistics.



Revenue Basics





Local Economy

Unemployment Rate*

	2020	2021	2022	2023	2024
Alexandria	9.9%	4.6%	2.4%	2.2%	2.4%
Commonwealth of Virginia	8.8	4.3	2.8	2.6	3.0
United States	11.0	5.9	3.6	3.6	4.3

*Source: US Department of Labor, Bureau of Labor Statistics
As of June each year. Virginia and US are seasonally adjusted. Alexandria is not seasonally adjusted

Office Vacancy Rate**

	2Q 2022	2Q 2023	2Q 2024
Alexandria	14.6%	14.6%	15.5%
Northern Virginia	20.9	19.6	20.2
Washington DC Metro Area	19.3	19.3	19.8

**Source: CoStar and Colliers Northern Virginia Office Report



Assessment Forecast

	Actual Assessment Growth Rates	Forecasted	Forecasted
	CY 2024	CY 2025	CY 2026
Residential			
Single Family	2.69%	4.00%	4.00%
Condo	4.49%	3.00%	3.00%
Other Residential	-17.54%	3.50%	4.00%
Total Residential	2.98%	3.70%	3.71%
 Commercial			
Multi-family rental	-2.26%	-3.00%	3.50%
Office, Retail, and Services	-5.73%	-1.14%	-0.59%
Vacant Commercial	-13.40%	-1.50%	0.00%
Total Commercial	-4.00%	-2.16%	1.64%
Total Locally Assessed	0.28%	1.53%	2.97%

Source: Department of Finance, Division of Real Estate Assessments



Revenue Forecast

FY 2026 Preliminary Revenue Estimate (\$ in millions)

Revenue	FY 2024 Actuals	FY 2025 Budget	FY 2026 Estimate	\$ Change	% Change
Real Estate	\$526.9	\$545.4	\$554.7	\$9.3	1.7%
Personal Property	71.2	75.6	80.5	\$4.9	6.5%
Sales Tax	40.1	41.2	41.2	\$0.0	0.0%
Other Local Taxes (inc. P&I)	123.0	124.7	126.9	\$2.2	1.8%
Intergovernmental	36.2	62.5	62.5	\$0.0	0.0%
Non-Tax Revenue	63.3	38.9	38.2	(\$0.7)	(1.9%)
Use of Money and Prop.	30.4	24.2	16.8	(\$7.4)	(-30.5)
Use of Fund Balance	\$10.0	\$14.0	\$14.0	-	0.0%
Total	\$901.1	\$926.4	\$934.8	\$8.4	0.9%

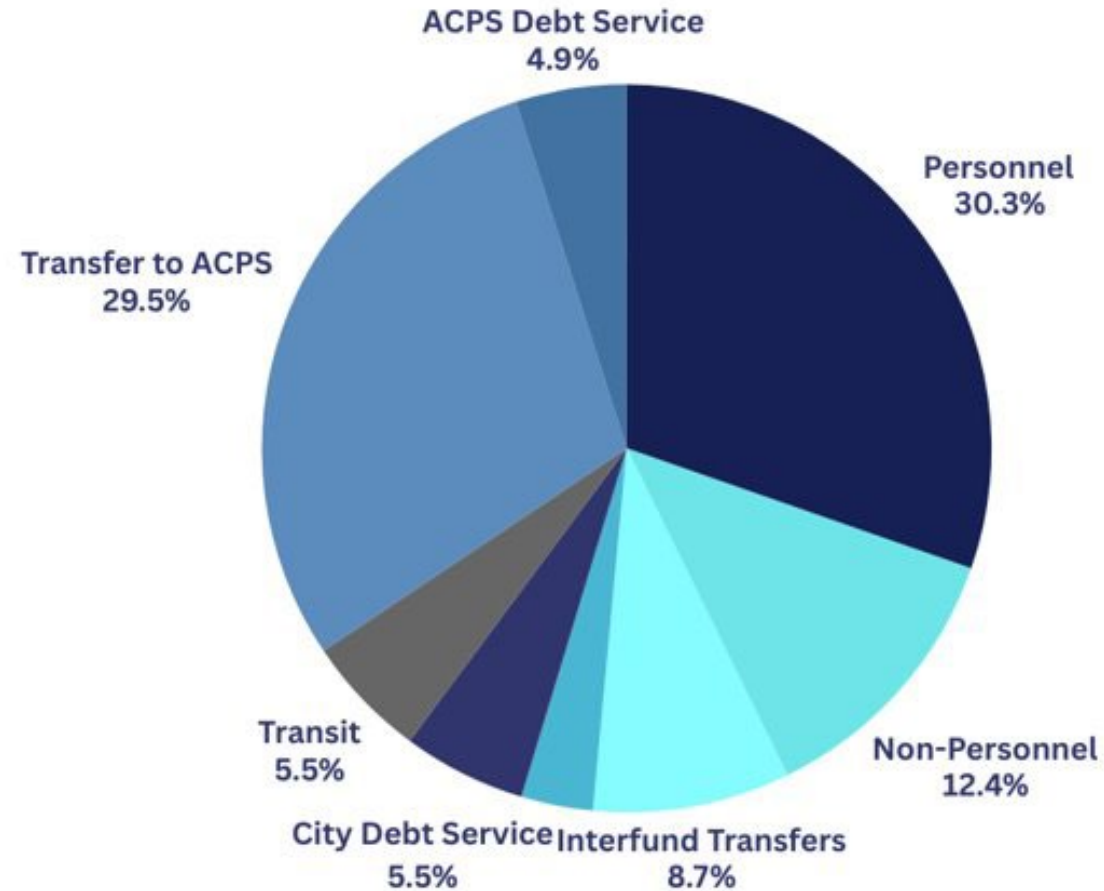


Expenditure Overview



FY 2025 General Fund Expenditure Overview

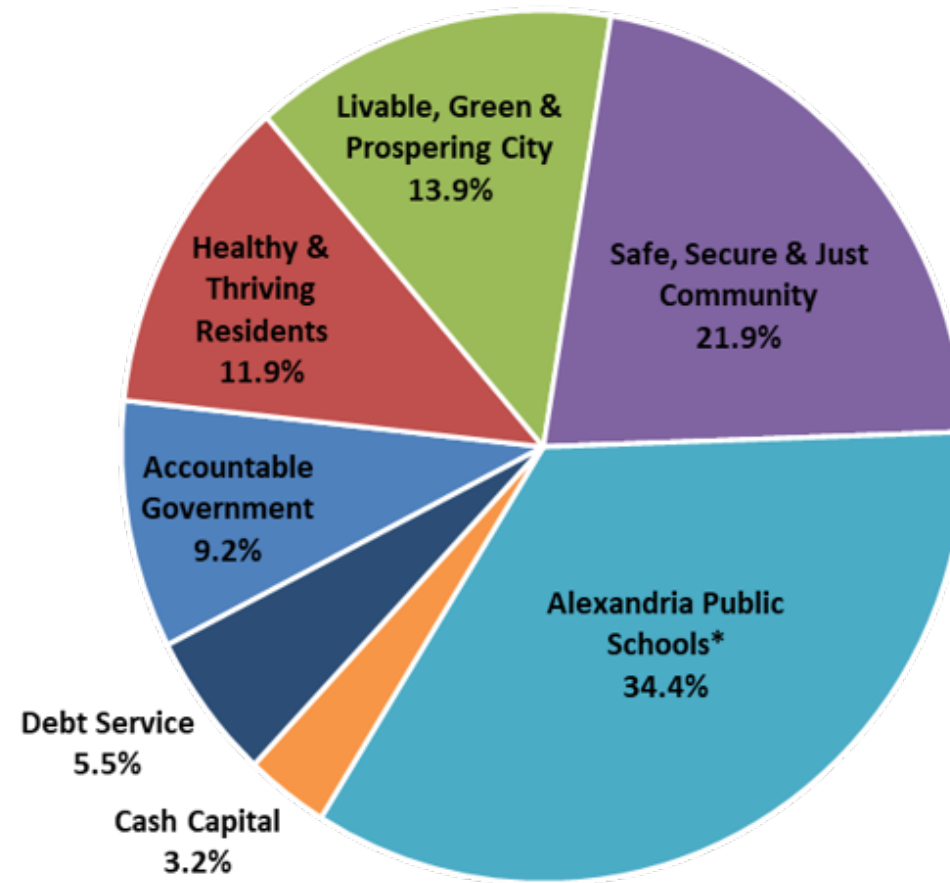
\$926.4M





FY 2025 General Fund Expenditure by Functional Area

\$926.4M





Expenditure Cost Drivers

- **Total Increase \$26.7 M**
 - **Existing City operations \$13.3 M**
 - **Personnel \$9.5 M (3.5%)**
 - **Non-personnel \$3.8 M (2.0%)**
 - **ACPS transfer \$5.5 M (assuming 2.0% growth)**
 - **Transit services \$1.0 M (assuming 2.0% growth)**
- **Does not include new or expanded services**



Expenditure Cost Drivers

- Cash capital \$1.3 M increase (4.3%)
- Debt service \$5.7 M increase
 - City debt service \$2.3 M (4.6%)
 - ACPS debt service \$3.3 M (7.3%)
 - Non-personnel \$3.8 M (2.0%)
- Assumes no increase in the FY 2026-2034 CIP



FY 2026 Preliminary Forecast

- Expenditure estimate = \$953.1 M (2.9% increase)
- Revenue forecast = \$934.8 M (0.9% increase)
- Adjustments needed to balance = \$18.3 M
 - Revenue increases and/or expenditure reductions



Operating Budget Expenditure Estimate

Expenditure	FY24 Actual	FY25 Budget	FY26 Estimate	\$ Change	% Change
City Operations	\$457.2	\$476.9	\$490.2	\$13.3	2.8%
ACPS Transfer	258.7	273.0	278.5	5.5	2.0
Transit Services	48.7	50.7	51.7	1.0	2.0
Cash Capital	48.4	29.5	30.8	1.3	4.3
City Debt Svc	51.7	50.7	53.1	2.3	4.6
ACPS Debt Svc	32.2	45.5	48.9	3.3	7.3
Total	896.9	926.4	953.1	26.7	2.9



Goals

- **Continue focus on City Council priorities**
 - **View through the lenses of equity and environmental stewardship**
- **Fund previous commitments**
 - **Collective bargaining agreements**
 - **Cyclical compensation reviews and adjustments**
 - **Current CIP**
- **Avoid service reductions in high priority programs**



Objectives

- **Limit overall operating budget growth to 2.0% for City departments, ACPS, and partner agencies**
 - **Limit does not apply to cash capital and debt service**
- **Limit base budget growth to non-discretionary increases**
- **Identify at least 1% in efficiency savings (\$4.5M)**
- **Prioritize services**
- **Review cost recovery rates**



Tax Rate Options

Source	Current Rate	Legal Limit	Potential Revenue
Real Estate	\$1.135	None	\$5.0 M per 1 cent
Vehicle Personal Property	\$5.33	None	\$7.3 M per 50 cents
Meals	5.0%	None	\$7.0 M per 1.0%
Transient Lodging	6.5% + \$1.25 per night	None	\$2.0 M per 1.0%
BPOL	\$0.35	Business, Personal, Repair \$0.36 Financial Services \$0.58	\$0.4 M per \$0.01 \$1.0 M per \$0.10
Admissions	10% not to exceed \$0.50	None	\$0.2 M per \$0.25 cap increase

- Proposed budget will include updated revenue estimates and rate comparisons to other jurisdictions
- Advance notice required to change through Add/Delete



CIP Retreat Slides



Approved FY 2025 – FY2034 CIP

- **Began work to reposition capital program for more sustainable growth**
- **Focused on previously planned projects and core maintenance**
- **Significant investments planned in City Hall, Market Square, George Mason Elementary, Cora Kelly Elementary, and Landmark redevelopment**
- **Continues plan for deploying CIP fund balance designation to help smooth cost curve**

Year 1 (FY 2025) Capital Budget
\$493.7 million
10-Year Approved Funding Total
\$2,401.5 million
FY 2025 General Fund Cash Capital
\$29.5 million
FY 2024 General Fund Debt Service
\$96.3 million
Cash/Borrowing Split
45% Cash / 55% Borrowing
<i>Approved Plan Complies with City Debt Management Policies</i>



Capital Investment in City and Schools

- The last decade has seen historic levels of investments of local funding into City and School capital projects; Approved CIP continues to plan for crucial investments.

Substantially Completed	Active/In Progress	In Funding Plan
<ul style="list-style-type: none">• <i>Landmark Mall Redevelopment Land Purchase</i>• <i>Del Pepper Community Center Building Purchase</i>• <i>Ferdinand T. Day Elementary School Building Purchase</i>• <i>1703 N. Beauregard Street Building Purchase</i>• <i>Douglas MacArthur Elementary School</i>• <i>Minnie Howard Pool Addition</i>	<ul style="list-style-type: none">• <i>High School Project</i>• <i>Waterfront Flood Mitigation</i>• <i>Four Mile Run Bridge Program</i>• <i>George Mason Elementary School</i>• <i>City Hall Renovation</i>• <i>Market Square Garage/Plaza</i>• <i>Landmark Infrastructure Improvements</i>• <i>Old Town Pool</i>	<ul style="list-style-type: none">• <i>Cora Kelly Elementary School</i>• <i>Fire Station 205</i>• <i>Landmark Fire Station</i>



Debt Management

For General Fund Supported Debt in Approved CIP

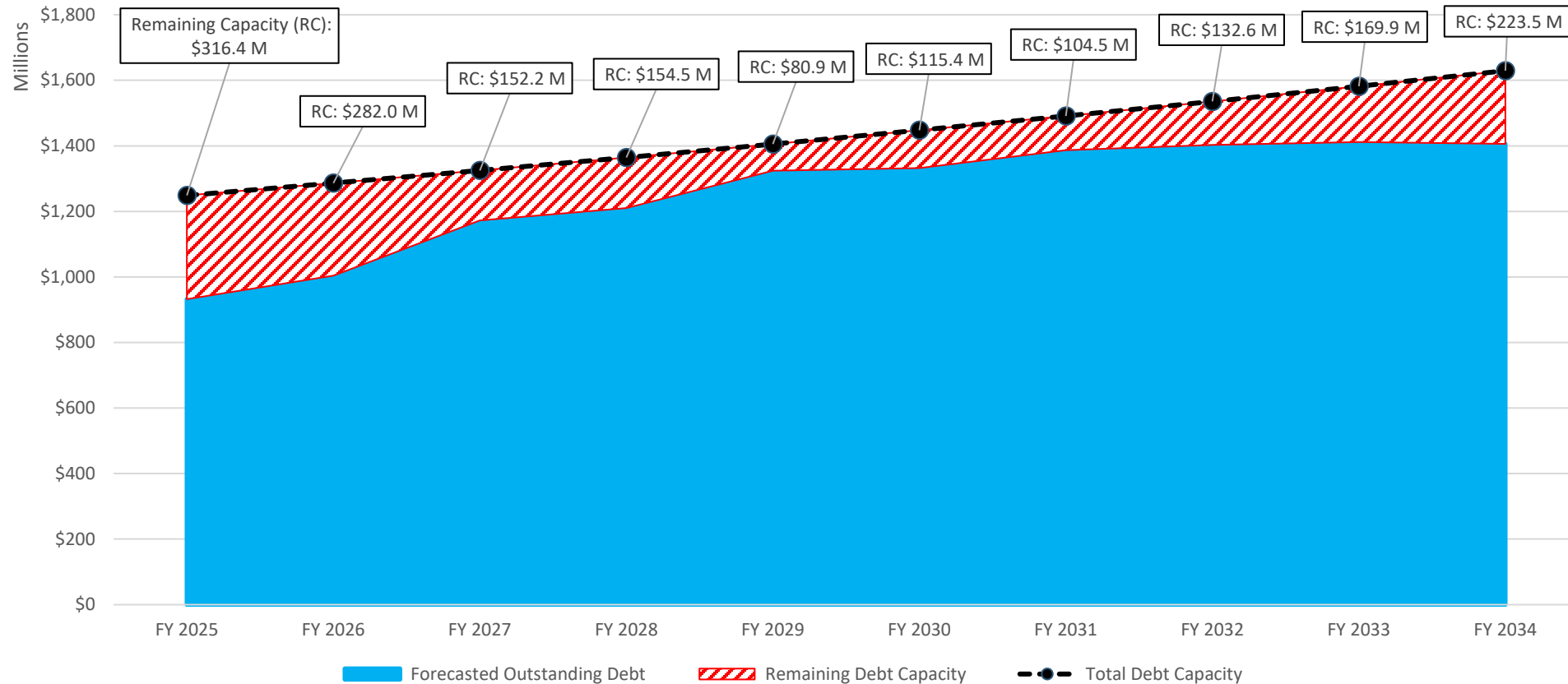
Outstanding Debt (as of June 30, 2024)
\$886.7 million
Forecasted Borrowing
\$1,378.2 million
Principal Payments
\$879.5 million
Interest Payments
\$523.7 million

- Use of long-term borrowing is our main tool for this historic level of capital investment
- Use of debt is governed by City's self adopted debt management policies
- Adherence to these policies and prudent financial management have resulted in the City maintaining AAA/Aaa credit rating for 30+ years
 - Allows for access to low interest rates on bonds



Debt Management

Outstanding Debt as a Percentage of Fair Market Real Property Value

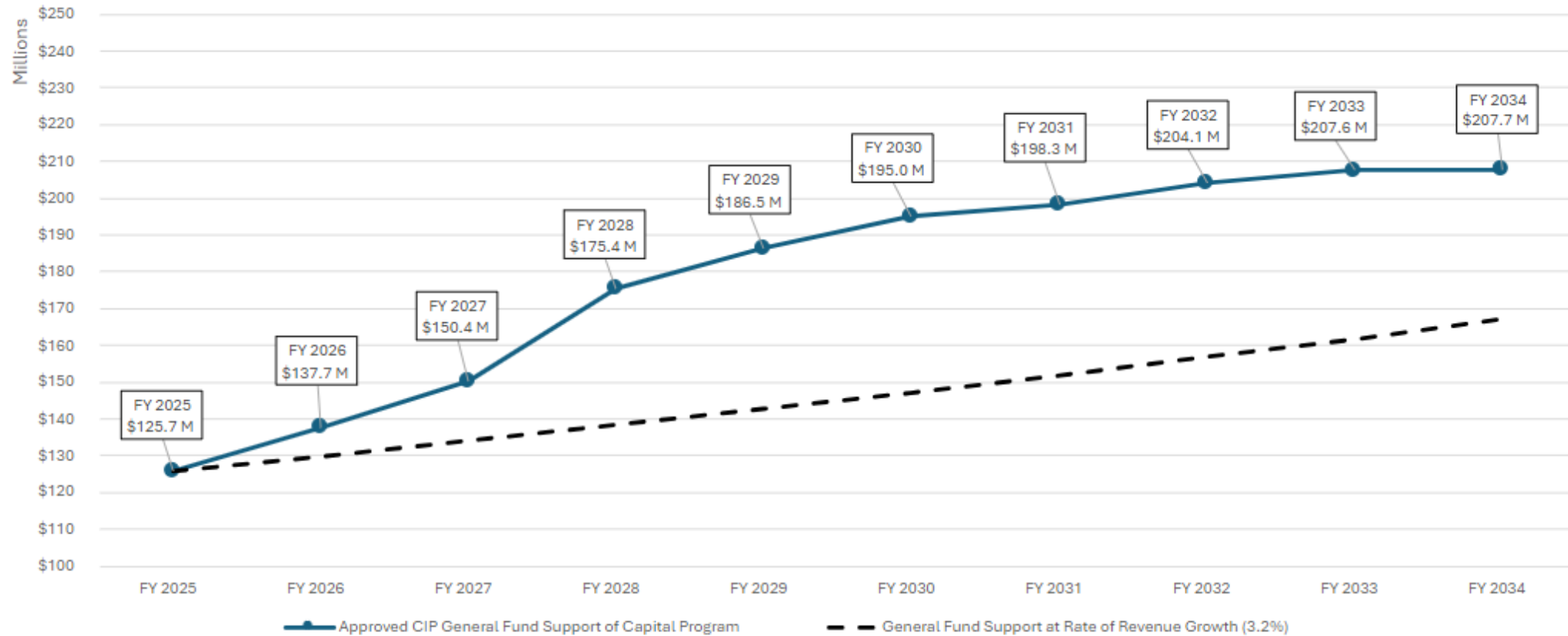


Increasing capital investment beyond approved levels, will require additional pay-as-you-go cash capital or reductions to other key capital investments/state of good repair programs.



General Fund Support of Capital Program

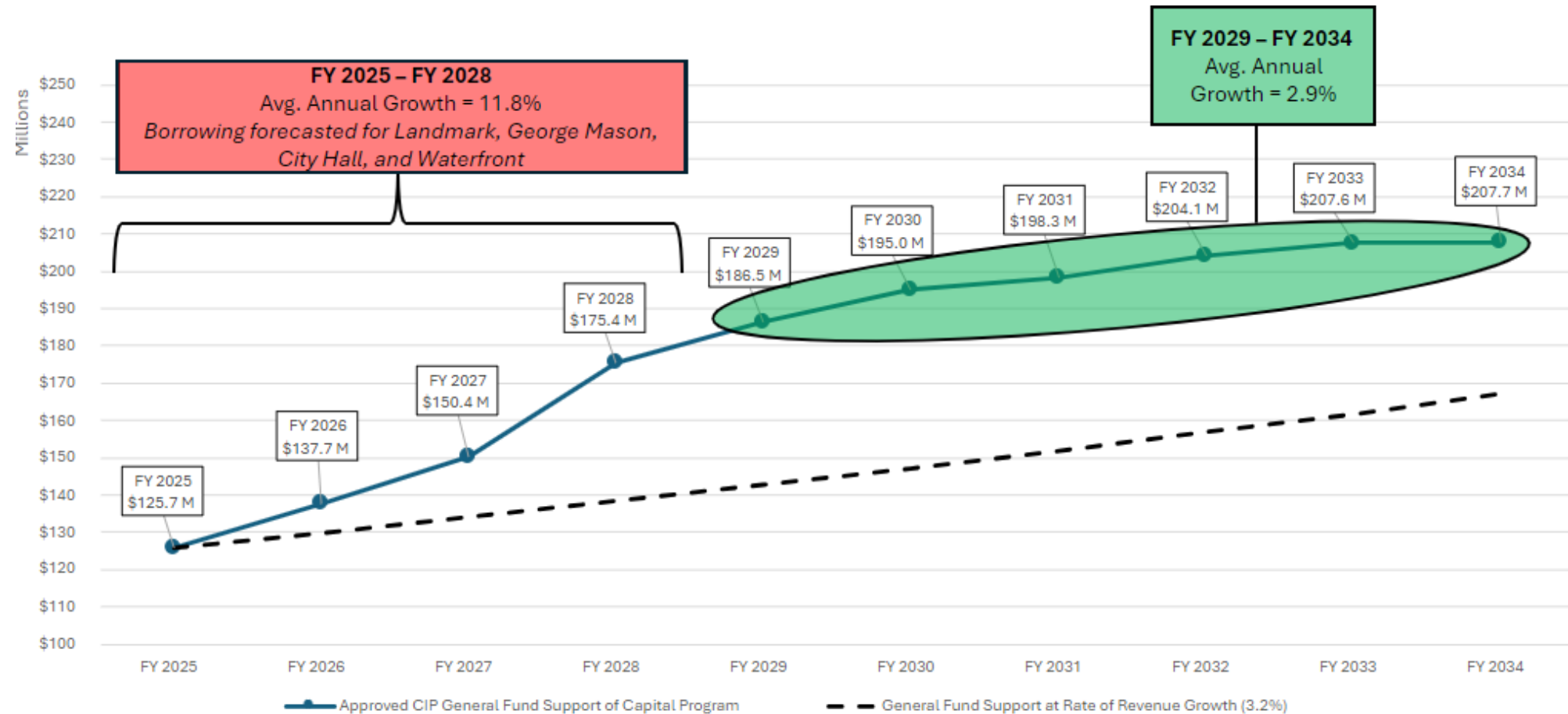
Approved FY 2025 – FY 2034 CIP





General Fund Support of Capital Program

Approved FY 2025 – FY 2034 CIP





Next Steps

- **FY 2026 Development Process**
 - **Provided funding guidance to City departments and ACPS staff**
 - **Little-to-no-change in level of- or timing of- capital funding from previously Approved CIP**
 - **Work with departments to look for opportunities to redeploy available project balances**
 - **Continue focus on cash flow needs of projects to mitigate debt service impacts**
 - **Evaluate cash and borrowing split for opportunities to smooth out debt service cost increases**



Budget Guidance & Process Resolutions



Budget Guidance Resolution

- **Purpose of Budget Guidance Resolution:** City Council's guidance to the City Manager, ACPS, and outside agencies on priorities for the operating and capital budgets
- **Recommendations for FY 2026 Operating Budget Guidance:**
 - Limit general fund operating expenditure growth, exclusive of cash capital and debt service, to no more than two percent
 - Provide flexibility for a real estate tax increase if revenue growth does not support the two percent increase
 - Include recommendations to support both the needs of the City and ACPS, if revenue growth exceeds the two percent threshold without a tax rate increase
 - Partner organizations that receive funding support from the City should limit funding requests to no more than two percent over current funding levels



Budget Guidance Resolution – ACPS (Section G)

- FY 2026 Recommendations
 - Limit operating transfer growth, exclusive of cash capital and debt service, to no more than two percent
 - Limit school capital funding to levels contemplated in Approved FY 2025 – FY 2034 CIP



Budget Process Resolution

- **Budget Process Resolution purpose:** City Council's establishes rules of procedure to guide upcoming budget deliberations
- **Recommendations for FY 2026 Process:**
 - ACPS budget adoption dates updated to align with approved budget calendar
 - Capital Improvement Program – no later than December 19, 2024
 - Operating Budget – no later than February 20, 2025

COLLABORATION AND ENGAGEMENT

2d. Other Board Member Reports

REGULAR BUSINESS

3a. Consideration of Approval:

Meeting Minutes from November 13, 2024

3b. Financials:

Included in Board Packet

ACTION ITEMS

4a. Consideration of Approval: DRPT Grant Resolutions

DASH is planning to apply for grant funding for three (3) projects through the Virginia Department of Rail & Public Transportation's FY 2026 MERIT Grant Program.

Projects Included:

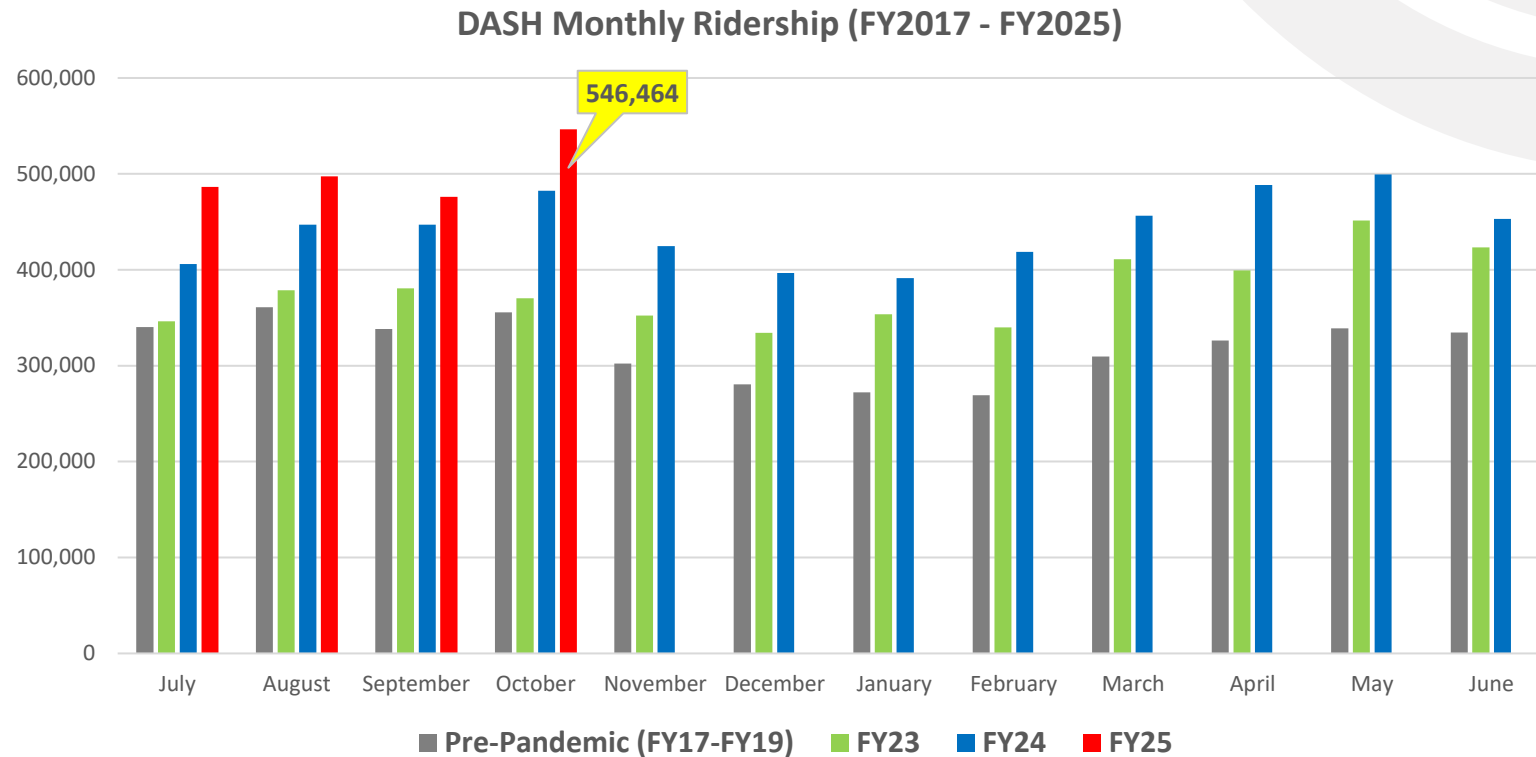
- | | |
|---|-------------------------------------|
| 1. DASH Digital Mirror Technology Pilot | (Project Cost = Up to \$100,000) |
| 2. Public Transit Internship Program | (Project Cost = Up to \$110,000) |
| 3. DASH Deck Replacement | (Project Cost = Up to \$12,000,000) |

STAFF REPORTS

5a. Employee Benefits, HR and Engagement Strategies

5b. Inauguration Shuttle Service

5c. Ridership Report



A blue and yellow electric bus is shown from a side profile. The bus features a yellow stripe along its side and green leaf graphics. Text on the side includes "ZERO EMISSIONS", "ECO-CITY ALEXANDRIA", "CHARGED UP", and "Alexandria Transit Company".

DEPARTMENTAL PRESENTATION

WORKPLACE EXCELLENCE

DASH CULTURE



MISSION

We deliver a safe, trusted, customer-focused experience by providing exemplary bus service to the diverse Alexandria community.

A community with equal access to convenient and sustainable transportation that improves overall quality of life throughout the City of Alexandria.

VISION



VALUES

- ✓ Connecting lives, enriching journeys
- ✓ Driving progress with heart
- ✓ Weaving a city together
- ✓ Riding on tomorrow, today

1. System Excellence
2. Customer Experience
3. Environmental Stewardship
4. Workplace Excellence
5. Fiscal Responsibility and Efficiency

STRATEGIC PLAN GOALS



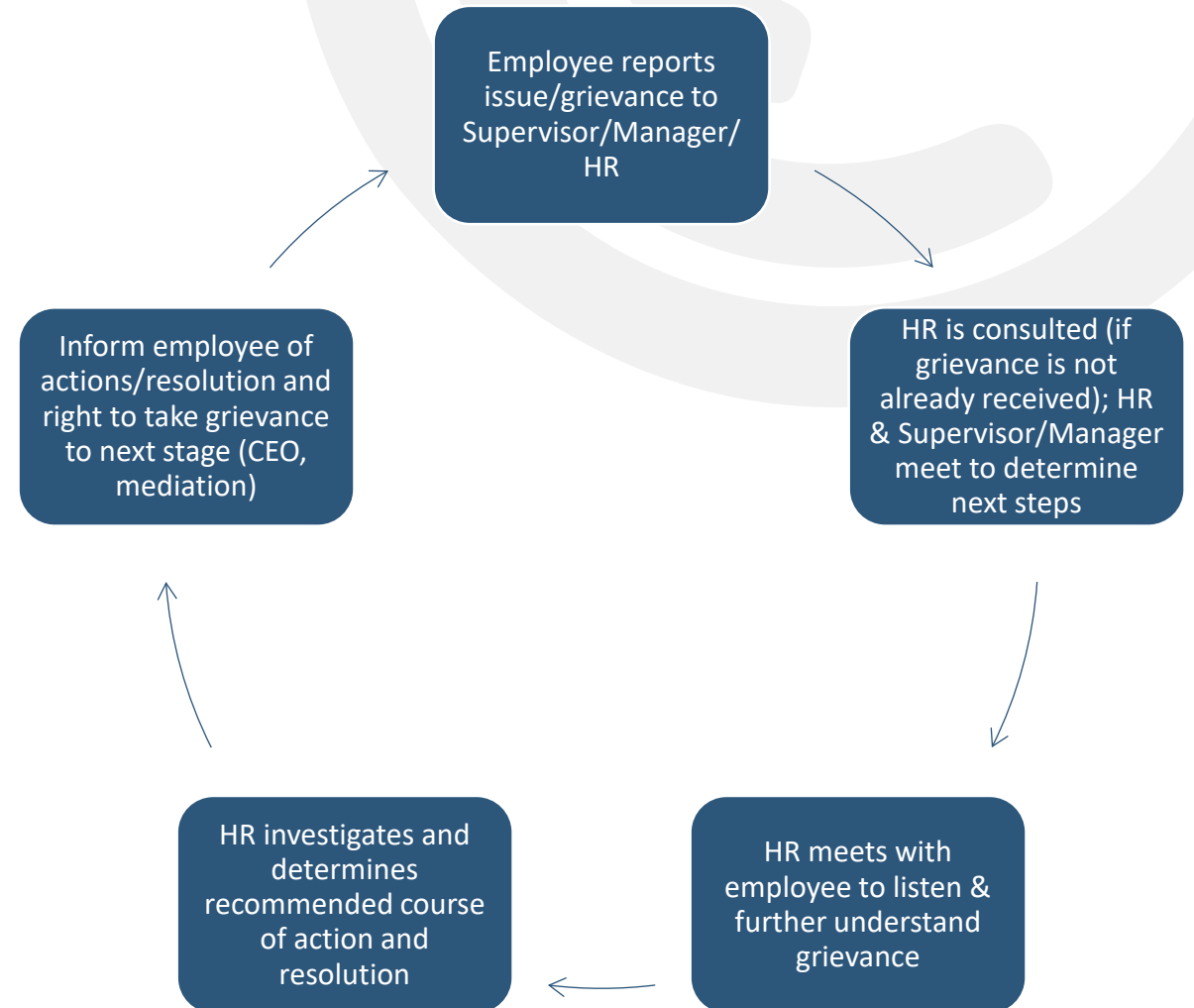
TOPICS FOR TODAY

- Workforce resources
- What's on our radar?
- DASH Workforce overview
- Benefits overview & enhancements
- Engagement strategy
- 2025 HR goals

RESOURCES AND GRIEVANCE RESOLUTIONS

Important Factors:

- Provide environment for employee to confidentially report a complaint
- Energize importance of open-door approach with employees in Leadership training
- Keep employee informed of process and timing; they should expect a quick resolution
- Ensure grievance remains confidential (if possible)
- Investigate immediately
- Maintain credibility in resolution process
- Follow-up with employee after actions/resolution to ensure grievance is resolved and not reoccurring



WHAT'S ON OUR RADAR?

- Labor Market Dynamics
 - Talent Shortages
 - Evolving Employee Expectations
 - Retention Trends
- Employee Engagement Trends
- Internal Challenges
 - Union Pressures
 - Aging Workforce

DASH WORKFORCE OVERVIEW

	% Female	% Male	Avg Age	Avg Years of Service	% Hourly	% Mgmt
Total	18%	82%	48 <i>Female: 45</i> <i>Male: 41</i>	8.2	86%	14%

Administration	50%	50%	43	6.3	13%	88%
Building Maintenance	0%	100%	52	14.2	50%	50%
Human Resources	75%	25%	47	12.2	25%	75%
Maintenance	11%	89%	50	9.5	83%	17%
Marketing	83%	17%	42	4.1	33%	67%
Operations	16%	84%	49	8.3	16%	84%
Planning	0%	100%	35	7.6	29%	71%
Safety	25%	75%	39	3.9	0%	100%
Operations Trainees	17%	83%	48	0	100%	0%
Training	33%	67%	38	7.3	67%	33%

BENEFITS OVERVIEW

Medical & Wellness

- Health (Kaiser & United Healthcare)
- Dental (Ameritus)
- Vision (EyeMed)
- Flexible Spending Accounts:
 - Healthcare FSA
 - Dependent Care FSA
- Employee Assistance Program (EAP)
- On-Site Wellness and Fitness Center

Salary Continuation

- Basic Life Insurance/AD&D Insurance (1x Salary)
- Short-Term Disability (60% of weekly earnings)

Voluntary coverages:

- Long-Term Disability (Voluntary)
- Additional Life & AD&D (spouse/child)
- Hospital Indemnity
- Critical Illness

Retirement

- 401(k) Plan
- Health Retirement Account*

Paid Time Off

- Vacation
- Sick Leave
- Observed Holidays
- Floating Holidays
- Bereavement
- 8 weeks paid Parental Leave
- Jury Duty

Additional Perks

- Educational Assistance
- Uniforms
- Incentive Bonus Awards*
- Tool Allowance*
- Commuter Benefits*
- PerkSpot Discount Program



BENEFITS ENHANCEMENTS

Expedited
401(k) eligibility

Retirement Readiness:
workshop series
beginning in January 2025

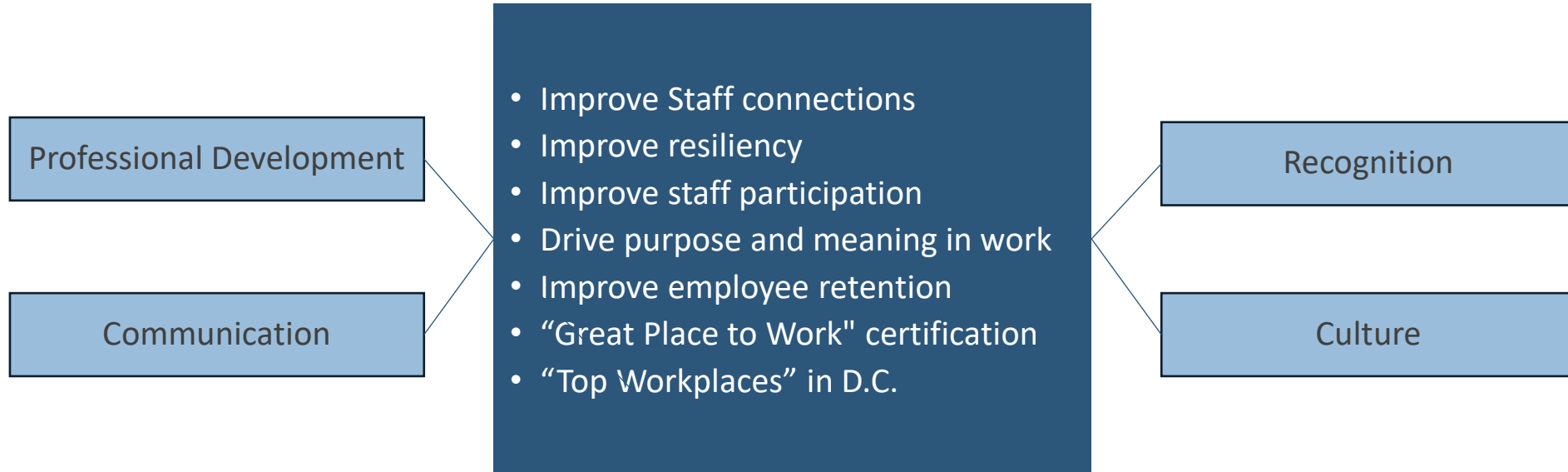


Monthly Wellness
observances

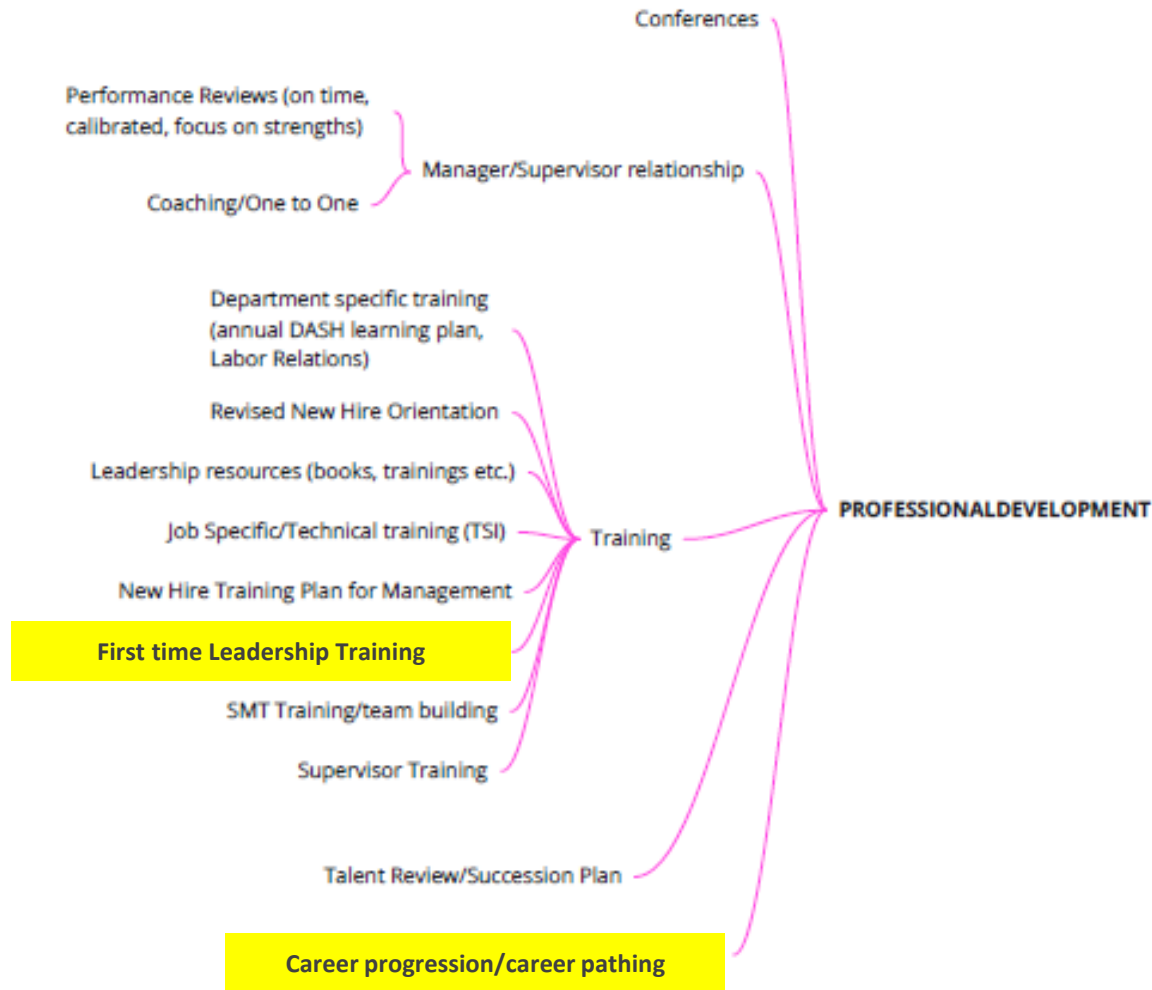
Explore additional
voluntary benefits

ENGAGEMENT STRATEGY

- **Global Engagement Level: 30%**
- **Top Factors:**
 - Feeling Heard & Valued
 - Opportunities To Grow
 - Trust & Confidence In Leadership



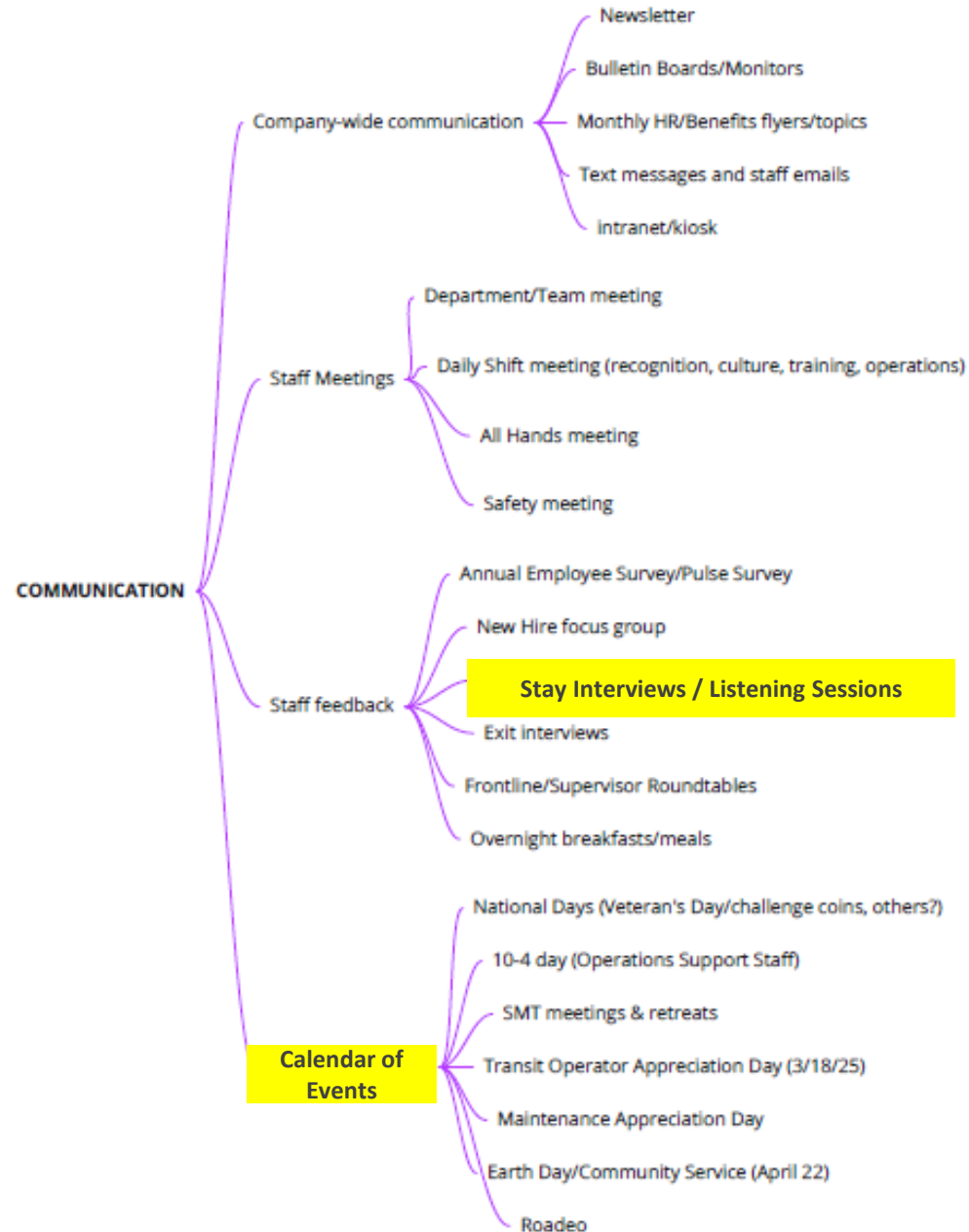
PROFESSIONAL DEVELOPMENT



RECOGNITION



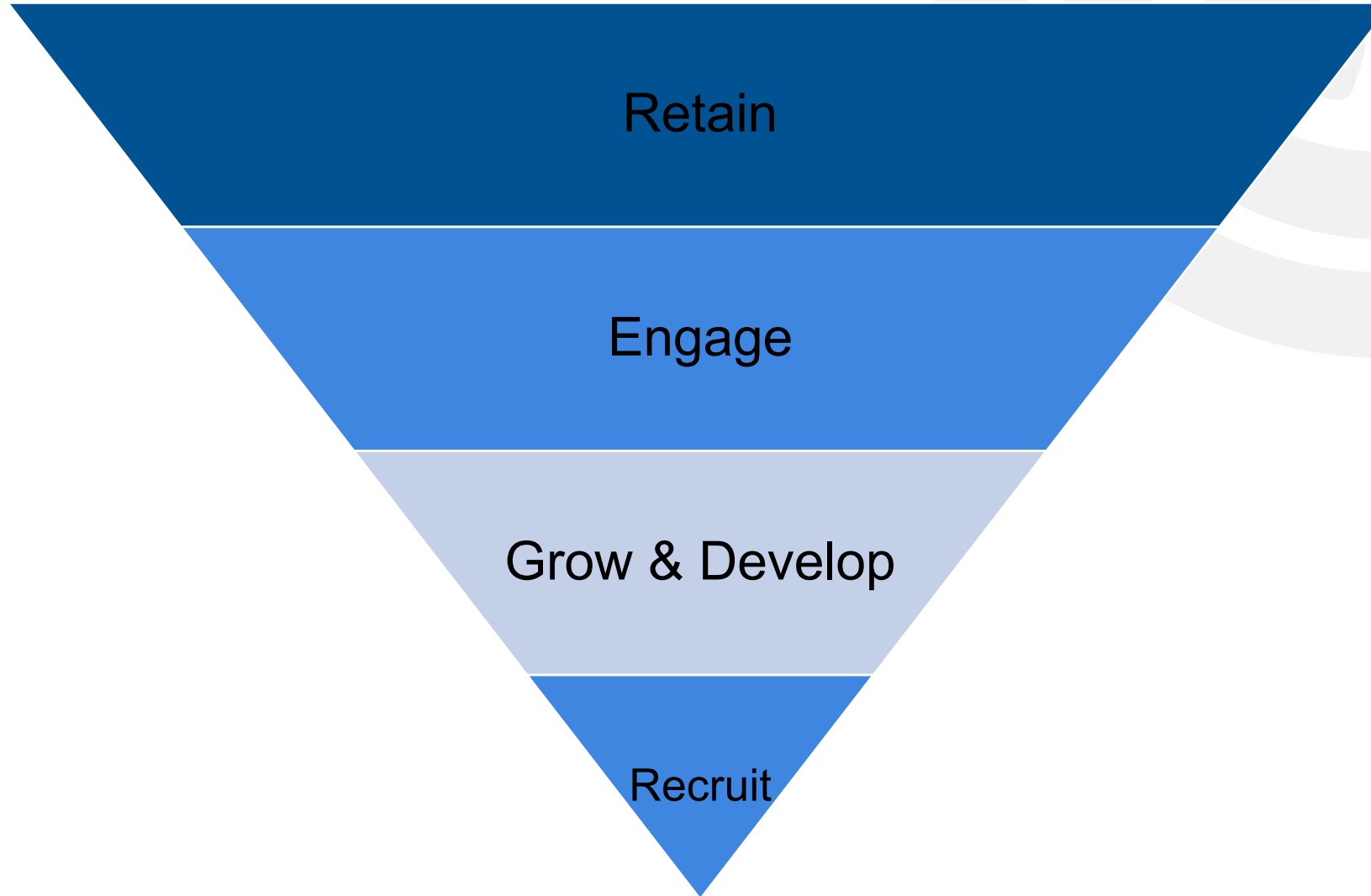
COMMUNICATION



CULTURE



2025 HR GOALS – TALENT FOCUSED



QUESTIONS & DISCUSSION



STRATEGIC UPDATE

DASH TECHNOLOGY



Our Values

"We pioneer customer-centric innovations and embrace **technology** to anticipate future customer needs and to expand seamless transportation connections, all while doing better tomorrow than we did today."



#1 | System
Excellence



#2 | Customer
Experience



#3 | Environmental
Stewardship



#4 | Workplace
Excellence



#5 | Fiscal Responsibility
& Efficiency

TECHNOLOGY AT DASH



DASH Founded &
Started Service

1984



Digital Destination
Signs

1998



CAD/AVL
Introduced

2015



Transit Signal
Priority (TSP)

2018

1993

World Wide Web
Introduced



2006

Onboard Video
Surveillance



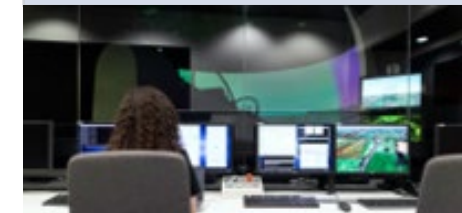
2016

Automated Garage
Management



2024

Operations
Module



CURRENT TECH SUITE



Fleetio



CURRENT TECH SUITE



Fleetio



TECHNOLOGY STRATEGY



CAD/AVL REPLACEMENT PROJECT

- Computer-Aided Dispatch (**CAD**) & Automated Vehicle Location (**AVL**) System
- Onboard Equipment + Backend Software
- Used to manage daily operations and provide service information to riders
- Clever Devices implemented in FY 2015
- **CAD/AVL Useful Life Cycle = 10 Years**
- Ongoing Challenges with Current System
 - Not keeping up with industry advancements
 - Technical issues and inadequate support
 - Local servers instead of cloud-based



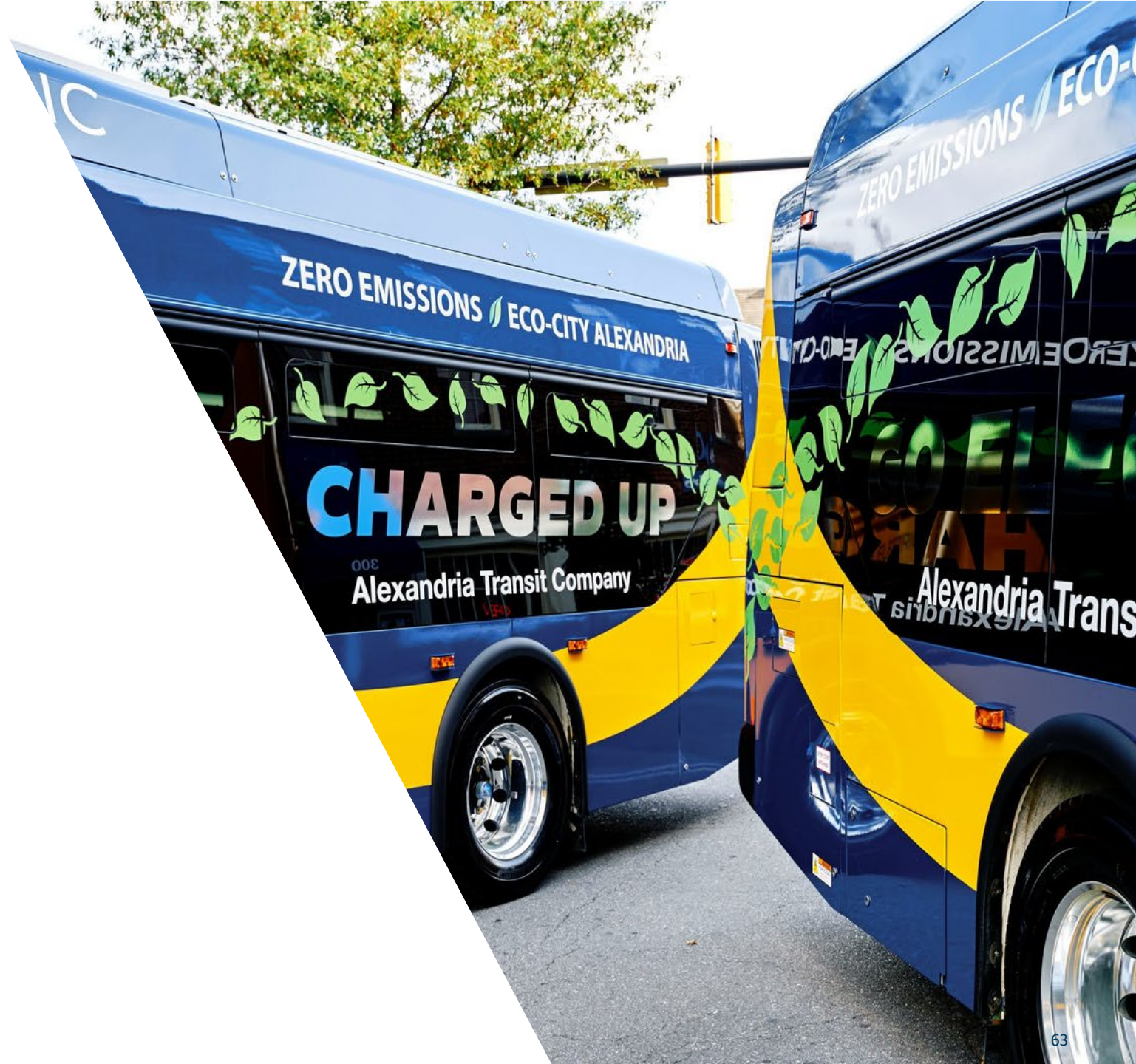
PROGRESS MADE

Closing Tech Gaps

- ✓ Fleet Management System
- ✓ Automated Passenger Counters
- ⚠ Daily Operations
- ✓ Video Surveillance
- ✓ Scheduling System
- ✓ Payroll System

Tech Demonstrations

- ✓ Mobile Eye
- ⚠ Thru-Vision
- ⚠ Digital Mirrors
- ⚠ Infotainment
- ⚠ Charge Management



TECHNOLOGY OPPORTUNITIES



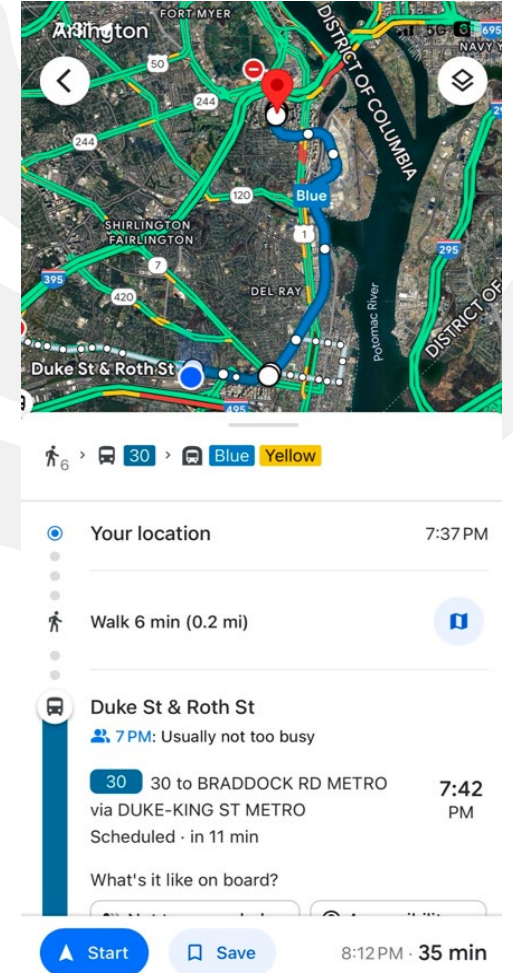
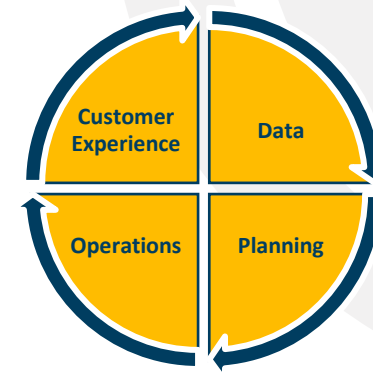
Interconnected, Integrated, and Comprehensive Solutions



Consolidating technologies where possible.

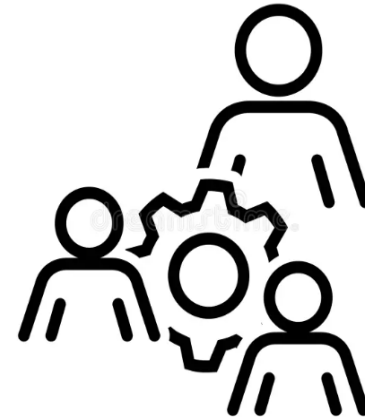


Increasing efficiencies throughout the organization & maximizing service



STRATEGY TO ACHIEVE TECHNOLOGY GOALS

- Build appropriate workforce dedicated to Technology
- Build appropriate operating and capital funding
- Eliminate Duplicative or Non-Effective Technologies
- Coordinate with City, Peer Agencies, and Industry





QUESTIONS & DISCUSSION

WRAP-UP & CONSIDERATION OF ADJOURNMENT

Next ATC Board of Directors Meeting:
January 8, 2025 @ 5:30pm

Location: Alexandria City Hall – Council Workroom

**THE BOARD
MEETING HAS
CONCLUDED**

NEXT MEETING

**JANUARY 8, 2025
5:30PM**

