



**NVTC COMMISSION MEETING
THURSDAY, FEBRUARY 9, 2006
5:00-6:00 PM.**

**MEETING ROOM #4 EAST
GENERAL ASSEMBLY BUILDING
910 CAPITAL SQUARE
RICHMOND, VA 23219**

NOTE: Please note the special meeting date, time and place. NVTC will meet jointly with the Northern Virginia Transportation Authority.

AGENDA

1. Minutes of NVTC Meeting of January 5, 2006.

Recommended Action: Approval.

2. Authorization to Submit NVTC's FY 2007 State Grant Applications.

NVTC is applying for FY 2007 state funding for WMATA, local bus systems and VRE as well as grants for a VRE intern, a VRE study of turn-back and express trains and a NVTC hydrogen fuel demonstration for transit buses.

Recommended Action: Approve Resolution #2010.

3. Approval of NVTC's FY 2007 Administrative Budget.

After receiving the preliminary version in September, 2005 and reviewing the same budget in January, 2006 the commission is asked to act on the budget. Total local contributions are unchanged from FY 2005.

Recommended Action: Approval.



4. VRE Items.

- A. Report from the VRE Operations Board (including minutes of the Board meeting of January 20, 2006) and from VRE's CEO—Information Item.
- B. FY 2005 Audited Financial Statements—Action Item/Resolution #2011.
- C. Increased Task Order for General Fleet Maintenance—Action Item/Resolution #2012.

5. NVTC Financial Items for December, 2005.

Information Item.

6. Legislative Items.

Staff will present a progress report.

Joint Discussion with the Northern Virginia Transportation Authority.



AGENDA ITEM #1

MINUTES
NVTDC COMMISSION MEETING – JANUARY 5, 2006
NVTDC CONFERENCE ROOM – ARLINGTON, VIRGINIA

The meeting of the Northern Virginia Transportation Commission was called to order by Chairman Ferguson at 8:10 P.M.

Members Present

Sharon Bulova
Gerald Connolly
William D. Euille
Paul Ferguson
Jay Fiset
Ludwig Gaines
Catherine M. Hudgins
Dana Kauffman
Karen Rae
Scott Silverthorne
Paul C. Smedberg (Alternate, City of Alexandria)
David F. Snyder
Mary Margaret Whipple
Christopher Zimmerman

Members Absent

David Albo
Eugene Delgaudio
Jeannemarie Devolites Davis
Adam Ebbin
Elaine McConnell

Staff Present

Scott Kalkwarf
Jana Lynott
Steve MacIsaac (VRE)
Adam McGavock
Kala Quintana
Elizabeth Rodgers
Jennifer Straub (VRE)
Richard K. Taube
Dale Zehner (VRE)



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Minutes of NVTC Meeting of December 1, 2005

On a motion by Mr. Gaines and a second by Senator Whipple, the commission unanimously approved the minutes. Affirmative votes were cast by commissioners Connolly, Euille, Ferguson, Gaines, Hudgins, Kauffman, Rae, Silverthorne, Snyder, Whipple and Zimmerman.

Election of 2006 Officers and Oath of Office

Mr. Ferguson moved with a second by Senator Whipple to elect the slate of officers recommended by NVTC's Executive Committee:

Gerald Connolly, Chairman
David Snyder, Vice-Chairman
William Euille, Secretary-Treasurer

The vote in favor was unanimous with votes in favor by commissioners Connolly, Euille, Ferguson, Gaines, Hudgins, Kauffman, Rae, Silverthorne, Snyder, Whipple and Zimmerman.

Chairman Ferguson administered the oath of office to the newly elected officers. Chairman Connolly then presented a gift to Mr. Ferguson and thanked him for his service during the past year.

Selection of NVTC Representatives to Boards and Committees

On a motion by Senator Whipple and second by Mr. Gaines, the commission unanimously selected all incumbents to continue to serve on the WMATA Board, VRE Board, VTA Board and NVTC Legislative Committee. Affirmative votes were cast by commissioners Connolly, Euille, Ferguson, Gaines, Hudgins, Kauffman, Rae, Silverthorne, Snyder, Whipple and Zimmerman.

Designation of NVTC Signatories and Pension Trustees

On a motion by Senator Whipple and a second by Mr. Gaines, the commission unanimously approved Resolution #2005 which authorizes the new Secretary-Treasurer, Mr. Euille, to serve as an additional signatory and as pension trustee. Affirmative votes were cast by commissioners Connolly, Euille, Ferguson, Gaines, Hudgins, Kauffman, Rae, Silverthorne, Snyder, Whipple and Zimmerman.

Year-End Review of NVTC Accomplishments

NVTC staff members each described their most significant assignments and achievements in the last six months. Mr. Connolly asked Scott Kalkwarf to identify the amount of state transit assistance actually provided in FY 2006 compared to the \$195 million for which NVTC applied. [The figure is roughly \$110 million, but only because of a one-time allocation of \$20 million for VRE railcars. Another one-time allocation of \$40 million for WMATA has not been released by DRPT].

Chairman Connolly thanked the staff for its effective work during the past year, noting that the commission put a lot on staff's plate, including help with the NVTA survey.

Public Hearing on, and Approval of, NVTC's 2006 Workprogram and Meeting Schedule.

Mr. Taube explained the major changes in the workprogram and schedule proposed for 2006. The commission would meet on February 9th in Richmond. Also, a grant application would be filed for a demonstration of hydrogen-assisted transit diesel engines for air quality and fuel savings. Phase 2 of the senior mobility study would proceed. Additional transit tours for General Assembly members would be organized. A new mobile phone technology for locating transit vehicles and informing customers would be developed and tested. Greater emphasis on telework would occur.

Chairman Connolly opened the public hearing. There was one speaker. Mr. Ed Tennyson provided a statement in which he noted transit ridership is growing faster than population and auto use. NVTC should use its performance data to oversee WMATA's efficiency and effectiveness, by monitoring quarterly passenger-mile data, accident rates and service failures. He also favors rail to Dulles and VRE to Haymarket. He counseled restraint in fare increases to no more than 1.6 percent annually. Finally, he agreed that more street supervision is needed for Metrobus but the Washington Post reports are too simplistic.

Chairman Connolly thanked Mr. Tennyson for his statement and for his recent letter to the editor of the Washington Post responding to criticism of Metrobus service. There being no other citizens wishing to speak, Chairman Connolly closed the public hearing but stated the record would be kept open for two weeks to allow for the submission of additional written comments.

Mr. Fisette arrived during the public hearing.

On a motion by Mr. Euille and a second by Senator Whipple, the commission unanimously approved the proposed 2006 Workprogram and meeting schedule. Affirmative votes were cast by commissioners Connolly,

Euille, Ferguson, Fisette, Gaines, Hudgins, Kauffman, Rae, Silverthorne, Snyder, Whipple and Zimmerman.

NVTC Audit for FY 2005

Michael Garber from PBGH, LLP presented the results of his firm's audit. He was joined by Mensel Dean and Dwight Buracker of PBGH. Mr. Garber reported a clean audit. Mr. Ferguson reminded the commission that there were no comments for management again this year and Mr. Garber responded that that was unusual for his clients and reflected well on NVTC staff.

Mr. Taube added that NVTC's Executive Committee, serving as an audit committee, met with the auditors prior to the NVTC meeting to examine the audit and also spoke with them privately with no NVTC staff present.

On a motion by Mr. Euille and a second by Mr. Snyder, the commission voted unanimously to accept the audit report and to authorize staff to post the audited financial statements on NVTC's website and distribute them to regulatory agencies, bond holders and other interested parties. Affirmative votes were cast by commissioners Connolly, Euille, Ferguson, Fisette, Gaines, Hudgins, Kauffman, Rae, Silverthorne, Snyder, Whipple and Zimmerman.

VRE Items

Ms. Bulova arrived.

Report from the VRE Operations Board and VRE CEO. Ms. Bulova referred to the minutes of the December 16, 2005 VRE Operations Board meeting. She also described the VRE derailment, which occurred that day at Possum's Point on the CSXT line north of Fredericksburg near Quantico.

Mr. Zehner arrived and provided more details. He praised the prompt response of Prince William County EMS as well as Amtrak and his staff for effective communication with the media. He also recognized the timely offers of busses from WMATA, PRTC and Fairfax Connector. He reported that CSX sent several officials and promised to repair the track in time for the morning commute.

Chairman Connolly praised Wendy Lemieux for her professional communication skills with the media during the event.

Ms. Bolova mentioned that CSXT officials will be present at the next VRE Operations Board meeting. Mr. Connolly requested a full report. Mr. Snyder stated three expectations:

- 1) Staff will cooperate fully with the NTSB investigation;

- 2) Staff will bring back any NTSB recommendations to the commissions for action; and
- 3) Staff will do whatever is necessary to be responsive to its customers during this crisis.

FY 2007 VRE Budget and FY 2006 Budget Revisions. Ms. Bulova moved approval of Resolution #2006 with a second by Mr. Kauffman. The resolution approves the FY 2007 budget and FY 2006 revisions and authorizes staff to forward them to the jurisdictions. The budget contains a six percent fare increase and increases local subsidies by a similar absolute amount (\$1.9 million) for FY 2007.

Mr. Connolly put Mr. Zehner on notice that the subsidy allocation formula included in the VRE Master Agreement will need to be changed because Fairfax County must currently pay a disproportionate subsidy while its riders can't get seats on crowded trains. Senator Whipple pointed out that by paying a higher subsidy, Fairfax County permits its riders to enjoy a lower fare.

The vote in favor of the motion was unanimous with Chairman Connolly abstaining. Affirmative votes were cast by commissioners Bulova, Euille, Ferguson, Fisette, Gaines, Hudgins, Kauffman, Rae, Silverthorne, Snyder, Whipple and Zimmerman.

Application to FRA for VRE Railcar Loan. Ms. Bulova moved approval of Resolution #2007. Mr. Kauffman seconded. The resolution authorizes VRE staff to submit an application for the loan to facilitate the purchase of 50 new bi-level railcars. The vote in favor of the motion was unanimous. Affirmative votes were cast by commissioners Bulova, Connolly, Euille, Ferguson, Fisette, Gaines, Hudgins, Kauffman, Rae, Silverthorne, Snyder, Whipple and Zimmerman.

Referral to Jurisdictions of Financing Plan for VRE Railcars. Ms. Bulova moved approval of Resolution #2008 with a second from Mr. Kauffman. The resolution authorizes VRE staff to submit a plan of financing for 50 new bi-level railcars to the jurisdictions for review and comment. The vote in favor was unanimous with affirmative votes from commissioners Bulova, Connolly, Euille, Ferguson, Fisette, Gaines, Hudgins, Kauffman, Rae, Silverthorne, Snyder, Whipple and Zimmerman.

Increase Authorization for Sounder Railcars. Ms. Bulova moved approval of Resolution #2009 with a second from Mr. Kauffman. The resolution authorizes staff to arrange to pay for an extended lease of Sounder equipment to help meet demand for VRE service. The vote in favor was unanimous with affirmative votes from commissioners Bulova, Connolly, Euille, Ferguson, Fisette, Gaines, Hudgins, Kauffman, Rae, Silverthorne, Snyder, Whipple and Zimmerman.

Draft NVTC FY 2007 Budget

Mr. Taube reminded commissioners that they had reviewed this budget in September, 2005 and it was presented to them now for discussion prior to action at the February meeting. Mr. Taube confirmed, in response to a question from Mr. Euille, that there have been no changes since September.

Legislative Items

Mr. Taube identified several attachments, including NVTC's 2006 Legislative Agenda, a paper describing the quarter-cent sales tax proposal for dedicated WMATA funding and some details about Governor Warner's budget. It was also noted that Pierce Homer has been reappointed as the Virginia Secretary of Transportation.

Ms. Rae noted that \$1 million for telework is included in Governor Warner's budget proposal.

Chairman Connolly reported that a meeting is scheduled Saturday, January 7th at the Fairfax County Government Center with the Northern Virginia General Assembly Delegation. He offered to present a three-minute statement on behalf of NVTC and Mr. Taube agreed to prepare the short statement. Chairman Connolly also suggested arranging a briefing on NVTC's legislative agenda for the delegation in Richmond.

WMATA Items

Mr. Taube mentioned the draft WMATA budget. Mr. Kauffman reported on the positive committee vote earlier that day on the West Ox Bus Garage. Also, another favorable vote occurred on rail to Dulles. He went on to mention the intention of the new WMATA Board Chair Gladys Mack, to hold public hearings on WMATA's budget for the first time.

Chairman Connolly congratulated Mr. Kauffman for his work as Metro Board Chair during the past eventful year. The NVTC Board applauded Mr. Kauffman.

Regional Transportation Items

Ms. Lynott described the maps showing changes in traffic congestion in major corridors resulting from investments proposed in the 2030 Transportation Plan Update. Improvements are visible and dramatic in most corridors, with the Dulles Access Road a notable exception. Mr. Smedberg asked if the plan had

considered the implications of the BRAC recommendations. Ms. Lynott responded it had not.

NVTC Federal SmarTrip Grant Extended

Mr. Taube announced that FTA has extended remaining federal grant funds for technical assistance through September 30, 2006.

NVTC Financial Reports for November, 2005.

There were no questions.

Closed Session on Entry of New VRE Jurisdictions (Section 2.2.-3711.A(7) of the Virginia Code)

Ms. Bulova made the following motion with Mr. Gaines seconding:

Pursuant to the Virginia Freedom of Information Act (Section 2.2-3711.A (7) of the Code of Virginia), the Northern Virginia Transportation Commission authorizes discussion in closed session concerning a legal matter relating to the entry of new VRE jurisdictions.

The vote in favor was unanimous with the following commissioners voting in favor: Bulova, Connolly, Euille, Ferguson, Fisette, Gaines, Hudgins, Kauffman, Rae, Silverthorne, Snyder, Whipple and Zimmerman.

The commission entered closed session at 9:15 p.m. and returned to open session at 9:40 p.m.

Ms. Bulova made the following motion with a second from Mr. Zimmerman:

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.

Ms. Bulova moved that NVTC directs its negotiators to proceed according to instructions provided in closed session. Mr. Zimmerman seconded. The vote in favor was unanimous with affirmative votes from commissioners Bulova, Connolly, Euille, Ferguson, Fiset, Gaines, Hudgins, Kauffman, Rae, Silverthorne, Snyder, Whipple and Zimmerman.

Adjournment

There being no further business, Chairman Connolly adjourned the meeting without objection at 9:45 p.m.

Approved this 9th day of February, 2006.

Gerald Connolly
Chairman

William Euille
Secretary-Treasurer

NVTC

Northern Virginia Transportation Commission

RESOLUTION #2005

SUBJECT: Designation of NVTC Signatories and Pension Trustees.

WHEREAS: The Honorable William Euille has been elected Secretary-Treasurer of NVTC for 2006; and

WHEREAS: NVTC desires that the person holding the office of Secretary-Treasurer be designated as an official signatory as well as a pension trustee.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission hereby selects the following persons to serve as NVTC signatories (who are eligible to sign individually for any transaction of less than \$5,000 and with one other signatory for transactions of \$5,000 or greater) and the same individuals shall serve as NVTC employees' pension trustees.

Hon. William Euille
Richard K. Taube
Scott C. Kalkwarf
Coletia Quarles

Secretary-Treasurer
Executive Director
Director of Finance and Administration
Assistant Financial Officer

Approved 5th day of January, 2006.

Chairman

Secretary-Treasurer



NVTC

Northern Virginia Transportation Commission

RESOLUTION #2006

SUBJECT: FY 2007 VRE Budget and FY 2006 Budget Revisions.

WHEREAS: VRE's Master Agreement provides a process and schedule for producing a proposed budget for the next fiscal year;

WHEREAS: The VRE staff proposal for FY 2007 has been carefully reviewed by the Chief Administrative Officers' Budget Review Task Force;

WHEREAS: Staff has also proposed adjustments in the FY 2006 budget;

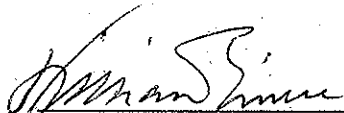
WHEREAS: The VRE Operations Board has reviewed the proposals and recommends approval.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission hereby approves the VRE FY 2007 budget with a six percent fare increase and the revisions to the FY 2006 budget, recommends that VRE staff implement all of the recommendations of the Chief Administrative Officers Budget Review Task Force, and authorizes staff to forward the budgets to participating and contributing jurisdictions for action under the terms of the VRE Master Agreement;

BE IT FURTHER RESOLVED that the executive directors of NVTC and PRTC are authorized to submit to TPB and to FTA and other agencies, the appropriate TIP and grant applications for FY 2006 and 2007; and

BE IT FURTHER RESOLVED that the executive director of NVTC is authorized to submit to the commonwealth the approved budget as part of VRE's FY 2007 state aid application.

Approved 5th day of January, 2006.


Secretary-Treasurer


Chairman



NVTC Northern Virginia Transportation Commission

RESOLUTION #2007

SUBJECT: Application to FRA for VRE Railcar Loan.

WHEREAS: VRE staff is recommending that the entire 50-railcar option be exercised with Sumitomo in April of 2006;

WHEREAS: This recommendation is based on future service demands, capacity constraints associated with the existing fleet, the extremely competitive price, and the prompt delivery schedule;

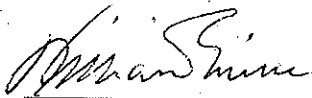
WHEREAS: Each of the scenarios being considered to finance the option assumes VRE will apply to the FRA for a loan;

WHEREAS: VRE would apply in January, 2006 to allow for a review period by FRA of approximately two months; and

WHEREAS: The application would be for the maximum amount potentially needed and be reduced if VRE receives additional funding.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission hereby authorizes the VRE Chief Executive Officer to submit an application to the Federal Railroad Administration (FRA) for a loan from the Railroad Rehabilitation and Improvement Financing Program (RRIF) in an amount not to exceed \$72.5 million for the purchase of 50 railcars

Approved 5th day of January, 2006.



Secretary-Treasurer



Chairman



NVTC

Northern Virginia Transportation Commission

RESOLUTION #2008

SUBJECT: Referral to Jurisdictions of Financing Plan for VRE Railcars.

WHEREAS: In April of 2005, the Operations Board was presented with a fleet management plan that included the purchase of 11 bi-level cab cars with an option to purchase 50 additional bi-level railcars;

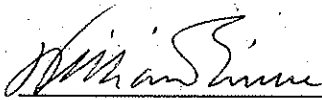
WHEREAS: VRE staff is recommending that the entire 50-car option be exercised in April of 2006 based on future service demands, capacity constraints associated with the existing fleet, the extremely competitive price, and the prompt delivery schedule;

WHEREAS: Due to uncertainty over the status and level of future state and federal earmarks, several financing options are being considered; and

WHEREAS: The jurisdictions will likely be required to assume some increase in local subsidy.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission hereby authorizes the VRE Chief Executive Officer to refer financing options for a 50-railcar purchase to the member jurisdictions for review and comment.

Approved 5th day of January, 2006.


Secretary-Treasurer


Chairman



NVTC Northern Virginia Transportation Commission

RESOLUTION #2009

SUBJECT: Increase Authorization for Sounder Railcars.

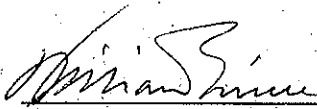
WHEREAS: VRE currently has two sets of equipment in service under a lease agreement with Sound Transit;

WHEREAS: Nearly \$6,200,000 has been authorized toward these leases and the limit will be reached in February, 2006; and

WHEREAS: The VRE Operations Board recommends increasing the authorization limit for the lease of two sets of high capacity railcars from Sound Transit through June and December of 2007.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission hereby authorizes the VRE Chief Executive Officer to incur an additional \$2,026,000 in expenditures toward two sets of rolling stock leased from Sound Transit.

Approved 5th day of January, 2006.


Secretary-Treasurer


Chairman



MEMORANDUM

TO: Chairman Connolly and NVTC Commissioners

FROM: Rick Taube and Scott Kalkwarf

DATE: February 2, 2006

SUBJECT: NVTC's Authorization to Submit FY 2007 State Grant Applications

NVTC's applications on behalf of WMATA, VRE and the commission's local jurisdictions were due February 1, 2006. To meet this deadline, NVTC staff submitted electronically the attached materials. They have been carefully reviewed by local staff. The commission is asked to adopt Resolution #2010, which confirms the commission's support of these applications and is a requirement of the Virginia Department of Rail and Public Transportation.

An attachment compares total eligibility for WMATA and the local bus systems for FY 2007 versus 2006. As can be seen, for NVTC's jurisdictions and WMATA the FY 2007 eligibility is about \$67.3 million greater than in FY 2006, consisting of \$54.6 million more for capital and \$12.7 million more for operations.

For VRE, the FY 2007 eligibility is \$656,135 more than in FY 2006, consisting of \$220,054 for capital and \$435,481 for operations.

The amount of assistance actually received by NVTC for FY 2007 is likely to be much less than the eligible amount of \$263.0 million unless the General Assembly acts to provide significantly greater funding.

Also attached for your consideration is a description of a special project for which NVTC is seeking grant funds for FY 2007. This project will demonstrate a method to use hydrogen in transit bus diesel engines to improve performance and fuel economy and reduce emissions. The amount requested is \$86,600.

Two additional VRE grant requests are included. One is for \$100,000 of state funds to complete an operational study of turn-back and express trains with VRE adding \$100,000 from other sources. VRE is also seeking up to \$38,000 for an intern.





RESOLUTION #2010

SUBJECT: Approval of FY 2007 NVTC and VRE State Administrative/FTM, Capital, and Related Grant Applications and Authority to Apply for Funds from the Commonwealth Transportation Board, Federal Transit Administration and other Grant Agencies.

WHEREAS: The Northern Virginia Transportation Commission (NVTC) wishes to obtain state and federal grants to help defray NVTC, WMATA, local bus systems and Virginia Railway Express (VRE) operating and capital costs; to conduct a demonstration of a new method for injecting hydrogen into transit bus diesel engines to improve performance; and to support a VRE intern.

NOW, THEREFORE, BE IT RESOLVED that the Northern Virginia Transportation Commission's executive director is authorized, for and on behalf of NVTC and its members, 1) to execute and file an application to the Virginia Department of Rail and Public Transportation (DRPT), for grants of public transportation assistance for the fiscal year 2007 commencing July 1, 2006 in the amount of \$133,675,871 to defray the public transportation cost of NVTC and its members for administration, fuels, tires, lubricants and maintenance parts at a matching ratio of 95%; 2) to accept from DRPT grants in such amounts as may be awarded; and 3) to furnish DRPT such documents and other information as may be required for processing the grant request;

BE IT FURTHER RESOLVED that NVTC's executive director is authorized, for and on behalf of NVTC and its members, 1) to execute and file an application to DRPT, for grants of public transportation assistance for FY 2007 for capital expenses in an amount that will not exceed \$110,098,404 to defray up to 95 percent of the costs borne by NVTC and its members for equipment, facilities and the associated expenses of any approved capital grant; 2) to revise the capital portion of the application to reflect refined estimates by WMATA or local governments when they become available; 3) to accept from DRPT grants in such amounts as may be awarded; and 4) to furnish to DRPT such documents and other information as may be required for processing the grant request;



BE IT FURTHER RESOLVED that NVTC's executive director is authorized, for and on behalf of NVTC and PRTC and their members, 1) to execute and file FY 2007 VRE applications to DRPT and to seek up to \$8,492,732 for FTM and administrative costs and up to \$10,740,998 for capital; 2) to revise the application to reflect refined estimates by VRE; 3) to accept from DRPT grants in such amounts as may be awarded; and 4) to furnish to DRPT such documents and other information as may be required for processing the grant request;

BE IT FURTHER RESOLVED that NVTC's executive director is authorized, for and on behalf of NVTC and its members, 1) to execute and file a FY 2007 application to DRPT for a grant of financial assistance in the amount of \$86,600 to defray up to 95 percent of the costs of a project to demonstrate a new method for injecting hydrogen into transit bus diesel engines to improve performance; 2) to accept from DRPT or other agencies designated by DRPT grants in such amounts as may be awarded; 3) to furnish DRPT such documents and other information as may be required for processing the grant request; 4) to provide, if necessary, an in-kind contribution of NVTC administrative services for local match; and 5) if necessary, to cooperate with DRPT to obtain these funds from other sources on similar terms;

BE IT FURTHER RESOLVED that NVTC's executive director is authorized, for and on behalf of NVTC and PRTC and their members, 1) to execute and file an application to DRPT for a grant of financial assistance in the amount of \$100,000 to defray 50 percent of the costs of a VRE operational study of turn-back and express trains; 2) to accept from DRPT grants in such amounts as may be awarded; 3) to furnish DRPT such documents and other information as may be required for processing the grant request; and 4) to provide up to a five percent cash match;

BE IT FURTHER RESOLVED that NVTC's executive director is authorized, for and on behalf of NVTC and PRTC and their members, 1) to execute and file an application to DRPT for a grant of financial assistance in the amount of \$38,000 to defray 95 percent of the costs of a VRE intern; 2) to accept from DRPT grants in such amounts as may be awarded; and 3) to furnish DRPT such documents and other information as may be required for processing the grant request;

RESOLUTION #1064

BE IT FURTHER RESOLVED that NVTC certifies that the funds for all of the above grants will be used in accordance with the requirements of Section 58.1 638.A.4 of the Code of Virginia, that NVTC will provide matching funds in the ratio required by the Act, that the records of receipts of expenditures of funds granted to NVTC may be subject to audit by DRPT and by the State Auditor of Public Accounts, and that funds granted to NVTC for defraying the public transportation expenses of NVTC shall be used only for such purposes as authorized in the Code of Virginia; and

BE IT FURTHER RESOLVED that NVTC's executive director is authorized, for and on behalf of NVTC and its members, to furnish to TPB, CTB and other state and federal funding agencies such documents, information, assurances and certifications as may be required for pursuing the above grant requests and continuing previously awarded grants.

Approved this 9th day of February, 2006.

Gerald Connolly
Chairman

William Euille
Secretary-Treasurer

NVTC
SUMMARY OF STATE CAPITAL AND FORMULA GRANT ASSISTANCE APPLICATIONS
FOR FY 2007

<u>NVTC</u>	<u>FY 07</u>	<u>FY 06</u>	<u>Increase (Decrease)</u>
<u>CAPITAL</u>			
Local Capital (see schedule A)			
Alexandria	1,584,000	1,335,000	249,000
City of Fairfax	30,000	-	30,000
Fairfax County	51,540,071	11,613,000	39,927,071
Arlington	15,551,500	908,026	14,643,474
Falls Church	-	-	-
Total	<u>68,705,571</u>	<u>13,856,026</u>	<u>54,849,545</u>
Eligibility amount @95%	<u>65,270,292</u>	<u>13,163,225</u>	<u>52,107,068</u>
WMATA Capital (see schedule B)			
Metro Matters Program	38,950,000	36,301,000	2,649,000
IRP	-	-	-
SAP	-	268,000	(268,000)
SEP	825,000	537,000	288,000
DEBT	7,412,486	7,412,486	-
Total	<u>47,187,486</u>	<u>44,518,486</u>	<u>2,669,000</u>
Eligibility amount @95%	<u>44,828,112</u>	<u>42,292,562</u>	<u>2,535,550</u>
Total Capital	<u>115,893,057</u>	<u>58,374,512</u>	<u>57,518,545</u>
Eligibility amount @95%	<u>110,098,404</u>	<u>55,455,786</u>	<u>54,642,618</u>
<u>OPERATING FTM/ADMIN (see schedule C)</u>			
Eligibility amount @ 95%			
WMATA	114,971,184	103,369,470	11,601,714
Local	18,704,686	17,614,689	1,089,997
Total operating eligibility	<u>133,675,871</u>	<u>120,984,159</u>	<u>12,691,712</u>
<u>VRE</u>			
<u>CAPITAL (see schedule D)</u>			
Total budget (non-federal)	<u>11,306,314</u>	<u>11,074,047</u>	<u>232,267</u>
Eligibility amount @ 95%	<u>10,740,998</u>	<u>10,520,345</u>	<u>220,654</u>
<u>OPERATING FTM/ADMIN</u>			
Eligibility amount @ 95%	<u>8,492,732</u>	<u>8,057,251</u>	<u>435,481</u>

**NVTC
APPLICATION FOR STATE CAPITAL GRANT ASSISTANCE
LOCAL CAPITAL
FY 2007**

SCHEDULE A

	<u>TOTAL COST</u>	<u>FEDERAL</u>	<u>NON- FEDERAL</u>
CITY OF ALEXANDRIA			
Purchase replacement buses (4)	1,339,000	-	1,339,000
Support vehicles (2)	30,000	-	30,000
Bus stop shelters (9)	90,000	-	90,000
Engine assembly, spare parts, ACM (5)	125,000	-	125,000
	-	-	-
Total	<u>1,584,000</u>	-	<u>1,584,000</u>
CITY OF FAIRFAX			
Support vehicle (1)	30,000	-	30,000
	-	-	-
Total	<u>30,000</u>	-	<u>30,000</u>
FAIRFAX COUNTY			
Purchase replacement buses (15)	4,916,820	-	4,916,820
Support vehicles (6)	150,000	-	150,000
Lease buses (7)	250,320	-	250,320
Lease buses (10)	276,000	-	276,000
Shop equipment	50,000	-	50,000
Debt service (West Ox)	390,000	-	390,000
Engine assembly, spare parts, ACM	200,000	-	200,000
Construction bus facility (Springfield CBD P&R)	1,250,000	1,000,000	250,000
Construction bus facility (trail projects for ped access)	1,000,000	800,000	200,000
Construction bus facility (on road bike trail for access)	500,000	400,000	100,000
Engineering / design bus facility (Richmond Hwy bus)	625,000	500,000	125,000
Purchase bike racks, ITS or misc equip (Rich. Hwy sych)	621,313	497,050	124,263
Bus stop shelters (Richmond Hwy)	869,838	695,870	173,968
Engineering / design bus facility (Richmond Hwy)	3,727,875	2,982,300	745,575
Purchase bike racks, ITS or misc equip (Reston traffic signal)	937,500	750,000	187,500
Construction bus facility (Fairfax County Trail impr for access)	1,250,000	1,000,000	250,000
Construction bus facility (Burke Centre VRE parking expan)	1,250,000	1,000,000	250,000
Construction bus facility (Vienna Metrorail accessibility impr)	750,000	600,000	150,000
Construction bus facility (Burke Centre canopy)	200,000	160,000	40,000
Rehabilitate/rebuild buses	250,000	-	250,000
Purchase bike racks, ITS or misc equip	55,000	-	55,000
Construction bus facility (Reston Town Center transit store)	160,000	-	160,000
Lease of bus facility (Springfield Mall shuttle parking)	254,625	-	254,625
Purchase expansion buses (26)	8,541,000	-	8,541,000
Construction rail facility (Huntington Metrorail parking expan)	18,200,000	-	18,200,000
Bus stop shelters (Richmond Hwy)	1,250,000	1,000,000	250,000
Construction bus facility (West Ox bus garage)	15,000,000	-	15,000,000
	-	-	-
Total	<u>62,925,291</u>	<u>11,385,220</u>	<u>51,540,071</u>
ARLINGTON			
Purchase replacement buses (3)	420,000	-	420,000
Construction of rail related facility (Ballston western entrance)	13,376,500	-	13,376,500
Construction of rail related facility (Ballston western entrance)	5,350,000	4,280,000	1,070,000
Construction of rail related facility (Ballston western entrance)	2,875,000	2,300,000	575,000
Pentagon City station access enhancements	550,000	440,000	110,000
	-	-	-
Total	<u>22,571,500</u>	<u>7,020,000</u>	<u>15,551,500</u>
CITY OF FALLS CHURCH			
	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>
GRAND TOTAL			
	<u><u>87,110,791</u></u>	<u><u>18,405,220</u></u>	<u><u>68,705,571</u></u>

**NVTC
APPLICATION FOR STATE CAPITAL GRANT ASSISTANCE
WMATA CAPITAL SUBSIDIES
FY 2007**

SCHEDULE B

	<u>Alexandria</u>	<u>Arlington</u>	<u>Fairfax City</u>	<u>Fairfax County</u>	<u>Falls Church</u>	<u>Total</u>
Metro Matters Program (a)	6,282,000	12,311,000	274,000	19,685,000	398,000	38,950,000
IRP-II (b)	-	-	-	-	-	-
SAP - (c)	-	-	-	-	-	-
SAP - Reimbursable (d)	-	-	-	-	-	-
SEP (e)	133,000	261,000	6,000	417,000	8,000	825,000
Debt Service	1,418,184	2,740,174	46,723	3,168,927	38,478	7,412,486
Total	<u>7,833,184</u>	<u>15,312,174</u>	<u>326,723</u>	<u>23,270,927</u>	<u>444,478</u>	<u>47,187,486</u>

(a) From FY07 proposed budget. The Metro Matters Program budget will likely change with the updated Metro Matters work program for FY07. However, Metro staff has indicated the local requirements will most likely not change from that included in the proposed budget book. The FY07 work program is expected to be completed sometime during the month of February.

(b) IRP-II is the IRP outside of Metro Matters. For FY07 this includes \$2M systemwide for safety and security improvements, to be funded by other grant sources.

(c) SAP outside of Metro Matters. No projects are scheduled for FY07

(d) SAP Reimbursable projects - Jurisdictions to include on their respective state capital grant assistance applications based upon their understanding of the current year budgeted expenditures.

(e) SEP Project Development program not part of the Metro Matters funding agreement.

NVTC

SCHEDULE C

APPLICATION FOR FTM/ADMIN OPERATING FORMULA ASSISTANCE
FY 2007

	LOCAL SYSTEMS					TOTAL	NVTC & WMATA	TOTAL NVTC
	Alexandria	City of Fairfax	Fairfax County	Arlington County	Falls Church	LOCAL SYSTEMS		
FY05 total operating expenses (certification)	9,496,361	2,572,570	29,336,168	6,500,730	409,235	48,315,064	253,888,443	302,203,507
FTM	1,667,000	444,033	5,869,762	1,158,662	66,409	9,205,866	37,022,087	46,227,953
Administrative Expenses	1,282,000	161,260	5,098,938	3,925,216	15,863	10,483,277	84,000,212	94,483,489
Other Operating Expenses	6,547,361	2,167,848	23,717,602	4,194,528	350,878	36,978,217	166,870,814	203,849,031
Total Operating Expenses	9,496,361	2,773,141	34,686,302	9,278,406	433,150	56,667,360	287,893,113	344,560,473
Total Operating Revenue	2,264,656	212,500	5,706,500	1,585,980	18,100	9,787,736	166,603,982	176,391,718
Deficit	7,231,705	2,560,641	28,979,802	7,692,426	415,050	46,879,624	121,289,131	168,168,755
Total Federal / Other State Operating Asst	-	-	7,650,000	-	-	7,650,000	-	7,650,000
Deficit before State Operating Assistance	7,231,705	2,560,641	21,329,802	7,692,426	415,050	39,229,624	121,289,131	160,518,755
Eligibility Amounts - FTM/Admin @ 95%	2,801,550	575,028	10,420,265	4,829,684	78,159	18,704,686	114,971,184	133,675,871

**NVTC
VRE
APPLICATION FOR STATE CAPITAL GRANT ASSISTANCE
FY 2007**

SCHEDULE D

	<u>Total Cost</u>	<u>Federal</u>	<u>Funding Source</u>	<u>Non-Federal</u>
1.Track Lease/Improvements	8,475,000	6,780,000	SSTP	1,695,000
2.Fare Collection II	475,000	380,000	FTA 5307	95,000
2.Fare Collection II	118,000	94,400	FTA 5307	23,600
3.Grant & Project Management	422,000	337,600	FTA 5307	84,400
3.Grant & Project Management	325,000	260,000	FTA 5309	65,000
4. Security Enhancements	100,000	80,000	FTA 5307	20,000
5.Capital Project Contingency	10,000	8,000	FTA 5307	2,000
5.Capital Project Contingency	317,000	253,600	FTA 5309	63,400
6.Construction Management	84,000	67,200	FTA 5309	16,800
7.Facilities Infrastructure Renew	400,000	320,000	FTA 5309	80,000
8.Federicksburg Parking-Lease Lots	44,000	35,200	FTA 5307	8,800
9.Rippon Lease	140,000	112,000	FTA 5307	28,000
10.WUT Access - Capital Improvements	500,000	400,000	FTA 5307	100,000
11.Crossroad Yard Extension	1,254,000	1,003,200	FTA 5307	250,800
12.Capital Fleet Expansion	1,100,000	880,000	FTA 5307	220,000
12.Capital Fleet Expansion	268,000	214,400	FTA 5309	53,600
13. Kawasaki Acquisition Payments	1,888,000	1,510,400	FTA 5307	377,600
14. Locomotive Overhaul II	1,764,000	1,411,200	FTA 5309	352,800
14. Locomotive Overhaul II	736,000	588,800	FTA 5307	147,200
15. Rolling Stock Modifications	600,000	480,000	FTA 5309	120,000
15. Rolling Stock Modifications	739,000	591,200	FTA 5307	147,800
16. Sumitomo Acquisition - 50 Car Option	98,000	78,400	FTA 5309	19,600
16. Sumitomo Acquisition - 50 Car Option	1,423,000	1,138,400	FTA 5307	284,600
17. Sumitomo Acquisition - Cab Cars	1,932,000	1,545,600	FTA 5309	386,400
18.Debt Service - 93 ,98 bond issues	6,663,914	-		6,663,914
Total	29,875,914	18,569,600		11,306,314

Demonstration Project Assistance

Organization: Northern Virginia Transportation Commission
 EIN: 540784475-00
 Contact: Scott Kalkwarf
 Phone: (703) 524-3322
 Email: scott@nvtdc.org

Fiscal Year: 2007
 Created On: 1/10/2006
 Last Updated: 1/17/2006
 Version: Original Request
 Status: In Progress

Project Name: Hydrogen Fuel Injection Bus Demonstration Project

Project Description: The purpose of this project will be to demonstrate and evaluate the performance of Hydrogen Fuel Injection (HFI) technology in a transit bus environment. HFI is a proven technology, which has seen widespread usage in the trucking industry in the United States and Canada. To date, there has been almost no usage of HFI with transit vehicles. HFI users report substantial improvements in fuel economy (over 10%) and manufacturers also claim substantial improvements in NOx and Particulate Matter emissions. Project funds will be used to purchase and install five HFI systems on transit buses in Northern Virginia. Fuel economy on these HFI buses will be monitored and compared with previous performance. Project funds will also be used to test the emissions performance of two of the HFI buses at the Environmental Lab at West Virginia University. These test results will be compared with other types of buses. The testing results will be summarized in a final report prepared by NVTC staff.

Operating Budget

<u>Account</u>	<u>Operating Line Item</u>	<u>Budget Amount</u>
9999	Purchase and Installation of 4 HFI systems	51,600
9999	Testing and Lab fees at West Virginia University	35,000
2110	Salaries and Wages	4,558
Total Project Expenses		91,158
Total Project Revenues		0
Net Project Expenses		91,158
Total Federal Aid (None)		0
Total Non-Federal Share		91,158
Maximum State Project Assistance (95%)		86,600
Local Funds Required		4,558

Project Schedule

<u>Project Date</u>	<u>Event / Milestone</u>
7/4/2006	Convene TAC, finalize RFP
7/8/2006	Project Begins
7/11/2006	Issue RFP for HFI Vendor
8/1/2006	Review Proposals with TAC
8/8/2006	Award Contract for HFI Vendor
9/5/2006	Begin Demonstration
3/6/2007	Demonstration Complete
3/13/2007	Emissions Testing at West Virginia University Environmental Lab
3/31/2007	NVTC Draft Evaluation Report

4/10/2007
5/1/2007

NVTC Final Evaluation Report
Project Ends

Narratives

Monitoring and Evaluation Plan

The performance of the five HFI demonstrator buses will be monitored by the local transit agency chosen for the demonstration. Fuel usage will be tracked for the duration of the demonstration, as will maintenance needs and costs. At the conclusion of the demonstration, performance in these areas will be compared with previous performance data for these vehicles, and with other vehicles in the fleet. These comparisons will be discussed in the final project evaluation, to be prepared by NVTC staff. In addition, at the conclusion of the demonstration, two of the HFI demonstrator buses will be transported/driven to the West Virginia University Environmental Lab for emissions testing. This is the same lab that tests emissions for WMATA and other large metropolitan transit agencies. The HFI demonstrator buses will be subjected to the WMATA medium speed test cycle, which will test emission levels for NOx, VOCs, Particulate Matter, and other pollutants. This will provide for direct comparison with other types of buses in the region, and will allow for verification of manufacturer's claims for emission levels. The results will be discussed in the final project evaluation, to be prepared by NVTC staff.

Project Scope

This demonstration consists of 3 major tasks: The 6-month, in-service demonstration of HFI on the four buses, the testing at the Environmental Lab at West Virginia University, and the evaluation report by NVTC. Once a vendor is selected, they will install 4 HFI systems on buses at a local transit agency (TBD). The vendor will be responsible for all aspects of the installation and maintenance of the HFI system, as well as for training the staff at the local agency on the usage and care of the HFI system. NVTC has budgeted \$51,600 for the cost of the installation, maintenance and training relating to the HFI system. During the 6-month demonstration, the local agency will be responsible for tracking the fuel usage, and maintenance needs/costs of the five HFI demonstrator buses. At the conclusion of the demonstration, two of the HFI demonstrator buses will be transported to the Environmental Lab at West Virginia University, where they will undergo emissions testing according to the WMATA test cycle. This tests the emissions levels of NOx, VOCs, Particulate Matter, and other pollutants in a medium speed cycle. This testing will allow for comparisons with other buses operating in the region, and allow NVTC to verify manufacturer's claims for emissions reduction. The cost of the emissions testing at WVU will not exceed \$35,000. It may be possible for NVTC to piggyback its emissions testing of the HFI buses with WMATA testing, in which case the costs could be much lower. The remaining funds would be returned to DRPT. At the conclusion of the emissions testing, NVTC will prepare a final project evaluation which will evaluate the performance of the HFI system in terms of fuel economy, reliability and maintenance, and emissions. These findings could lead to significant fuel and emissions savings for the Statewide fleet of 1600 diesel buses, and could be especially important in Northern Va, which is a non-attainment area for NOx and Particulate Matter.

=== End of Demonstration Project Assistance Application. Printed 1/17/2006 10:23 AM ===

MEMORANDUM

TO: Chairman Connolly and NVTC Commissioners
FROM: Rick Taube and Scott Kalkwarf
DATE: February 2, 2006
SUBJECT: Approval of NVTC FY 2007 Administrative Budget

At its September, 2005 meeting the commission discussed the preliminary FY 2007 administrative budget and authorized staff to forward it to NVTC's member jurisdictions to assist in their budget preparations. NVTC discussed the same budget again in January, 2006. Approval is now requested.

You will recall that the attached budget would hold local contributions to the same amount (\$310,000) as in the past several years. Total expenditures also are virtually unchanged from the previous fiscal years. Each local jurisdiction is required by statute to pay a share of the budget that is proportional to the financial assistance received from NVTC. The requested shares are shown on page one of the budget. The budget includes performance objectives for NVTC's financial functions.





PRELIMINARY BUDGET

**FISCAL YEAR
2007**

(July 1, 2006 – June 30, 2007)

September 1, 2005

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
BUDGETED FISCAL YEAR 2007 REVENUE
PRELIMINARY**

	FY 2005 Actual	Approved Budget FY 2006	Preliminary Budget FY 2007	FY 2007-2006 Budget Increase (Decrease)	Percentage Change
1 Commonwealth of Virginia	\$ 658,150	\$ 602,185	\$ 590,750	\$ (11,435)	-1.9%
2 Alexandria	49,918	47,780	42,408	(5,372)	-11.2%
3 Arlington	72,236	73,323	66,091	(7,232)	-9.9%
4 City of Fairfax	6,301	6,196	7,174	978	15.8%
5 Fairfax County	166,577	164,683	174,674	9,991	6.1%
6 Falls Church	2,602	3,197	3,581	384	12.0%
7 Loudoun	12,366	14,821	16,073	1,252	8.4%
Total Local Jurisdictions	<u>310,000</u>	<u>310,000</u>	<u>310,000</u>	<u>-</u>	<u>0.0%</u>
8 Total Commonwealth of Virginia and Local Jurisdictions (Note 1)	968,150	912,185	900,750	(11,435)	-1.3%
9 Interest Earned	9,373	4,000	8,000	4,000	100.0%
10 Project Chargebacks (Note 2)	90,000	80,000	88,000	8,000	10.0%
11 Project Grant Billings	22,496	-	-	-	0.0%
12 Appropriated Surplus (Note 3)	(119,825)	109,000	144,000	35,000	32.1%
Total Revenue	<u><u>\$ 970,194</u></u>	<u><u>\$ 1,105,185</u></u>	<u><u>\$ 1,140,750</u></u>	<u><u>\$ 35,565</u></u>	<u><u>3.2%</u></u>

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SCHEDULE OF FISCAL YEAR 2007 EXPENDITURES
PRELIMINARY**

	FY 2005 Actual	Approved Budget FY 2006	Preliminary Budget FY 2007	FY07 - FY06 Budget Increase (Decrease)	Percentage Change
<u>Personnel Costs</u>					
1 Salaries (Note 4)	\$ 565,339	\$ 582,384	\$ 649,150	\$ 66,766	11.5%
2 Intern	-	30,000	-	(30,000)	N/A
3 Temporary Employee Services	-	1,000	1,000	-	0.0%
Total Personnel Costs	565,339	613,384	650,150	36,766	6.0%
<u>Benefits</u>					
Employer's Contributions					
4 FICA	38,663	40,869	45,700	4,831	11.8%
5 Group Health Insurance (Note 5)	56,760	92,749	70,500	(22,249)	-24.0%
6 Retirement (Note 6)	45,672	48,800	49,500	700	1.4%
7 Workmans & Unemployment Compensation	5,800	3,000	4,250	1,250	41.7%
8 Life Insurance	3,169	3,150	3,500	350	11.1%
9 Long Term Disability Insurance	2,751	3,902	4,400	498	12.8%
Total Benefit Costs	152,815	192,470	177,850	(14,620)	-7.6%
<u>Administrative Costs</u>					
10 Commissioners Per Diem (Note 7)	12,050	13,800	21,700	7,900	57.2%
Rents:					
11 Office Rent (Note 8)	150,563	156,681	162,900	6,219	4.0%
12 Parking / Metrochek	10,165	10,800	11,500	700	6.5%
Insurance:					
13 Public Official Bonds	4,221	3,850	4,900	1,050	27.3%
14 Liability and Property	2,882	2,000	3,200	1,200	60.0%
14 Liability and Property	1,339	1,850	1,700	(150)	-8.1%
Travel:					
15 Conference Registration	15,674	23,000	22,950	(50)	-0.2%
16 Conference Travel	1,994	2,000	2,000	-	0.0%
17 Conference Travel	2,139	5,000	5,000	-	0.0%
17 Local Meetings & Related Expenses (Note 9)	11,009	12,000	12,200	200	1.7%
18 Training & Professional Development (Note 10)	532	4,000	3,750	(250)	-6.3%
Communication:					
19 Postage	7,681	12,500	10,600	(1,900)	-15.2%
20 Telephone - LD	2,655	6,000	4,600	(1,400)	-23.3%
21 Telephone - Local	888	1,500	1,300	(200)	-13.3%
21 Telephone - Local	4,138	5,000	4,700	(300)	-6.0%
Publications & Supplies					
22 Office Supplies	18,258	29,100	29,800	700	2.4%
23 Duplication and Paper (Note 11)	3,315	5,000	4,300	(700)	-14.0%
24 Public Information (Note 12)	13,438	14,100	15,500	1,400	9.9%
24 Public Information (Note 12)	1,505	10,000	10,000	-	0.0%
Operations:					
25 Furniture and Equipment (Capital) (Note 13)	15,815	23,500	23,800	300	1.3%
26 Repairs and Maintenance	5,599	8,000	7,800	(200)	-2.5%
27 Repairs and Maintenance	260	1,000	1,000	-	0.0%
27 Computer Operations (Note 14)	9,956	14,500	15,000	500	3.4%
Other General and Administrative					
28 Subscriptions	5,388	6,400	6,400	-	0.0%
29 Subscriptions	31	500	400	(100)	-20.0%
29 Memberships	1,412	1,300	1,400	100	7.7%
30 Fees and Miscellaneous	2,833	2,600	2,800	200	7.7%
31 Advertising (Personnel/Procurement) (Note 15)	1,112	2,000	1,800	(200)	-10.0%
Total Administrative Costs	239,815	279,631	294,550	14,919	5.3%
<u>Contracting Services</u>					
32 Auditing (Note 16)	12,225	17,700	16,200	(1,500)	-8.5%
33 Consultants - Technical	-	1,000	1,000	-	0.0%
34 Legal	-	1,000	1,000	-	0.0%
Total Contract Services	12,225	19,700	18,200	(1,500)	-7.6%
Total Operating Program	\$ 970,194	\$ 1,105,185	\$ 1,140,750	\$ 35,565	3.2%

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
Explanatory Notes to
Preliminary Fiscal Year 2007 Budget

1. Commonwealth of Virginia and Local Jurisdictional Contributions

Each NVTC jurisdiction is assigned a share of the local portion of NVTC's administrative budget based on its share of revenue received by NVTC on behalf of jurisdictions from all sources in the previous year. This procedure is required by state statute and results in changes in contributions from one year to another that vary for each jurisdiction depending on relative shares of revenue received. The allocation in this FY 07 budget is based on the FY 06 Subsidy Allocation Model.

2. Project Chargebacks

This line consists primarily of charges for NVTC staff support for the VRE project and reimbursed from VRE's budget.

3. Appropriated Surplus

Included as a source of revenue in the FY 07 budget is a projected excess accumulated surplus that is available to offset the proposed operating budget expenses. This surplus is in excess of the commission's anticipated minimum operating requirements.

4. Salaries

Salaries for fiscal year 2007 are budgeted to include merit increases for the existing staff. Step increases for merit incentive raises are included up to 5%, but no cost of living adjustments are provided. Each 1% of merit increases costs approximately \$6,500. Merit increases within the budget amount are awarded at the discretion of the executive director. The FY 07 budget includes nine regular staff positions, which is one more position than the FY 06 approved budget. The additional position is the result of converting an internship to a regular position.

5. Group Health Insurance

During the fourth quarter of FY 2005, the health insurance renewal rates experienced a significant decrease due primarily to a downward shift in the group age band. Prior experience over the past several years however indicates cost increases of as much as 31 percent annually. The FY 2007 budget includes a provision for increasing rates while using the present actual rates as the base.

6. Retirement

Employer pension contributions show a slight increase from the FY 06 budget due primarily to anticipated salary increases. The calculations for the target benefit plan are based on actuarial formulas using the salaries projected for FY 07.

7. Commissioners' Per Diem

The FY 2007 budget is based upon the regular meeting schedule, and includes per diems at the statutory rate of \$200 for senators and delegates, and \$50 for all other commissioners.

8. Office Rent

The administrative office lease was renewed during fiscal year 2001 for the period January 2001 through December 2010. Rent expense is budgeted based upon the fixed costs of the lease, with a provision for increases in common area expenses due to rising costs.

9. Local Meetings and Related Expenses

NVTC hosts numerous regional meetings for the benefit of member jurisdictions. Costs of accommodating numerous meetings are the largest component of this line item, which also includes the costs of NVTC staff traveling to meetings elsewhere in the region.

10. Training and Professional Development

Actual expenditures fluctuate with the changing needs of staff. While FY 05 expenditures were well below the budgeted level, a provision is maintained in the FY 07 budget for future staff training.

11. Duplication and Paper

Duplication costs are budgeted based upon a five year fixed price contract entered into during FY 2001. Because the contract expires in December 2005, a provision has been included in the FY 2007 budget for increased costs. The duplication expense of paper and staples which are not included in the contract have been budgeted based upon estimated usage levels.

12. Public Information

Public information includes the cost of various public outreach projects. For FY 06 and FY 07 an increase has been provided as a result of the expiration of NVTC's marketing grant.

13. Furniture and Equipment

This budget category provides for the replacement and acquisition of office furniture and equipment, including computer hardware. It is expected that during FY 07, computer hardware will need to be replaced or upgraded to support the operations of the commission.

14. Computer Operating Expense

Computer operating expenses include outside network consulting and services, software upgrades and supplies, and web hosting fees.

15. Advertising (Personnel/Procurement)

The FY 07 budget includes a provision for personnel and procurement advertising. An average of prior year costs was used to develop the budgeted amount as this category fluctuates from year to year.

16. Auditing

The FY 07 budget includes auditing fees according to the five-year contract with the present auditors plus a small contingency for additional services. A net decrease from FY 06 to FY 07 is the result of the bi-annual pension plan audit included in FY 06, offset by contracted cost increases.

APPENDIX

**PERFORMANCE BUDGET FOR NVTC'S
FINANCIAL MANAGEMENT FUNCTION**

DRAFT: September 1, 2005

For this first step in converting to full performance budgeting, a special pro-forma fund has been created to include the costs and revenues attributable to NVTC's financial management function. NVTC's Director of Finance and Administration and Assistant Financial Officer devote 100 percent of their efforts to this function. NVTC's Executive Director allocates a quarter of his time to this work. While NVTC's two secretaries and two senior planners/project managers spend about five percent each on invoice processing and grant billing procedures, those activities will be considered in the future as part of a "project management" function.

Regarding other expenses, it is assumed that a corresponding share of all other budget line items are attributable to this function. The same assumption is made for revenues. The attached Table 1 lists the derived costs and revenues for the commission's financial management function for FY 2007.

Table 2 lists 12 performance measures by category, with results for FY 2005 actual. Each year more results will be calculated to provide a historical record and establish favorable (or unfavorable) trends.

TABLE 1

**Northern Virginia Transportation Commission
Pro Forma Financial Management Fund**

	FY 2005 <u>Actual</u>	FY 2006 <u>Approved Budget</u>	FY 2007 <u>Preliminary Budget</u>
<u>Expenditures</u>			
Personnel ¹	\$178,500	\$186,400	\$195,200
Benefits ²	\$47,700	\$57,300	\$52,100
Administrative Costs ³	\$75,700	\$89,500	\$86,200
Contracting Services ⁴	\$12,200	\$18,300	\$16,800
Total	\$314,100	\$351,500	\$350,300
<u>Revenues</u>			
Total ⁵	\$314,100	\$351,500	\$350,300

Notes:

1. Includes all salaries of the Director of Finance and Administration and the Assistant Controller and a quarter of the salary of the Executive Director.
2. Includes benefits of the above three positions.
3. Includes the same share of administrative costs as of salaries/benefits.
4. Includes the entire cost of NVTC auditors.
5. Assumes the same share of revenues as of expenses.

TABLE 2

**NVTC PERFORMANCE BUDGET MEASURES
--Financial Management Function--**

<u>Performance Measure</u>	<u>FY 2005 Actual</u>	<u>FY 2006 Budget</u>	<u>FY 2007 Proposed</u>
Input:			
1. Maintain tight budget controls to keep NVTC's total local contributions to NVTC's budget to no more than \$310,000 annually.	Yes \$310,000	Yes \$310,000	Yes \$310,000
2. Effectively manage trust fund assets at a ratio of at least \$35 million per full time equivalent financial management employee.	Yes \$38M		
Output:			
3. Produce acceptable state aid grant applications for WMATA, local bus systems and VRE each year (totaling at least \$140 million) by the state deadline (currently February 1 st).	Yes \$161M		
4. Produce a preliminary allocation of anticipated fiscal year revenues and expenses (totaling at least \$80 million) for each NVTC jurisdiction by June 1 st of each year using NVTC's subsidy allocation model and complete the final projection by September 1 st .	Yes \$97M	Yes \$112M	

	FY 2005 <u>Actual</u>	FY 2006 <u>Budget</u>	FY 2007 <u>Proposed</u>
--	--------------------------	--------------------------	----------------------------

Efficiency:

- | | | | |
|---|-----------------|--------------|--|
| 5. Effectively manage trust fund assets and grant revenues contracted at an administrative cost ratio of no more than \$0.005 per \$1 of assets and revenues. | Yes
\$0.004 | | |
| 6. By careful monitoring of Department of Taxation expenses and proactive work with the department's field auditors, seek to maintain the ratio of administrative costs passed through to NVTC at or below 0.3 percent of total motor fuel tax revenues (currently approaching \$30 million annually) credited to NVTC. | Yes
0.2% | | |
| 7. Effectively manage NVTC's employee flexible benefits program in house at an annual savings of at least \$100 per employee compared to outside management. | NA | Yes
\$118 | |
| 8. Co-own at least \$168 million of VRE assets at a management fee to VRE of no more than \$0.0005 per dollar of assets. | Yes
\$0.0005 | | |

Service Quality:

- | | | | |
|--|-----|--|--|
| 9. In each annual audit, no subsidy allocation or trust fund audit adjustments required by auditors as well as no material deficiencies in internal controls and no related material management letter comments. | Yes | | |
|--|-----|--|--|

	FY 2005 <u>Actual</u>	FY 2006 <u>Budget</u>	FY 2007 <u>Proposed</u>
--	--------------------------	--------------------------	----------------------------

10. All trust fund grant reimbursement requests from jurisdictions with proper documentation processed within five working days in order to maximize investment earnings and cash flow.	Yes		
---	-----	--	--

Outcome:

11. 100% timely subsidy payments to WMATA on behalf of jurisdictions to avoid any late payment penalties.	Yes		
---	-----	--	--

12. Working with NVTC's jurisdictions, achieve 100% of grant funds billed with no material lapsed funds returned to granting agencies.	Yes	\$689 lapsed to close out two grants	
--	-----	--------------------------------------	--



Northern Virginia Transportation Commission

NVTC

Thinking Outside the Car Since 1964



AGENDA ITEM #3

NVTC'S PRELIMINARY FY 2007 ADMINISTRATIVE BUDGET

-February 9, 2006-



ACTION



Final action is requested to approve the FY 2007 NVTC budget.



TOTAL EXPENSES

FY 2005 Actual	FY 2006 Budget	FY 2007 Preliminary Budget	%Change FY2007/2006
\$970,194	\$1,105,185	\$1,140,750	3.2%



COST DRIVERS



Personnel: Up 6.0%--Convert intern to full time position.

Benefits: Down 7.6%--Savings on health insurance.

Commissioners Per Diem: Up 57.2%--General Assembly members receive raise to \$200 from \$50 per meeting.



TOTAL REVENUES



	FY 2005 Actual	FY 2006 Budget	FY 2007 Preliminary Budget	%Change FY2007/2006
Commonwealth	\$658,150	\$602,185	\$590,750	-1.9%
Local Jurisdictions	\$310,000	\$310,000	\$310,000	0
Other (Interest, Projects)	\$121,869	\$84,000	\$96,000	14.3%
Appropriated Surplus	(\$119,825)	\$109,000	\$144,000	32.1%
Total	\$970,194	\$1,105,185	\$1,140,750	3.2%



PERFORMANCE BUDGETING FOR NVTC FINANCIAL MANAGEMENT FUNCTION



Categories of Measures:

- 1) **Input**--budget or actual expenditures per employee.
- 2) **Output**--amount of accomplishment.
- 3) **Efficiency**--cost per unit of accomplishment.
- 4) **Service quality**--degree of satisfaction, accuracy or timeliness.
- 5) **Outcome**--percent of objective achieved.



PRO FORMA FINANCIAL MANAGEMENT FUND



	FY 2007 Preliminary <u>Budget</u>
Personnel:	\$195,200
Benefits:	\$52,100
Administrative Costs:	\$86,200
Contracted Services:	<u>\$16,800</u>
Total	\$350,300

[31% of NVTC's total budget]



NVTC PERFORMANCE MEASURES FOR FY 2007 AND ACTUAL EXPERIENCE FOR FY 2005



Target Measure for FY 2007

Measure Applied to Actual FY 2005

Input:

- | | |
|---|------------------|
| 1. Maintain tight budget controls to keep NVTC's total local contributions to NVTC's budget to no more than \$310,000 annually. | Yes
\$310,000 |
| 2. Effectively manage trust fund assets at a ratio of at least \$35 million per full time equivalent financial management employee. | Yes
\$38M |



NVTC PERFORMANCE MEASURES FOR FY 2007 AND ACTUAL EXPERIENCE FOR FY 2005



Target Measure for FY 2007

Measure Applied to Actual FY 2005

Output:

- | | |
|--|---------------|
| 3. Produce acceptable state aid grant applications for WMATA, local bus systems and VRE each year (totaling at least \$140 million) by the state deadline (currently February 1 st). | Yes
\$161M |
| 4. Produce a preliminary allocation of anticipated fiscal year revenues and expenses (totaling at least \$80 million) for each NVTC jurisdiction by June 1 st of each year using NVTC's subsidy allocation model and complete the final projection by September 1 st . | Yes
\$97M |



NVTC PERFORMANCE MEASURES FOR FY 2007 AND ACTUAL EXPERIENCE FOR FY 2005



Target Measure for FY 2007

Measure Applied to Actual FY 2005

Efficiency:

- | | |
|---|----------------|
| 5. Effectively manage trust fund assets and grant revenues contracted at an administrative cost ratio of no more than \$0.005 per \$1 of assets and revenues. | Yes
\$0.004 |
| 6. By careful monitoring of Department of Taxation expenses and proactive work with the department's field auditors, seek to maintain the ratio of administrative costs passed through to NVTC at or below 0.3 percent of total motor fuel tax revenues (currently approaching \$30 million annually) credited to NVTC. | Yes
0.2% |



NVTC PERFORMANCE MEASURES FOR FY 2007 AND ACTUAL EXPERIENCE FOR FY 2005



Target Measure for FY 2007

Measure Applied to Actual FY 2005

Efficiency:

- | | |
|--|-----------------|
| 7. Effectively manage NVTC's employee flexible benefits program in house at an annual savings of at least \$100 per employee compared to outside management. | NA |
| 8. Co-own at least \$168 million of VRE assets at a management fee to VRE of no more than \$0.0005 per dollar of assets. | Yes
\$0.0005 |



NVTC PERFORMANCE MEASURES FOR FY 2007 AND ACTUAL EXPERIENCE FOR FY 2005



Target Measure for FY 2007

Measure Applied to Actual FY 2005

Service Quality:

- | | |
|--|-----|
| 9. In each annual audit, no subsidy allocation or trust fund audit adjustments required by auditors as well as no material deficiencies in internal controls and no related material management letter comments. | Yes |
| 10. All trust fund grant reimbursement requests from jurisdictions with proper documentation processed within five working days in order to maximize investment earnings and cash flow. | Yes |



NVTC PERFORMANCE MEASURES FOR FY 2007 AND ACTUAL EXPERIENCE FOR FY 2005



Target Measure for FY 2007

Measure Applied to Actual FY 2005

Outcome:

- | | |
|--|---|
| 11. 100% timely subsidy payments to WMATA on behalf of jurisdictions to avoid any late payment penalties. | Yes |
| 12. Working with NVTC's jurisdictions, achieve 100% of grant funds billed with no material lapsed funds returned to granting agencies. | Yes
\$689 lapsed to close out two grants |

MEMORANDUM

TO: Chairman Connolly and NVTC Commissioners
FROM: Rick Taube
DATE: February 2, 2006
SUBJECT: VRE Items.

- A. Report from the VRE Operations Board (including minutes of the Board meeting of January 20, 2006) and from VRE's CEO—Information Item.
- B. FY 2005 Audited Financial Statements—Action Item/Resolution #2011.
- C. Increased Task Order for General Maintenance—Action Item/Resolution #2012.



Report from the VRE Operations Board and VRE's Chief Executive Officer

Minutes are attached from the VRE Operation Board's meeting of January 20, 2006. At that meeting, new officers were elected for 2006:

Maureen Caddigan, Chairman
Dana Kauffman, Vice Chairman
Doug Waldron, Secretary
Sharon Bulova, Treasurer

Also, Jay Westbrook of CSX described his new role as VRE's liaison and responded to questions.

VRE's Chief Executive Officer's report is also attached with ridership and on-time performance data.



MINUTES

VRE OPERATIONS BOARD MEETING PRTC HEADQUARTERS – PRINCE WILLIAM COUNTY, VIRGINIA JANUARY 20, 2006

**VIRGINIA RAILWAY
EXPRESS**

**OPERATIONS BOARD
MEMBERS**

**MAUREEN CADDIGAN
CHAIRMAN**

**DANA KAUFFMAN
VICE CHAIRMAN**

**DOUG WALDRON
SECRETARY**

**SHARON BULOVA
TREASURER**

HILDA BARG

WALLY COVINGTON

ROBERT GIBBONS

WILLIAM GREENUP

JOHN D. JENKINS

ELAINE MCCONNELL

KAREN RAE

**CHRISTOPHER
ZIMMERMAN**

**DALE ZEHNER
CHIEF EXECUTIVE
OFFICER**

1500 King Street, Suite 202
Alexandria, VA 22314-2730
(703) 684 – 1001
FAX: (703) 684 – 1313
Web Site: www.vre.org

MEMBERS PRESENT	JURISDICTION
Sharon Bulova (NVTC)	Fairfax County
Maureen Caddigan (PRTC)	Prince William County
Robert Gibbons (PRTC)	Stafford County
John D. Jenkins (PRTC)	Prince William County
Dana Kauffman (NVTC)**	Fairfax County
Elaine McConnell (NVTC)	Fairfax County
Alan Tobias	VDRPT

ALTERNATES PRESENT	JURISDICTION
Hilda Barg (PRTC)	Prince William County
Wally Covington (PRTC)	Prince William County
William Greenup (PRTC)**	City of Fredericksburg/VHSRDC
Doug Waldron (PRTC)	City of Manassas

ALTERNATES ABSENT	JURISDICTION
Christopher Zimmerman (NVTC)	Arlington County

STAFF AND GENERAL PUBLIC	
Omar Arouna – VRE	Mike Lake – Fairfax DOT
Tamara Ashby – VRE	Wendy Lemieux – VRE
George Billmyer – citizen	Bob Liebbrandt – Prince William County
Donna Boxer – VRE	Steve MacIsaac – VRE counsel
James Bracco – citizen	April Maguigad – VRE
Dwight Bruracher – PBGH	Betsy Massie – PRTC staff
Mensel Dean – PBGH	Sirel Mouchantaf – VRE
Tim Donovan – CSX	Dick Peacock – citizen
Steve Edwards – Sup. McConnell's office	Nancy Roberts – CSX
Sue Faulkner – Stafford County	Mark Roeber – VRE
Mike Garber – PBGH	Dave Snyder – VRE
Kelly Hannon – Free Lance Star	Jennifer Straub – VRE
Al Harf – PRTC staff	Bob Sullivan – CSX
Bruce Iosco – citizen	Rick Taube – NVTC staff
Ann King – VRE	Jay Westbrook – CSX
Bob LaDoux – CSX	Dale Zehner – VRE

** Delineates arrival following the commencement of the Board meeting. Notation of exact arrival time is included in the body of the minutes.

Chairman McConnell called the meeting to order at 9:37 A.M. Following the Pledge of Allegiance, roll call was taken.

Approval of the Agenda – 3

Mr. Gibbons requested that an additional Closed Session item be added to the agenda. Ms. Barg moved, with a second by Ms. Bulova, to approve the amended agenda. The vote in favor was cast by Board Members Bulova, Caddigan, Gibbons, Jenkins, McConnell and Tobias.

Minutes of the December 16, 2005, VRE Operations Board Meeting – 4

Ms. Barg moved, with a second by Ms. Bulova, to approve the minutes. The vote in favor to approve the minutes was cast by Board Members Bulova, Caddigan, Gibbons, Jenkins, McConnell and Tobias.

[Mr. Kauffman arrived at 9:39 A.M.]

Chairman McConnell's Closing Remarks – 5

Chairman McConnell stated that she has enjoyed serving as the VRE chairman during the last year. She has been involved with VRE for a long time and is honored to continue serving on the Operations Board during the next year.

Presentation by CSX Representatives

Mr. Zehner introduced Jay Westbrook from CSX, who serves as VRE's liaison with CSX. Mr. Westbrook gave a presentation on CSX's relationship with VRE and the improvements CSX has made and will be making to enhance coordination and communication between VRE and CSX. Mr. Westbrook commended Prince William County's emergency responders, VRE staff, Amtrak's crew and VRE passengers for their responses to the January 5th derailment. CSX was pleased that it was able to get VRE service back up by the next morning. Immediately following the derailment, CSX thoroughly inspected the rail line and continues to perform inspections with ultrasonic equipment.

[Mr. Greenup arrived during Mr. Westbrook's presentation.]

Mr. Westbrook also reported that in the future CSX will try to schedule the most disruptive track work at night and during the months of July and August (VRE's lowest ridership months) to mitigate disruptions to VRE service. He stated that a major obstacle is tackling the capacity issue in the rail corridor. The third main track will provide tremendous improvements and funding for this project should be a joint effort.

Chairman McConnell thanked Mr. Westbrook for his presentation and briefing. She stated that VRE has very unhappy riders because of on-time performance. VRE's hallmark is excellent communication with passengers and on-time performance. VRE loses riders when trains are continually late. She is pleased to see CSX understands VRE concerns.

Mr. Gibbons asked to have Mr. Westbrook participate in a town hall meeting down in south Stafford County. He observed that if VRE and the Commonwealth invest millions into the CSX system for improvements, VRE doesn't have any ownership to these improvements. Therefore, if CSX wants a partnership with VRE, it should come back with a partnership agreement.

Mr. Greenup stated that he will share Mr. Westbrook's comments about CSX's commitment to and cooperation with passenger rail with the Virginias for High Speed Rail. Mr. Greenup observed that increased freight capacity adds to increased passenger capacity and it's in the best interest of both freight and passenger operations to work together.

Mr. Kauffman stated that the VRE Operations Board is concerned with the level of commitment more than "joint commitment." CSX has funded \$20 million for rail improvements while the Commonwealth has invested \$65 million in this rail corridor.

Ms. Barg stated that she appreciates Mr. Westbrook meeting with the Board and it's great to see a real face to communicate VRE's concerns. She stated that communication is the key and will make a difference in trust and a stronger relationship between VRE and CSX.

Mr. Tobias observed that he has seen improvements with Mr. Westbrook becoming CSX's liaison with VRE and it has made a tremendous difference. He reminded the Board that there are major construction sequences coming on-line and there will be major delays.

Installation of New Officers

Board Members Jenkins, Kauffman and Waldron served as the Nominating Committee. Mr. Jenkins reported that the committee recommends the following slate of officers and Board Members for 2006:

2006 Officers

Maureen Caddigan, Chairman
Dana Kauffman, Vice Chairman
Doug Waldron, Secretary
Sharon Bulova, Treasurer

Board Members

Sharon Bulova (NVTC)
Maureen Caddigan (PRTC)
Robert Gibbons (PRTC)
Dana Kauffman (NVTC)
Elaine McConnell (NVTC)
Karen Rae (VDRPT)
Doug Waldron (PRTC)

Alternates

Hilda Barg (PRTC)
Wally Covington (PRTC)
John Jenkins (PRTC)
William Greenup (PRTC)
Chris Zimmerman (NVTC)

There were no further nominations. Ms. Barg moved, with a second by Mr. Gibbons, to approve the slate of officers. The vote in favor was cast by Board Members Bulova, Caddigan, Gibbons, Kauffman, McConnell, Tobias and Waldron.

New Chairman's Comments

On behalf of the VRE Operations Board, Chairman Caddigan thanked Ms. McConnell for her outstanding service as Chairman during 2005. Chairman Caddigan stated that she is enthusiastic about this upcoming year at VRE. There are many exciting things happening, including improved communication with CSX through Mr. Westbrook; Spotsylvania and Fauquier Counties possibly joining VRE; 50 new railcars; Governor Kaine's top priority of transportation; and VRE staff's continued outstanding work.

Chief Executive Officer's Report – 6

Mr. Zehner passed around photographs of the VRE derailment on January 5, 2006, which is VRE's first derailment in the system's history. Thankfully there were only minor injuries. He reported that there will be a derailment response debriefing on February 17th to talk about what happened and what improvements can be made in the event of another incident. Ms. McConnell asked if other county staff will be invited to attend and stated that she would like to have Fairfax County involved. Mr. Zehner stated that invitations can be extended to other jurisdictions.

Mr. Zehner also announced that state funding for VRE is in both the House and Senate versions of the budget bill, which includes \$15 million for railcars. Legislation has also been introduced for an additional \$3 million for the Gainesville-Haymarket study. Insurance liability cap legislation has also been introduced and is moving through the committee.

Ms. Bulova observed that approximately 10 undercover officers were on-board train #304 when it derailed and they immediately responded and played a significant role in assisting passengers. She asked if VRE could have a presentation at a future Board meeting to recognize their efforts. Ms. McConnell noted that it may be more appropriate to send them something since they are undercover and may not want to attend a public meeting. Mr. Gibbons suggested including a proclamation in the newspaper.

Mr. Gibbons moved, with a second by Ms. McConnell, to have VRE recognize the undercover officers who assisted with the derailment. The vote in favor was cast by Board Members Bulova, Caddigan, Gibbons, Kauffman, McConnell, Tobias and Waldron.

VRE Riders' Comments – 7

Mr. Billmyer stated that he is glad to hear CSX's positive statements on improving the rail corridor. He is concerned about VRE's ridership. In a recent APTA report, it shows that transit has grown by every mode, although for railroads VRE was the only system that didn't grow in ridership. Regular riders don't like fare increases and on-time performance problems, which in turn affects ridership. Chairman Caddigan stated that after Mr. Westbrook's presentation, the Operations Board is hopeful that there will be improvements in on-time performance.

Mr. Peacock expressed his concerns that there are a lot of signal failures on the CSX line. He suggested a proactive approach where the signals are inspected from Fredericksburg to Union Station.

Consent Agenda – 8

Ms. McConnell moved, with a second by Ms. Bulova, to approve the following Consent Agenda:

Resolution #8A-01-2006: Authorization to Issue a Request for Proposals for an Independent VHF Two Way Radio Communication System.

Resolution #8B-01-2006: Authorization to Amend the MOU with Manassas Park.

Resolution #8C-01-2006: Authorization to Increase a Task Order for Management of VRE's Technical Library.

The vote in favor was cast by Board Members Bulova, Caddigan, Gibbons, Kauffman, McConnell, Tobias and Waldron.

Authorization of the FY 2005 Audited Financial Statements and Management Letter – 9A

Mr. Zehner introduced Mensel Dean, managing partner of PBGH, LLC, VRE's audit firm. Mr. Dean explained that his firm met with VRE's Audit and Finance Committee and reviewed the audit. There are two opinion letters: one unqualified opinion on the financial statement and one on compliance with no findings. The statement finds VRE accounts as having, in all material respects, fairly and accurately presented the financial condition of the operation, assets and liabilities of the organization. Mr. Dean commended VRE's Director of Finance, Donna Boxer, for an outstanding job on the audit.

Mr. Gibbons moved, with a second by Mr. Greenup, to approve Resolution #9A-01-2006, which would authorize VRE's CEO to forward to the Commissions for consideration VRE's financial statements for FY 2005 as audited, as well as the management letter. The vote in favor was cast by Board Members Bulova, Caddigan, Gibbons, Kauffman, McConnell, Tobias and Waldron.

Authorization to Hire a Project Engineer – 9B

Mr. Zehner explained that Resolution #9B-01-2006 would authorize the CEO to hire a full-time Senior Project Engineer to perform project management services related to the Gainesville-Haymarket Line Extension and Cherry Hill Station/Third Track projects. He explained that VRE does not have the in-house resources to provide project management for this work. The position would be for a minimum of two-years and be billed directly to the project grants. The term of the position would be concluded once the projects have been completed or the grants have been exhausted.

Mr. Jenkins moved, with a second by Ms. Barg, to approve Resolution #9B-01-2006.

Mr. Waldron observed that the resolution does not reference that it is a restricted position that would end when the project was concluded or grant funds exhausted. He asked that the resolution include this information as a friendly amendment. There were no objections.

The Board then voted on the amended motion and it passed. The vote in favor was cast by Board Members Bulova, Caddigan, Gibbons, Kauffman, McConnell, Tobias and Waldron.

Authorization to Execute a Parking Lease at the Fredericksburg VRE Station – 9C

Mr. Zehner stated that Resolution #9C-01-2006 would authorize VRE's CEO to enter into a lease agreement with Jack and Mona Albertine for 40 parking spaces located at 406-408 Lafayette Blvd. in Fredericksburg (Lot E) in an amount not to exceed \$105,000 over a period of five years.

Mr. Zehner reported that three parking leases in Fredericksburg are currently up for renewal and only one property owner is interested in executing a five-year lease. The other two leases will expire in March, 2006 (Lot F, 74 spaces) and June, 2006 (Lot C, 38 spaces). Both owners have elected not to renew long-term as they are planning other uses for their property. Mr. Gibbons suggested staff meet with Fredericksburg's City Manager to discuss a short-term solution of possible early bird specials for VRE riders who park in the new city parking lot. Ms. Barg observed that there isn't much available space around the Fredericksburg Station to find another 100 parking spaces. Mr. Zehner stated that there is a recently built parking garage that is not fully utilized, but it is over two blocks away from the station. Mr. Greenup stated that this garage could be a short-term solution but not a long-term solution. Mr. Zehner stated that this issue just reemphasizes the need for Spotsylvania County to join VRE and have a station built further south of Fredericksburg and include a 1000-space parking lot.

Ms. Barg moved, with a second by Ms. Bulova, to approve the resolution. The vote in favor was cast by Board Members Bulova, Caddigan, Gibbons, Kauffman, McConnell, Tobias and Waldron.

Authorization to Purchase Eight Wheel Sets for Gallery Cars – 9D

Mr. Gibbons moved, with a second by Mr. Greenup, to approve Resolution #9D-01-2006, which would authorize VRE's CEO to purchase eight wheel sets from Chicago Metra for VRE's Gallery cars in an amount not to exceed \$50,000. The vote in favor was cast by Board Members Bulova, Caddigan, Gibbons, Kauffman, McConnell, Tobias and Waldron.

Authorization to Increase a Task Order for General Fleet Maintenance – 9E

Mr. Zehner reported that Resolution #9E-01-2006 would recommend that the Commissions authorize VRE's CEO to amend a task order with STV, Inc. for general fleet maintenance by \$768,890 for a total task order value of \$2,072,103. He explained that Amtrak has still not published a RFP for this work and VRE must subsequently continue contracting with STV for these services for the foreseeable future. The requested task order increase will allow STV to perform the maintenance, periodic inspections and repairs on all of its Gallery cars and several other railcars through July 31, 2006.

Ms. Bulova moved, with a second by Ms. McConnell, to approve the resolution. The vote in favor was cast by Board Members Bulova, Caddigan, Gibbons, Kauffman, McConnell, Tobias and Waldron.

Authorization to Award a Contract for Diesel Fuel Price Risk Management Consulting Services – 9F

Mr. Zehner explained that in December 2005, PRTC issued a RFP for the provision of diesel fuel price management consulting services to PRTC and VRE. The purpose of the consulting services sought by this procurement is to secure expert advice on the management of this risk and to reduce the volatility of fuel costs. Four proposals were received. After review, the selection panel unanimously recommended award of a contract to Linwood Capital, LLC. VRE and PRTC would have separate contracts with the consultant. The term of the contract is for one-year with four additional one-year options. Resolution #9F-01-2006 would authorize VRE's CEO to award a contract to Linwood Capital, LLC, in an amount not to exceed \$84,000 over a period of five years.

Ms. Bulova moved, with a second by Mr. Covington, to approve Resolution #9F-01-2006. The vote in favor was cast by Board Members Bulova, Caddigan, Gibbons, Kauffman, McConnell, Tobias and Waldron.

Closed Session – 11

Ms. Bulova moved, with a second by Ms. Barg, the following motion:

Pursuant to the Virginia Freedom of Information Act (Sections 2.2-3711A (3) and (7) of the Code of Virginia), the VRE Operations Board authorizes discussion in Closed Session concerning one legal matter relating to the terms and conditions for inclusion of new participating jurisdictions in the Master Agreement for Commuter Rail and one matter involving the acquisition of property for a public purpose or discussion in public which would affect the bargaining position of VRE.

The vote in favor was cast by Board Members Bulova, Caddigan, Gibbons, Kauffman, McConnell, Tobias and Waldron. The Board entered into Closed Session at 10:55 A.M. Mr. Jenkins left the meeting during the Closed Session and did not return. The Operations Board returned to Open Session at 11:50 P.M.

Ms. Bulova moved, with a second by Ms. Barg, the following certification:

The VRE Operations Board 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 Board Members Bulova, Caddigan, Gibbons, Kauffman, McConnell, Tobias and Waldron.

Adjournment

Without objection, Chairman Caddigan adjourned the meeting at 11:50 A.M.

Approved this 17th day of February 2006.

Maureen Caddigan
Chairman

Doug Waldron
Secretary

CERTIFICATION

This certification hereby acknowledges that the minutes for the January 20, 2006, Virginia Railway Express Operations Board Meeting have been recorded to the best of my ability.

Rhonda Gilchrest

Rhonda Gilchrest



CHIEF EXECUTIVE OFFICER'S REPORT

January 2006

JANUARY 5, 2005 DERAILMENT BRIEFING

On January 5th, VRE experienced its first derailment in the system's history. At approximately 6:43am, train #304 enroute to Washington, DC, had just crossed the Quantico Bridge when it experienced trouble. As it proceeded to track #2, the last three cars and the engine left the tracks. First responders from Prince William County were called by the engineer as onboard crews walked the trains checking for injuries. Officers in the undercover program stepped forward to assist and other passengers, who were not injured, were deputized by the conductors to assist checking on the remaining people. Passengers remained calm and listened carefully to instructions given by the crew members. Although several windows were removed for exit, evacuation was not needed and, at the conductor's request, no one left the train.

EMS arrived within minutes and set up an incident command center. The fire and rescue personnel and police quickly went to work checking for injuries and stabilizing the scene. Four people, including Conductor Odis Bledsoe, were taken to Potomac Hospital, where, thankfully, they were treated for minor injuries and released the same day.

UNDERCOVER OFFICERS ASSIST WITH DERAILMENT

Approximately 10 undercover officers were on-board train 304 when it derailed on January 5th. All ten immediately responded and identified themselves to the crew. It was clear from their response that our undercover officer program really works. Although the officers did not know each other, they quickly teamed up to check each railcar for injured passengers and worked with the crew to complete a passenger needs assessment. The undercover officers also assisted VRE personnel in moving passengers from Train 304 to Train 306, which returned them to their destination stations.

INJURY ASSESSMENT

There were 520 passengers on-board when the train derailed. Three people, plus the conductor, were immediately transported by ambulance to the hospital. The injuries were minor, with the worst injury happening to the conductor who suffered slight ligament damage to his knee. He is on "light duty" for two weeks. All four individuals were treated and released that day.

Both VRE and Amtrak sent patient representatives to the hospital to assist the passengers. In addition to taking information, they ensured that the passengers were treated quickly and had transportation home. An Amtrak claims representative was also sent to the scene to record a passenger manifest.

Since the incident, eight additional passengers have reported injuries, the majority being whiplash type problems. As these injuries are reported, VRE staff takes a report which is forwarded to Amtrak's claims department and the Virginia Department of Risk management for action.

NATIONAL TRANSPORTATION SAFETY BOARD

The National Transportation Safety Board (NTSB), who is responsible for investigating train accidents, quickly dispatched personnel to the scene and began their work to determine the cause. The 520 passengers on board #304 were held for almost two hours while the investigation ensued and VRE brought another train to pick them up. Once the NTSB gave their OK, the passengers were released and transferred to the rescue train that returned them to their originating stations. NTSB is currently conducting an investigation of the incident and will release a report in upcoming months indicating their findings. Neither VRE, nor any other agency involved can speculate as to their findings.

PRESS AND CUSTOMER SERVICE

The derailment received extensive coverage from both local and national news outlets. We tracked over 250 press hits ranging from as far away as Pakistan and Canada, with extensive coverage on all local television, radio and newspaper outlets. The majority of coverage noted the professionalism of the first responders from Prince William County, the Amtrak crew, and VRE staff. We have received dozens of emails, the majority of which are supportive and complementary.

APPRECIATION

VRE has distributed many thank you notes to individuals and organizations that provided assistance during the derailment. WMATA, Fairfax Connector and PRTC all provided buses and staff that assisted with the bus bridge. In addition, Prince William County Fire and Rescue and Police and Virginia Power rendered assistance throughout the day.

GENERAL REPORT

NEW RAIL CAR PURCHASE UPDATE

The first frames of the new rail cars are being assembled at the facility in Milwaukee. This progress keeps the procurement of the 11 cab cars on schedule and within budget.

EMERGENCY RESPONSE DRILL

On Thursday, December 15, 2005, 16 members of the Prince William County Police SWAT team and six TSA agents participated in a VRE sponsored emergency response drill. The drill, held from 3:00pm until 11:00pm, began with a two-hour class on VRE Railroading 101, and was followed by six hours of drill scenarios onboard various VRE trains at the Broad Run yard. Those in attendance practiced hostage rescue and hijacking interdiction themes. Several members of the SWAT team responded to the VRE derailment at Possum Point, making their training even more relevant.

KEY STATION ADA ASSESSMENT

On January 25th, 26th and 27th, the FTA will conduct an ADA Key Station Assessment at the Fredericksburg VRE Station and Union Station. This audit is performed by FTA to ensure VRE facilities are accessible to persons with disabilities. Findings will be addressed and forwarded to each responsible party so that corrective actions can be undertaken, if necessary, to comply with ADA regulations.

TALK WITH DELEGATES

At the request of the Virginia House Minority Caucus Chairman, VRE participated in a transportation orientation session for the five newly elected Virginia democratic delegates on Thursday, January 5, 2006. The five new members; David Bulova (Fairfax County), Chuck Caputo (Fairfax County), David Englin (Alexandria and Fairfax), Dave Marsden (Fairfax County), and David Poisson (Fairfax and Loudoun Counties) were given a presentation on a variety of transit topics, including an overview of VRE and the system's critical needs.

CAPITAL PROJECTS UPDATE

Manassas Park Platform Extension - the platform was opened on 12/22/05 without the canopy. The canopy will be installed during the weekend of 1/14/06, at which time all work should be completed

Broad Run Parking (Old Barn Lot) – The lot is scheduled for completion by January 20th - weather permitting.

MONTHLY PERFORMANCE MEASURES – DECEMBER 2005

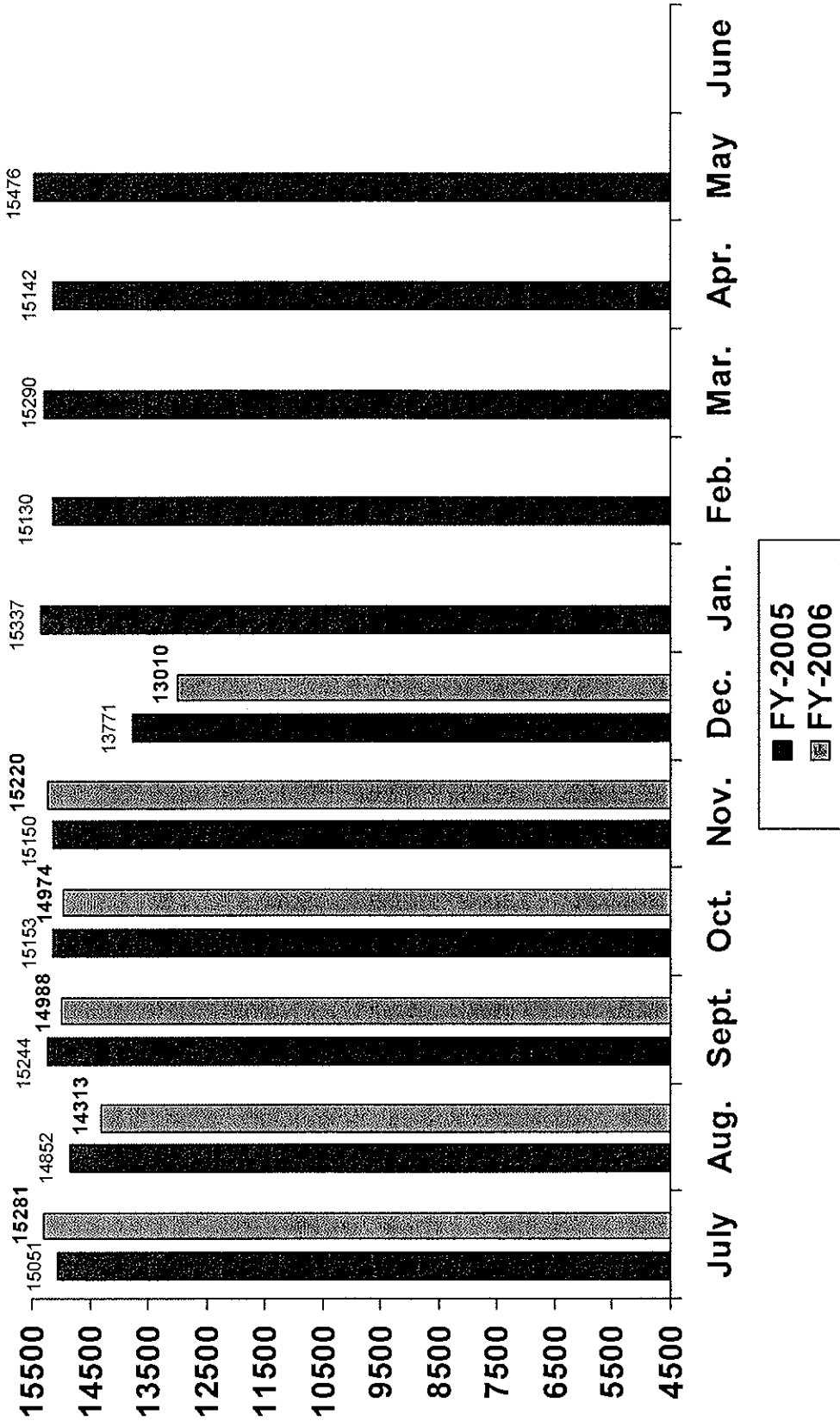
ANNUAL RIDERSHIP OVERVIEW	ANNUAL RIDERSHIP
VRE FY 2006 Passenger Totals	1,811,427
VRE FY 2005 Passenger Totals	1,843,019
PERCENTAGE INCREASE	(.54 %)

MONTHLY ON-TIME PERFORMANCE	ON-TIME PERCENTAGE
VRE December Fredericksburg OTP Average	76.6%
VRE December Manassas OTP Average	86.3%
VRE NOVEMBER OVERALL OTP AVERAGE	81.9%

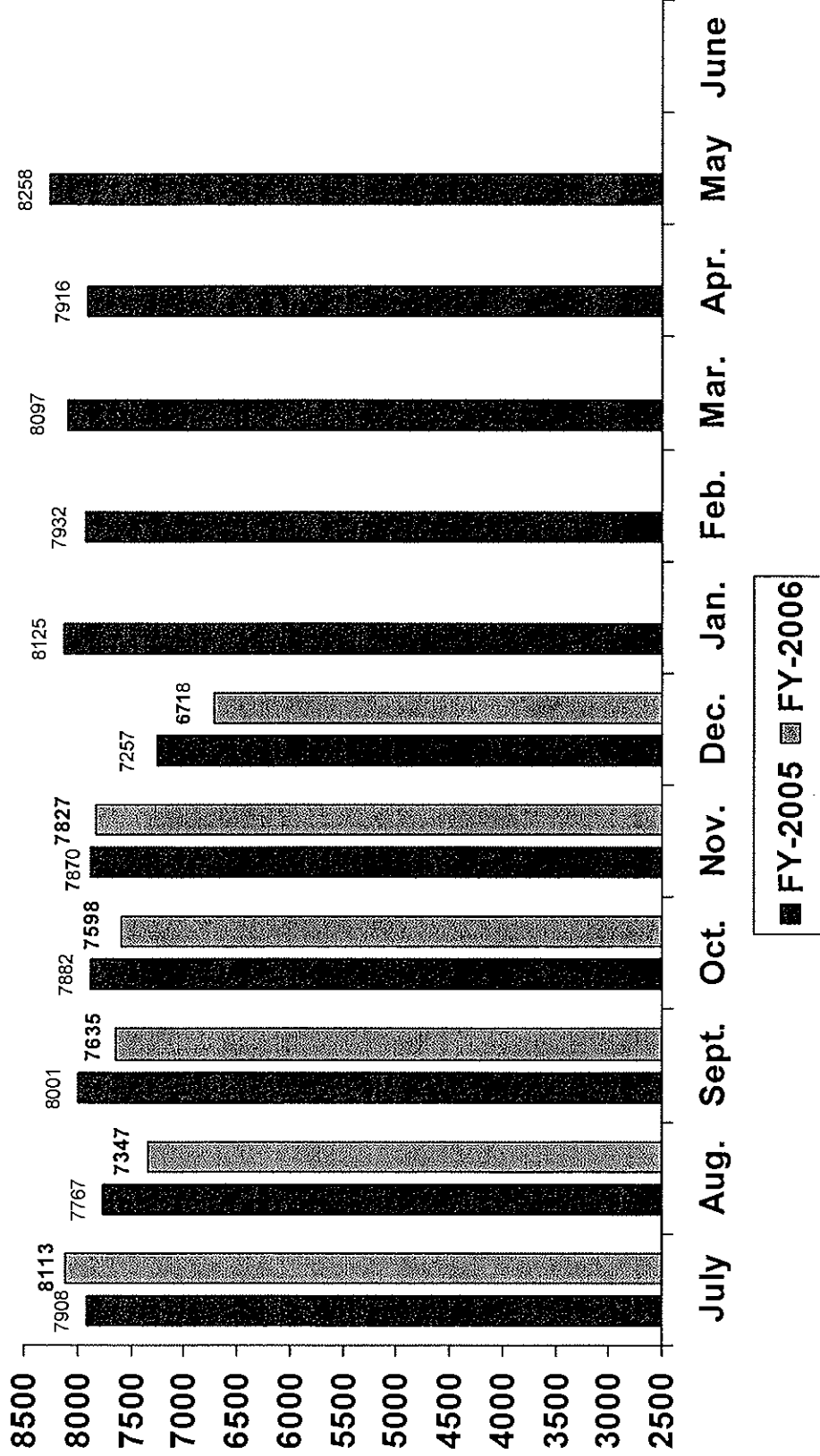
REASON	TOTALS	PERCENT
Signal/Switch Failure	12	11%
Slow Orders	4	4%
M/W	4	4%
Train Interference	54	49%
AMTRAK	8	7.2%
Freight	40	36%
VRE	6	5.4%
Mechanical Failure	12	11%
Late Turn	5	4.5%
PAX Handling	8	7%
Weather	0	0%
Crew Related	1	.9%
Other	10	9%
TOTAL	110	100%

FINANCIAL INDICATORS	NOVEMBER 2005			
MEASURES		GOAL	ACTUAL	TREND
OPERATING RATIO		55%	68%	↑
BUDGETED FARE REVENUE YTD	\$8,291,053			
ACTUAL FARE REVENUE YTD	<u>\$8,156,792</u>			
CUMULATIVE VARIANCE	(134,261)	0	(\$134,261)	↓
PERCENT COLLECTED FY 06 YTD		41.7%	41.0%	↓
PERCENT COLLECTED FY 05 YTD			42.9%	
BUDGET EXPENSES YTD	\$15,132,508			
OPERATING EXPENSES YTD	<u>\$14,989,550</u>			
CUMULATIVE VARIANCE	\$142,958	0	\$142,958	↑
PERCENT EXPENDED FY 06 YTD		41.7%	41.3%	↑
PERCENT EXPENDED FY 05 YTD			N/A%	

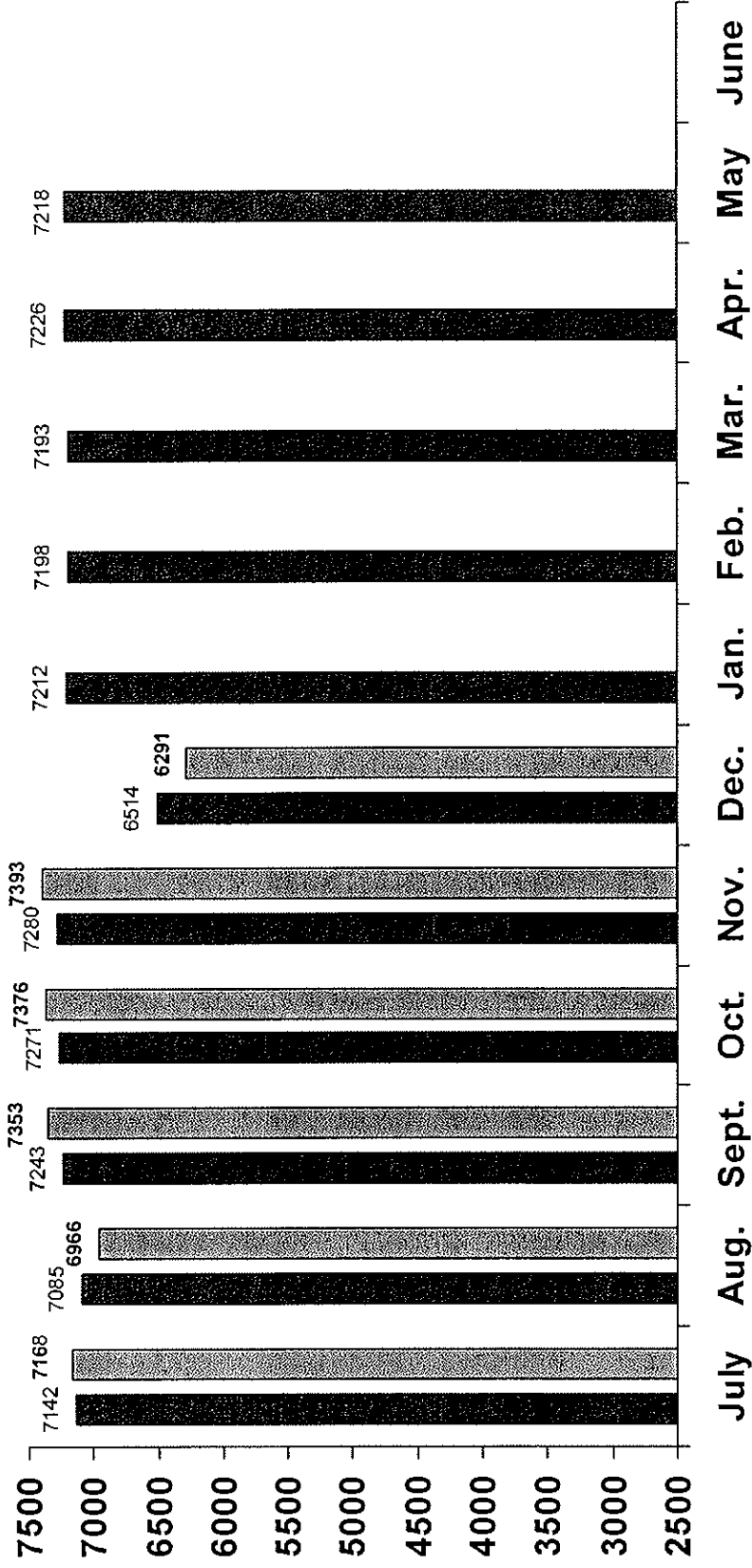
VRE Total Average Daily Ridership



VRE Average Daily Ridership Fredericksburg Line



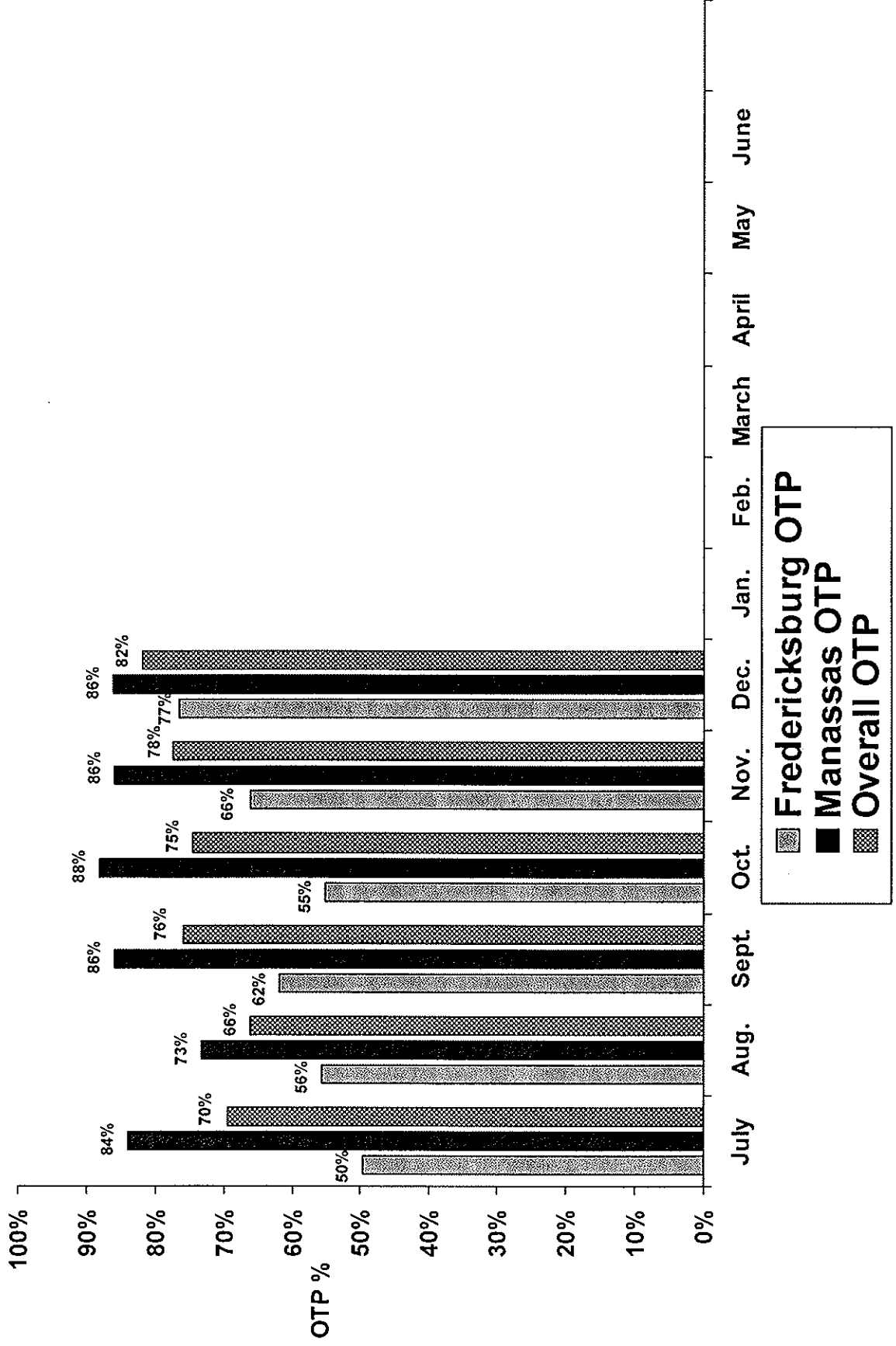
VRE Average Daily Ridership Manassas Line



■ FY-2005 ▨ FY-2006

Average On-Time Performance

FY-2006



FY 2005 Audited Financial Reports

The VRE Operations Board recommends approval of Resolution #2011. This resolution approves staff to provide the audited financial statements to the distribution list of regulatory agencies, bondholders, state and local governments and other interested parties. The audited statements are attached together with letters to management from the auditors, PBGH LLP. The audit produced an unqualified (clean) opinion.



RESOLUTION #2011

SUBJECT: FY 2005 VRE Audited Financial Statements.

WHEREAS: The VRE audit has been conducted by the firm of PBGH, LLP;

WHEREAS: This audit has produced an unqualified opinion of VRE's accounts as having, in all material respects, fairly and accurately presented the financial condition of the operation, assets and liabilities of VRE; and

WHEREAS: A management letter has been produced by the auditors describing their findings which has been reviewed by VRE's Audit and Finance Committee and the VRE Operations Board.

NOW, THEREFORE, BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes staff to provide the audited statements to all interested parties and post the results on VRE and commission websites.

Approved this 9th day of February, 2006.

Gerald Connolly
Chairman

William Euille
Secretary-Treasurer





Virginia Railway Express Operations Board

1500 King Street • Suite 202 • Alexandria, Virginia 22314-2730 • (703) 684-1001 • FAX (703) 684-1313
Web Site: <http://www.vre.org> • E-Mail: gotrains@vre.org

AGENDA ITEM 9-A ACTION ITEM

TO: CHAIRMAN CADDIGAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: JANUARY 20, 2006

RE: AUTHORIZATION OF THE FY 2005 AUDITED FINANCIAL STATEMENTS AND MANAGEMENT LETTER

RECOMMENDATION:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to forward to the Commissions for consideration VRE's financial statements for FY 2005 as audited, as well as the management letter.

BACKGROUND:

Audit of VRE's FY 2005 financial statements has been completed and the auditors have issued an unqualified opinion on the report. Their statement finds VRE accounts as having, in all material respects, fairly and accurately presented the financial condition of the operation, assets and liabilities of the organization.

The FY 2005 audit was conducted by the firm of PBGH, LLC. As in the past, the same audit firm has evaluated the financial statements of both VRE and NVTC. VRE received a management letter, which is a typical practice for this accounting firm.

FISCAL IMPACT:

There is no financial impact to the VRE Operating Budget from the presentation of these audited financial statements.

Virginia Railway Express

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2005 AND 2004



www.vre.org

VIRGINIA RAILWAY EXPRESS

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2005 AND 2004



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Introductory Section





Virginia Railway Express

A Transportation Partnership

December 15, 2005

Commissioners
The Northern Virginia Transportation Commission
The Potomac and Rappahannock Transportation Commission

I am pleased to present the Virginia Railway Express' (VRE) audited financial statements for fiscal year 2005, ended June 30, 2005. This report conforms to accounting principles generally accepted in the United States of America (GAAP) and provides full disclosure of VRE's financial position and operations for fiscal year 2005. The information provided in this report assists the VRE Operations Board, Commissions and other officials in making management decisions and provides all interested parties with comprehensive financial data in a format that will enable them to gain a true understanding of VRE's financial affairs.

This report is presented in four sections. The introductory section includes this transmittal letter and a list of VRE Operations Board members and key VRE staff. The financial section includes the independent auditors' report, an analysis of the financial operations of VRE during the year, the financial statements, and the footnotes to the financial statements. The statistical section contains tables of revenues and expenses for the past ten years and other useful information intended to provide a more complete picture of VRE. The compliance section contains the independent auditors' report on compliance and internal controls in accordance with *Government Auditing Standards*.

Fiscal Year 2005 Operations

During fiscal year 2005, VRE continued its ridership growth, while still providing dependable commuter rail service. Our average daily ridership was 15,086, which was a 5.1 percent increase over the previous year. The on-time performance system wide was 85 percent, with 77 percent on the Fredericksburg Line and 93 percent on the Manassas Line.

Despite these positive statistics, we are seeing the effects of the rapid increase in ridership on our operations. Our growth continues to slow as we approach system capacity. The crowding on trains is not only affecting growth, but our customer satisfaction as well. Approval ratings are still high - 70 percent overall satisfaction rate – but they are dropping below previous levels. In order to address potential future growth, we completed a Long-Range Strategic Plan in 2004.

The plan identifies the projected ridership demand through 2025, and the capital and operating expenses necessary to meet the demand. It also examines potential network extensions, their impacts on ridership, and the costs of such expansions. The Strategic Plan will provide technical support to make important policy decisions in the upcoming years.

Equipment

With increasing ridership comes the challenge of providing sufficient seats and station parking for our customers. Many of our peak period trains are at or above capacity today. In fiscal year 2004, VRE procured 35 used bi-level Gallery cars to replace 33 single-level Mafersas. Following re-qualification, 22 of those cars had been placed into service by the end of fiscal year 2005, bringing VRE's Gallery fleet to 32 active and 5 ready reserve cars; the remaining 13 Gallery cars will be placed into service during fiscal year 2006. Converting from 33 single level Mafersas to 30 additional Gallery coaches will add 800 additional seats, for a total of 8,990 seats, capacity for a total of 17,980 round trips, if off-peak trains are included. The Strategic Plan, however, projects average daily ridership demand to be up to 16,200 in 2005, and continue to increase to 20,000 by Fiscal year 2010. VRE is procuring 11 new bi-level Gallery cab cars to go into service by January 2007 with an option to purchase 50 more bi-level Gallery cars to address short-term demand. In addition to railcars, VRE completed a program to overhaul the locomotive head-end power units as well as the top deck overhaul of three locomotives. These overhauls are a short-term fix to help improve the reliability of VRE's trains. As a longer-term measure, we are exploring the possibility of purchasing new, higher horsepower, Tier II locomotives with greater head end power (HEP) capacities so that we will be able to operate longer train consists and reduce locomotive emissions.

Station Parking

Nine of our 13 station parking lots have been found to be at or above capacity in 2005. As a result, we have undertaken several projects to alleviate the parking constraint on our system. A new surface lot at Woodbridge opened in the summer of 2004 and temporary parking was provided at Broad Run. This year, projects were also initiated at Burke Centre and Manassas to construct parking decks to accommodate increasing demand. At the same time, VRE worked with Fairfax County to continue the EZ Bus, a subscription bus service designed to alleviate parking pressure at the Burke Centre Station parking lot. The program is successful, with over 50 people using the service every day. However, even with these steps, system-wide parking demand still exceeds supply, and we are exploring additional options for improving parking and access to our stations.

Critical Needs

Despite all the improvements VRE has made over the last year, we are still stretched to the limits of our capacity. In order to meet even the minimum estimates of demand, the Strategic Plan calls for a capital investment of approximately \$39.6 to \$51.7 million annually through 2010, up from the current capital program of \$25 million per year. Even at this level of investment VRE will struggle to meet the demand for commuter rail service in the I-66 and I-95/395 corridors.

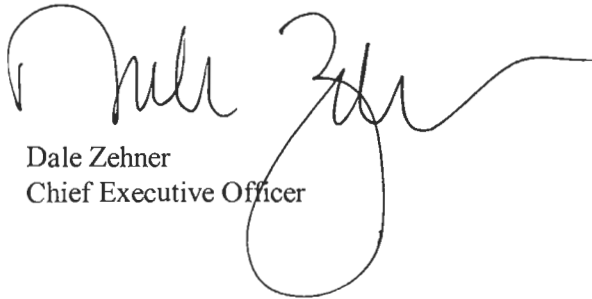
As part of the recommended capital investment, the Strategic Plan calls for 80 to 110 additional bi-level coaches by 2025 in order to run longer consists and additional trains. The first 50-railcars in that estimate are an immediate need for VRE. The cars are needed to replace leased and aging equipment in the next six years, as well as provide the capacity to meet the projected ridership demand of approximately 30,000 trips per day by 2011.

New, cleaner, high powered locomotives, additional mid-day storage, and maintenance facilities at the outlying yards will also be necessary to maintain existing service as the railroad matures, as well as provide increased capacity to meet demand. In addition, the Strategic Plan calls for 7,000 to 9,000 additional parking spaces system-wide by 2010.

Summary

The focus of the VRE Operations Board and VRE management continues to be providing safe, reliable commuter rail service to the citizens of Northern Virginia. With the Washington, DC metropolitan area designated as an ozone non-attainment area, public transit will play an increasingly vital role in addressing the area's need to improve air quality and reduce congestion. VRE currently takes the equivalent of one full lane of traffic off of both Interstate 95 and Interstate 66 each morning and evening rush hour. Without continued capital investment, VRE will not be able to continue to offer the high-quality, cost effective service that we have provided for the past 13 years.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Dale Zehner', with a long horizontal flourish extending to the right.

Dale Zehner
Chief Executive Officer

DIRECTORY OF PRINCIPAL OFFICIALS AND KEY PERSONNEL

Operations Board

Officers

Chairman	Hon. Elaine McConnell, Fairfax County
Vice-Chairman	Hon. Maureen Caddigan, Prince William County
Secretary	Hon. Dana Kauffman, Fairfax County
Treasurer	Hon. Robert Gibbons, Stafford County

Members

Hon. Sharon Bulova, Fairfax County
Hon. John Jenkins, Prince William County
Karen Rae, VDRPT

Alternates

Hon. Hilda Barg, Prince William County
Hon. Wally Covington, Prince William County
Hon. William Greenup, City of Fredericksburg
Hon. Doug Waldron, City of Manassas
Hon. Christopher Zimmerman, Arlington County

Management

Chief Executive Officer	Dale Zehner
Deputy Chief Executive Officer	Jennifer Straub
Director of Finance	Donna J. Boxer, CPA
Director, Construction and Facilities	Sirel Mouchantaf
Superintendent Operations, Safety, and Security	David A. Snyder
Manager of Operations Support	Dennis Larson
Manager of Public Affairs and Government Relations	Mark Roeber
Manager of Customer Service	Wendy Lemieux
Manager of Market Development	Ann King
Manager of Personnel and Administration	Anna Gotthardt
Manager of Information Technology	Don Chism

Financial Section





www.pbgh.com

Mensel D. Dean
Gregory W. Geisert
Herman W. Hale
John L. Vincie, III
Keith L. Wampler
Daniel B. Martin
Sean R. O'Connell

Kevin D. Humphries
Bradford R. Jones
Virginia B. Miller
John E. Zigler, Jr
Michael T. Kennison
Michael A. Garber
Donald W. Knotts

INDEPENDENT AUDITORS' REPORT

To the Commissioners
The Northern Virginia Transportation Commission
The Potomac and Rappahannock Transportation Commission

We have audited the accompanying basic financial statements of the Virginia Railway Express, a joint venture of the Northern Virginia Transportation Commission and the Potomac and Rappahannock Transportation Commission, as of and for the years ended June 30, 2005 and 2004, as listed in the table of contents. These financial statements are the responsibility of the Virginia Railway Express' management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards and specifications require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Virginia Railway Express as of June 30, 2005 and 2004 and the changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2005 on our consideration of the Virginia Railway Express' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contract and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 7 through 13 is not a required part of the basic financial statements but is supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise Virginia Railway Express' basic financial statements. The accompanying introductory and statistical sections as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audits of the basic financial statements and, accordingly, we express no opinion on it.

PBGH, LLP

Harrisonburg, Virginia
October 28, 2005



MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis (MD&A) of the Virginia Railway Express' activities and performance provides the reader with an introduction and overview of the financial statements of the Virginia Railway Express (VRE) for the Fiscal year ended June 30, 2005. Following this MD&A are the basic financial statements of the VRE, together with the notes that are essential to understanding the data contained in the financial statements.

Railway Activities and Highlights

For fiscal year 2005, ridership exceeded fiscal year 2004. This is a continual trend of year-to-year increases. The table below illustrates VRE's growth:

	<u>2005</u>	<u>2004</u>
Ridership	3,756,453	3,517,154
% Increase	6.8%	7.1%

In addition to continued population growth in the areas served by VRE, the ridership increases may be attributed to the inclusion of additional bi-level cars into service, the additional parking at VRE commuter lots and traffic congestion on Interstates 95 and 66, two major interstate arterial roadways.

Financial Operations and Highlights

VRE was able to achieve positive financial results for the fiscal year, as follows:

- Operating revenues increased by 14.3 percent from \$17,117,885 to \$19,573,535 largely due to a 6.8 percent increase in ridership coupled with a 6 percent fare increase.
- Operating expenses, excluding depreciation, increased by 9.4 percent from \$37,438,289 to \$40,961,058. The major elements of this change are as follows:
 - Diesel fuel costs increased by 64% to \$2.4 million, an expenditure increase of \$928,000 over the prior year. Increasing fuel costs will continue to be an issue in future years.
 - There are contractually set escalators in the contract with Amtrak (the contract operator) and the track access fees paid to CSX Transportation and Norfolk Southern. Additional access fee costs, along with additional equipment and parking lease costs accounted for increases of \$919,000. In addition, the costs for repair and maintenance of rolling stock increased by \$1,095,000.
 - Insurance expense increased by \$258,000. Due to increasing liability premiums and the need to purchase terrorism insurance we anticipate insurance costs to continue to remain high in the out years.

The net result of the above was an operating loss, before depreciation, of \$21,387,523. This represents an increase from the previous year of 5.3 percent. Depreciation increased from \$6,595,698 to \$6,699,409 in fiscal years 2004 and 2005, respectively. The operating loss before non-operating revenues and expenses increased from a loss of \$26,916,102 to a loss of \$28,086,932. Local, federal and state support is accounted for as non-operating income and are used to offset these losses.

Non-operating revenue increased by 6.5 percent from \$30,662,001 to \$32,655,500. This was due principally to an increase in federal operating grants for track access costs and federal capital grants for specific projects. This increase was offset by the in-kind revenue in fiscal year 2004 associated with the purchase of Gallery railcars from Chicago METRA for the bargain price of \$1 per car. Grants from the Commonwealth of Virginia decreased slightly.

During fiscal year 2005, VRE sold 23 single-level Mafersa railcars to the Connecticut Department of Transportation, however, VRE retained the use of seven of the cars until they can be replaced with new bi-level Gallery cars. The Mafersa cars were sold for \$13.25 million; \$9.61 million was paid to VRE during the fiscal year and the remaining \$3.64 million will be paid once the final seven cars are sent to ConnDOT. VRE recognized a book loss of \$3,590,995 on this transaction.

In the latter part of fiscal year 2005, VRE executed a contract for the purchase of 11 bi-level Gallery railcars. The cars will be delivered in fiscal year 2007 and are funded with the proceeds of a capital lease financing in the amount of \$25.1 million.

Summary of Operations

The change in net assets for fiscal year 2005 was \$927,640 as compared to \$3,745,899 for fiscal year 2004.

	2005	2004
Operating revenues	\$ 19,573,535	\$ 17,117,885
Operating expenses	40,961,058	37,438,289
Loss before depreciation and non operating income	(21,387,523)	(20,320,404)
Depreciation	(6,699,409)	(6,595,698)
Loss before non operating revenue	(28,086,932)	(26,916,102)
Non operating revenue, net	32,655,500	30,662,001
Special item – loss on sale of assets	(3,640,928)	-
Change in net assets	\$ 927,640	\$ 3,745,899

Financial Position Summary

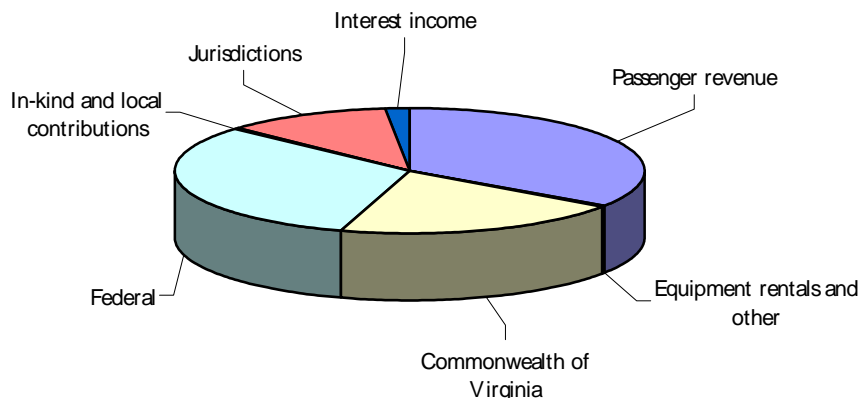
A condensed summary of VRE's net assets at June 30, 2005, as compared to June 30, 2004 is shown as below:

	2005	2004
ASSETS:		
Current and other assets	\$ 62,854,627	\$ 33,003,867
Capital assets, net	129,503,622	135,342,388
Total assets	192,358,249	168,346,255
 LIABILITIES:		
Current portion of long term debt	6,245,727	5,200,987
Other current liabilities	12,148,075	9,165,110
Non-current liabilities	89,281,059	70,224,410
Total liabilities	107,674,861	84,590,507
 NET ASSETS:		
Invested in capital assets, net of related debt	56,669,086	60,040,916
Restricted	20,038,608	22,146,604
Unrestricted	7,975,694	1,568,228
Total net assets	\$ 84,683,388	\$ 83,755,748

Net assets may serve over time as a useful indicator of VRE's financial position. The largest portion of VRE's net assets each year represents its investment in capital assets (e.g., land, buildings, improvements, rolling stock and other equipment), less the related indebtedness outstanding used to acquire those capital assets. VRE uses these assets to provide services to its riders; consequently these assets are not available for future spending. VRE's investment in its capital assets is reported net of accumulated depreciation and net of related debt. The resources required to repay this debt must be provided annually from operations and federal, state and local support since it is unlikely that the capital assets themselves will be liquidated to pay liabilities. The sale of 23 single level Mafersa railcars, described above, resulted in a decrease to the investment in capital assets category and an increase to unrestricted net assets.

Revenues

The following chart shows the major sources of revenues for the year ended June 30, 2005:

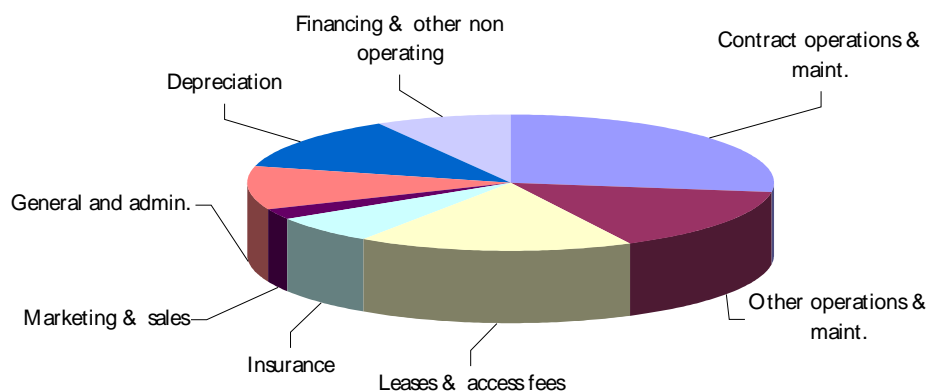


A summary of revenues for the year ended June 30, 2005, and the amount and percentage change in relation to prior year amounts is as follows:

	2005 Amount	Percent of total	Increase (decrease) from 2004	Percent increase (decrease)
Operating revenues:				
Passenger revenue	\$ 19,452,162	34.44%	\$ 2,522,533	14%
Equipment rentals and other	121,373	0.21%	(66,883)	(35%)
Total operating revenues	19,573,535	34.65%	2,455,650	14%
Non operating revenues:				
Subsidies and grants:				
Commonwealth of Virginia	11,391,168	20.17%	(300,217)	(2%)
Federal	17,948,799	31.78%	5,032,589	38%
Jurisdictional contributions	6,352,999	11.25%	109	0%
In-kind and other local contributions	266,148	0.47%	(2,877,171)	(92%)
Interest income	953,564	1.68%	71,590	8%
Total non operating revenues	36,912,678	65.35%	1,926,900	6%
Total revenues	\$ 56,486,213	100.00%	\$ 4,382,550	8%

Expenses

The following chart shows the major cost centers of expenses for the year ended June 30, 2005:



A summary of expenses for the year ended June 30, 2005, and the amount and percentage of change in relation to prior year amounts is as follows:

	2005 Amount	Percent of total	Increase (decrease) from 2004	Percent increase (decrease)
Operating expenses:				
Contract operations and maintenance	\$ 14,144,414	25.46%	\$ (68,062)	(.15%)
Other operations and maintenance	7,928,107	14.27%	2,461,794	45.03%
Property leases and access fees	8,769,866	15.78%	606,234	7.42%
Insurance	3,533,503	6.36%	258,422	7.89%
Marketing and sales	1,302,527	2.34%	22,978	1.79%
General and administrative	5,282,641	9.51%	241,403	4.78%
Total operating expenses	40,961,058	73.72%	3,522,769	19.13%
Other expenses:				
Depreciation	6,699,409	12.06%	103,711	1.57%
Interest, financing costs and other	4,257,178	7.66%	(66,598)	(1.54%)
Total other expenses	10,956,587	19.72%	37,113	0.34%
Special item – loss on sale of assets	3,640,928	6.56%	3,640,928	N/A
Total expenses	\$ 55,558,573	100.00%	\$ 7,200,810	14.89%

Financial Statements

VRE's financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). VRE is structured as a single enterprise fund with revenues recognized when earned, not when received. Expenses are recognized when incurred, not when they are paid. Capital assets with a cost of over \$5,000 are capitalized and, except for land, are depreciated over their estimated useful lives. Certain cash and investment funds are restricted for debt service, capital expenditures or insurance purposes. See note 1 of the financial statements for a summary of VRE's significant accounting policies.

Capital Acquisitions and Construction Activities

During fiscal year 2005, VRE expended \$18,099,126 for capital activities. Completed projects totaling \$7,523,567 were closed from construction in progress to their respective capital accounts. The completed projects were in the following categories and amounts:

Project	Amount
Rolling stock	\$ 3,319,306
Facilities	4,204,261
	<u>\$ 7,523,567</u>

The major completed projects were: acceptance of seven re-qualified Gallery cars (\$1,786,097); overhaul and rebuilding of locomotives (\$1,346,280); renovation of a station building at Quantico (\$1,454,013); construction of a locomotive inspection pit at Broad Run (\$2,030,659); and the construction of additional parking at Woodbridge and Broad Run (\$719,588).

Property and equipment are capitalized at cost of acquisition. Acquisitions are funded using a variety of financing techniques, including Federal grants with matching funds from the Commonwealth and from local subsidies. Additional information on VRE's capital assets and commitments can be found in notes 3 and 10 to the financial statements.

Debt Administration

At June 30, 2005, VRE had total debt outstanding of \$97,012,951. The debt for VRE is issued under the name of the Northern Virginia Transportation Commission (NVTC). VRE revenues back the bonds and VRE is responsible for making debt service payments. A financial guaranty bond guarantees payment of each bond series. The note payable is secured by VRE's office condominium.

	2005	2004
Revenue bonds	\$ 69,540,000	\$ 74,315,000
Capital leases	26,752,951	2,018,938
Note payable	720,000	780,000
Total	\$ 97,012,951	\$ 77,113,938

VRE's total debt increased \$19,899,013 during the fiscal year as a result of a capital lease financing in the amount of \$25.1 million for the purchase of 11 railcars. VRE has access to a line of credit of up to \$1 million with SunTrust Bank; the line was not exercised during 2005. For further information, please refer to note 7 in the financial statements.

Economic Factors and Next Year's Budget

Population growth in Northern Virginia, especially in the outer suburbs, continues to remain robust. In combination with the congestion on major highways and on-going highway construction projects, this growth will continue to increase demand for VRE service. The constraining factors to VRE growth are station parking, availability of seats and not sustaining an on-time train service.

The budget for fiscal year 2005 assumed that the constraints facing VRE will limit ridership growth to 4 percent. The revenue generated by this growth is insufficient to fund the increases expected in expenses and the continued capital investments needed. Therefore, a fare restructuring went into effect on July 1, 2005, that increased fare revenues by 2.75 percent. In addition, the local subsidy contribution to the VRE operations was increased \$525,060 to a total of \$6,878,060 for fiscal year 2005. The ever increasing cost of diesel fuel poses a continuing budget problem. Since January 2005, fuel costs have increased 55 percent and currently there is no indication that they will return to the price levels of fiscal year 2004.

Request for Information

This financial report is designed to provide a general overview of VRE's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Director of Finance, Virginia Railway Express, 1500 King Street, Alexandria, Virginia 22314-2730 or by email to dboxer@vre.org.

Respectfully submitted,



Donna J. Boxer, CPA
Director of Finance

VIRGINIA RAILWAY EXPRESS

STATEMENTS OF NET ASSETS

June 30, 2005 and 2004

ASSETS	2005	2004
Current Assets:		
Cash and cash equivalents	\$ 6,253,268	\$ 1,448,522
Accounts receivable:		
Federal grants	2,629,236	2,493,825
Commonwealth of Virginia grants	2,079,947	1,152,681
Trade receivables, net of allowance for doubtful accounts	2,616,522	2,282,732
Other receivables	3,689,860	-
Inventory	1,910,706	1,682,415
Prepaid expenses	618,258	767,675
Restricted cash, cash equivalents, and investments	42,004,404	22,270,530
Total current assets	61,802,201	32,098,380
Noncurrent Assets:		
Deferred bond costs, net	1,052,426	905,487
Capital assets:		
Rolling stock	61,953,818	82,669,253
Vehicles	45,550	22,882
Facilities	41,416,189	37,208,822
Track and signal improvements	27,628,930	27,628,930
Equipment	4,862,101	4,676,483
Construction in progress	31,451,741	21,221,222
Equity in local properties	4,998,368	4,998,368
Office furniture and equipment	2,272,467	2,262,817
	174,629,164	180,688,777
Less accumulated depreciation	(45,125,542)	(45,346,389)
Total capital assets, net	129,503,622	135,342,388
Total noncurrent assets	130,556,048	136,247,875
Total assets	\$ 192,358,249	\$ 168,346,255

LIABILITIES AND NET ASSETS	2005	2004
Current Liabilities:		
Accounts payable	\$ 4,496,684	\$ 3,051,626
Payable to Commissions	598,222	519,637
Compensated absences	218,277	174,551
Accrued expenses	3,058,852	2,799,796
Accrued interest	2,029,157	1,952,919
Deferred revenue	1,233,226	648,112
Contract retainage	513,657	18,469
Current portion of capital lease obligations	1,235,727	365,987
Current portion of long-term debt	5,010,000	4,835,000
Total current liabilities	18,393,802	14,366,097
Noncurrent Liabilities		
Capital lease obligations	25,577,224	1,652,951
Note payable	660,000	720,000
Bonds payable	63,043,835	67,851,459
Total noncurrent liabilities	89,281,059	70,224,410
Total liabilities	107,674,861	84,590,507
Net Assets:		
Invested in capital assets, net of related debt	56,669,086	60,040,916
Restricted for liability insurance plan	12,439,017	15,290,158
Restricted for debt service and capital lease	6,873,135	6,856,446
Restricted grants or contributions	726,456	-
Unrestricted assets	7,975,694	1,568,228
Total net assets	84,683,388	83,755,748
Total liabilities and net assets	\$ 192,358,249	\$ 168,346,255

VIRGINIA RAILWAY EXPRESS

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS Years Ended June 30, 2005 and 2004

	2005	2004
Operating Revenues:		
Passenger revenue	\$ 19,452,162	\$ 16,929,629
Equipment rentals and other	121,373	188,256
Total operating revenues	19,573,535	17,117,885
Operating Expenses:		
Contract operations and maintenance	14,144,414	14,212,476
Other operations and maintenance	7,928,107	5,466,313
Property leases and access fees	8,769,866	8,163,632
Insurance	3,533,503	3,275,081
Marketing and sales	1,302,527	1,279,549
General and administrative	5,282,641	5,041,238
Total operating expenses	40,961,058	37,438,289
Operating loss before depreciation	(21,387,523)	(20,320,404)
Depreciation	(6,699,409)	(6,595,698)
Operating loss	(28,086,932)	(26,916,102)
Nonoperating Revenues (Expenses):		
Subsidies:		
Commonwealth of Virginia grants	7,613,022	7,453,276
Federal grants	8,124,763	6,226,445
Jurisdictional operating contributions	6,352,999	6,352,890
Capital grants and assistance:		
Commonwealth of Virginia grants	3,778,146	4,238,109
Federal grants	9,824,036	6,689,765
In-kind and other local contributions	266,148	3,143,319
Interest income:		
Operating funds	214,888	44,390
Insurance trust	688,816	837,583
Other restricted funds	49,860	-
Interest, amortization and other nonoperating expenses, net	(4,257,178)	(4,323,776)
Total nonoperating revenues, net	32,655,500	30,662,001
Loss on sale of assets	(3,640,928)	-
Change in net assets	927,640	3,745,899
Net Assets, beginning	83,755,748	80,009,849
Net Assets, ending	\$ 84,683,388	\$ 83,755,748

VIRGINIA RAILWAY EXPRESS

STATEMENTS OF CASH FLOWS Years Ended June 30, 2005 and 2004

	2005	2004
Cash Flows From Operating Activities:		
Receipts from customers	\$ 19,098,403	\$ 16,780,584
Payments to suppliers	(35,441,877)	(33,778,928)
Payments to employees	(2,928,889)	(3,086,354)
Net cash used in operating activities	(19,272,363)	(20,084,698)
Cash Flows From Noncapital Financing Activities:		
Governmental subsidies	21,637,064	19,694,980
Cash Flows From Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(18,099,126)	(8,443,695)
Capitalized debt issuance costs	(252,500)	-
Capital grants and assistance	13,985,832	15,818,247
Proceeds from sale of capital assets	9,610,000	-
Principal borrowed on capital lease	25,100,000	-
Principal paid on capital lease obligations	(365,987)	(758,718)
Principal paid on note	(60,000)	-
Interest paid on capital lease obligation	(298,190)	(136,917)
Principal paid on bonds and note	(4,775,000)	(4,620,000)
Interest paid on bonds and note	(3,574,813)	(3,989,211)
Net cash provided by (used in) capital and related financing activities	21,270,216	(2,130,294)
Cash Flows From Investing Activities:		
Interest received on investments	903,703	881,973
Increase (decrease) in cash and cash equivalents	24,538,620	(1,638,039)
Cash and Cash Equivalents, beginning	23,719,052	25,357,091
Cash and Cash Equivalents, ending	\$ 48,257,672	\$ 23,719,052
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (28,086,932)	\$ (26,916,102)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	6,699,409	6,595,698
Increase in:		
Accounts receivable	(333,790)	(454,003)
Advances and deposits	(250)	-
Decrease (increase) in:		
Inventory	119,264	16,271
Prepaid expenses	149,667	(62,329)
Accounts payable and accrued expenses	1,826,423	722,629
Increase (decrease) in:		
Deferred ticket sales	(141,342)	116,702
Contract retainage	495,188	(103,564)
Net cash used in operating activities	\$ (19,272,363)	\$ (20,084,698)

VIRGINIA RAILWAY EXPRESS

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Reporting Entity

The Virginia Railway Express (“VRE”) is a joint venture of the Northern Virginia Transportation Commission (“NVTC”) and the Potomac and Rappahannock Transportation Commission (“PRTC”). Pursuant to a Master Agreement signed in 1989, NVTC and PRTC (“the Commissions”) jointly own and operate VRE. VRE provides commuter rail service on two railroad lines originating in Fredericksburg and Manassas, Virginia and terminating at Union Station, Washington, D.C. The service uses existing tracks of the CSX Transportation Corporation (“CSX”), and the Norfolk Southern Railway Company, under respective operating access agreements. Trains are operated and maintained pursuant to a Purchase of Services Agreement between Amtrak and the Commissions.

VRE is managed by the Commissions. Certain functions have been delegated to the VRE Operations Board, consisting of three commissioners appointed from each of NVTC and PRTC and one representative of the Commonwealth of Virginia’s Department of Rail and Public Transportation. The system is not currently configured for fare revenues alone to produce positive net income. In addition to fares, the project is financed with proceeds from the Commuter Rail Revenue Bonds, Federal and Commonwealth of Virginia grants and jurisdictional contributions based on a population/ridership formula that are supplemented by voluntary donations from contributing jurisdictions. Grants and contributions fund both operations and capital projects. Participating jurisdictions include the counties of Fairfax, Prince William, and Stafford; and the cities of Manassas, Manassas Park and Fredericksburg, Virginia. Contributing jurisdictions include Arlington County and the City of Alexandria, Virginia.

Measurement Focus, Basis of Accounting

VRE prepares its financial statements using the accrual basis of accounting. The activities of VRE are similar to those of proprietary funds of local jurisdictions. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, VRE has elected to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board (“FASB”) pronouncements and Accounting Principles Board (“APB”) opinions unless those pronouncements conflict with or contradict GASB pronouncements.

Revenue Recognition: Intergovernmental revenues, consisting primarily of Federal and Commonwealth of Virginia grants, designated for payment of specific expenses, are recognized at the time that the expenses are incurred. Capital grants and assistance are recognized as additions are made to capital assets and operating resources are included in the Statements of Revenues and Expenses and Changes in Net Assets when expended. VRE records monetary and in-kind contributions as it assesses matching obligations to the jurisdictions or other construction partners. Any excess of revenues or expenses at year end are recorded as deferred revenue or accounts receivable, respectively. Passenger revenues received in advance are deferred until earned.

VIRGINIA RAILWAY EXPRESS

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

Cash and Investments: VRE considers all highly liquid investments with maturities of three months or less to be cash equivalents. Investments in U.S. government securities and commercial paper are carried at fair value based on quoted market prices. The investment in the Local Government Investment Pool (LGIP, a 2a7-like pool) is reported at the Pool's share price.

Restricted Cash and Cash Equivalents: Restricted cash, cash equivalents and investments of \$42,004,404 and \$22,270,530 at June 30, 2005 and 2004, respectively, are comprised of funds related to bond compliance requirements, the Liability Insurance Plan and proceeds from the lease purchase of the fare collection system and the Gallery IV-A railcars that had not been fully disbursed as of June 30, 2005. Also included in restricted cash is grant proceeds received from the U. S. Department of Homeland Security.

Allowance for Uncollectible Accounts: VRE calculates its allowance for uncollectible accounts using historical collection data and specific account analysis. The allowance was \$91,409 at June 30, 2005 and 2004.

Inventory: VRE has purchased an inventory of spare parts for rolling stock that is maintained and managed by Amtrak pursuant to its maintenance responsibilities under the Purchase of Services Agreement with the Commissions. Inventory is stated at cost, which approximates market, and is valued using the First-In-First-Out method. In addition, VRE has established an inventory of parts for rolling stock at its own warehouse located at Broad Run.

Capital Assets: For constructed assets, all costs necessary to bring assets to the condition and location necessary for the intended use are capitalized. Asset costs include allocation of certain common construction costs, based on the relationship of associated direct costs. Assets constructed directly by jurisdictions in satisfaction of system financial responsibilities have been capitalized at the estimated fair market value as of the date of donation.

When assets are substantially complete and ready for use, these costs are transferred from construction in progress to property and equipment and depreciated. Major improvements and replacements of property are capitalized. Maintenance, repairs and minor improvements and replacements are expensed.

Costs of improvements to track and signal facilities owned by the railroads have been capitalized in recognition of the increased efficiency afforded VRE operations over their useful lives. The Commissions retain a residual interest in these assets such that net salvage value will be reimbursed by the railroads upon cessation of commuter rail service. Similarly, shared investments in jurisdictional facilities ("equity in local properties") recognize the right of access for commuter rail patrons granted to the Commissions.

VRE capitalizes assets which have an initial cost of \$5,000 or more per unit and a useable life of two or more years.

VIRGINIA RAILWAY EXPRESS

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

Provision for depreciation has been calculated using the group depreciation method. Under this method homogeneous groups of assets with similar useful lives are grouped together and depreciation is applied to the entire group. The estimated useful lives of the assets are as follows:

Rolling stock	8-40 years
Facilities	30-40 years
Track and signal improvements	30 years
Equity in local properties	35 years
Station equipment	5 years
Vehicles	5 years
Office furniture and equipment	3-10 years

When, in the opinion of management, certain assets are impaired, any estimated decline in value is accounted for as a non-operating expense. There were no impaired assets as of June 30, 2005.

Compensated Absences: VRE employees are granted vacation leave based on length of employment. Employees with less than ten years of service may carry over a total of 225 hours of leave from year to year, while those with more than ten years may carry over 300 hours. Excess leave may convert to sick leave or may be paid out with the approval of the Chief Executive Officer. Employees may accumulate sick leave without limitation. Employees who separate in good standing after five or more years of service will be paid out for 25 percent of their sick leave credit in excess of 450 hours. Certain employees may accumulate compensatory leave for overtime worked. Compensated absences are accrued when incurred.

Long-Term Obligations: Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method.

Reclassification: Certain prior year information is reclassified to conform with current year presentation.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

New Accounting Pronouncements Adopted: In March 2003, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, an amendment of GASB Statement No. 3, which requires certain disclosures of investments that are highly sensitive to interest rate risk and modifies the custodial credit risk disclosures of Statement No. 3. The provisions of GASB Statement No. 40 became effective for the fiscal year ended June 30, 2005.

VIRGINIA RAILWAY EXPRESS

NOTES TO FINANCIAL STATEMENTS

Note 2. Cash, Cash Equivalents and Investments

Deposits: All cash of the VRE is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400 et. seq. of the *Code of Virginia* or covered by federal depository insurance. Under the Act, banks holding public deposits in excess of the amounts insured by FDIC must pledge collateral in the amount of 50% of excess deposits to a collateral pool in the name of the State Treasury Board. If any member bank fails, the entire collateral pool becomes available to satisfy the claims of governmental entities. With the ability to make additional assessments, the multiple bank collateral pool functions similarly to depository insurance. The Commonwealth of Virginia Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act. At June 30, 2005 the book balance of VRE's deposits with banks was \$675,912; these funds are swept into a U.S. Government Securities money market fund at the end of each business day.

Investments: State statutes authorize local governments and other public bodies to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes, bankers' acceptances, repurchase agreements, and the State Treasurer's Local Government Investment Pool (LGIP).

The VRE Operations Board has adopted a formal investment policy. The policy specifies eligible and ineligible investments; diversification requirements; maximum length of time for various types of investments; and the process for purchasing securities.

VRE's investment policy establishes the maximum percentages of the portfolio permitted in each of the following instruments:

	Length	Percent
Bonds, notes, and other evidence of indebtedness of the Commonwealth of Virginia and the United States	60 months or less	100%
Bonds, notes, and other evidence of indebtedness of any public body of the Commonwealth of Virginia	36 months or less	100%
Bonds and notes of FNMA and FHLB	36 months or less	75%
Savings accounts or CD's of any bank or savings and loan association within the Commonwealth of Virginia	12 months or less	20%
Money market mutual funds	13 months or less	20%
Repurchase agreements	24 months or less	20%
Bankers' acceptances	24 months or less	10%

VIRGINIA RAILWAY EXPRESS

NOTES TO FINANCIAL STATEMENTS

Note 2. Cash, Cash Equivalents and Investments (Continued)

	Length	Percent
Prime Quality Commercial Paper	270 days or less	35%
High Quality Corporate Notes	24 months or less	50%
Certificates representing ownership in treasury bond principal	24 months or less	50%
LGIP	N/A	100%
SNAP	N/A	N/A
Negotiable CD's and negotiable bank deposit notes	24 months or less	25%

At June 30, 2005, the VRE had investments of \$5,576,822 in the LGIP. The LGIP is a professionally managed money market fund that invests in qualifying obligations and securities as permitted by Virginia Statutes. Pursuant to Section 2.2-4605 of the *Code of Virginia*, the Treasury Board of the Commonwealth sponsors the LGIP and has delegated certain functions to the State Treasurer. The LGIP reports to the Treasury Board at the Board's regularly scheduled monthly meetings. The fair value of the position of the LGIP is the same as the value of the pool shares, i.e., the LGIP maintains a stable net asset value of \$1 per share. The LGIP has been assigned an "AAAm" rating by Standard & Pools.

The Commonwealth of Virginia Department of Treasury manages the VRE Insurance Trust. State statutes govern the portion of assets invested in the Commonwealth's pooled accounts, while the remainder is invested by an external portfolio manager. At June 30, 2005, VRE had \$12,439,017 invested in the Insurance Trust.

Unexpended lease proceeds for the fare collection system and the purchase of additional railcars in the recorded amounts at June 30, 2005 of \$123,925 and \$22,568,328, respectively, were invested in various U.S. Treasury money market accounts with J.P. Morgan and SunTrust Bank. Accumulated bond interest and principal payments in the amount of \$6,873,135 at June 30, 2005 were held by the bond trustee, SunTrust Bank, in U.S. Treasury money market accounts. Investments in U. S. Treasury money market accounts held with SunTrust Bank has been assigned an "AAAm" rating by Standard & Pools.

VIRGINIA RAILWAY EXPRESS

NOTES TO FINANCIAL STATEMENTS

Note 2. Cash, Cash Equivalents and Investments (Continued)

As of June 30, 2005, the carrying values and maturity of VRE's investments were as follows:

Investment Type	Fair Value	Maturities Less than 1 Year
LGIP	\$ 5,576,822	\$ 5,576,822
Insurance trust fund	12,439,017	12,439,017
Money market funds	29,565,388	29,565,388
Total investments	<u>47,581,227</u>	<u>47,581,227</u>
Total deposits	675,912	675,912
Total deposits and investments	<u>\$ 48,257,139</u>	<u>\$ 48,257,139</u>

Custodial Credit Risk

VRE does not have any uninsured and unregistered investments held by a counterparty's agent or its safekeeping department but not in VRE's name.

Concentration of Credit Risk

VRE does not have an investment in any one issuer that is in excess of five percent of total investments (excluding U.S. government debt, debt explicitly guaranteed by the U.S. government, and pooled investments such as mutual funds or external investment pools).

VIRGINIA RAILWAY EXPRESS

NOTES TO FINANCIAL STATEMENTS

Note 3. Capital Assets

Capital asset activity for the year ended June 30, 2005 was as follows:

	Beginning Balance	Increases	(Deletions) Reclassifications	Ending Balance
Capital assets not being depreciated:				
Construction in progress	\$ 21,221,222	\$ 17,878,084	\$ (7,647,565)	\$ 31,451,741
Capital assets being depreciated:				
Rolling stock	82,669,253	-	(20,715,435)	61,953,818
Vehicles	22,882	22,668	-	45,550
Facilities	37,208,822	3,106	4,204,261	41,416,189
Track and signal improvements	27,628,930	-	-	27,628,930
Equipment	4,676,483	185,618	-	4,862,101
Equity in local properties	4,998,368	-	-	4,998,368
Office furniture and equipment	2,262,817	9,650	-	2,272,467
Total capital assets being depreciated	159,467,555	221,042	(16,511,174)	143,177,423
Less accumulated depreciation for:				
Rolling stock	27,119,918	4,179,215	(6,920,256)	24,378,877
Vehicles	2,288	4,576	-	6,864
Facilities	9,160,225	880,284	-	10,040,509
Track and signal improvements	4,121,334	867,962	-	4,989,296
Equipment	2,597,455	602,317	-	3,199,772
Equity in local properties	1,675,770	75,993	-	1,751,763
Office furniture and equipment	669,399	89,062	-	758,461
Total accumulated depreciation	45,346,389	6,699,409	(6,920,256)	45,125,542
Total capital assets being depreciated, net	114,121,166	(6,478,367)	(9,590,918)	98,051,881
Totals	\$ 135,342,388	\$ 11,399,717	\$ (17,238,483)	\$ 129,503,622

Note 4. Related Parties Transactions

VRE reimburses the Commissions for expenditures made on behalf of VRE. During 2005 and 2004, these payments included \$2,842,657 and \$2,747,743 of salary-related costs and \$8,762 and \$42,408 of administrative costs, respectively, which are functionally classified with similar payments made directly to vendors and contractors. In addition, VRE pays the Commissions for direct labor and associated indirect costs incurred for services rendered under budgeted activities for VRE. These staff support payments totaled \$90,000 and \$91,574 to NVTC and \$161,753 and \$187,758 to PRTC during 2005 and 2004, respectively.

VRE also contracts with PRTC for connecting bus service to selected stations on an as needed basis. PRTC bus service costs amounted to approximately \$1,173 and \$1,970 in 2005 and 2004, respectively. Amounts payable to NVTC and PRTC were \$16,269 and \$581,952 at June 30, 2005 and \$7,870 and \$511,767, respectively at June 30 2004.

VIRGINIA RAILWAY EXPRESS

NOTES TO FINANCIAL STATEMENTS

Note 5. Defined Benefit Pension Plan

A. Plan Description

Name of Plan: Virginia Retirement System (VRS)
Identification of Plan: Agent and Cost-Sharing Multiple-Employer Defined Benefit Pension Plan
Administering Entity: Virginia Retirement System (System)

All full-time, permanent employees of VRE participate in the VRS through the PRTC. Benefits vest after five years of service. Employees are eligible for an unreduced retirement benefit at age 65 with five years of service or at age 50 with at least 30 years of service, if elected by the employer, payable monthly for life in an amount equal to 1.7 percent of their average final compensation (AFC) for each year of credited service. AFC is defined as the highest consecutive 36 months of reported compensation. Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. In addition, retirees qualify for annual cost of living increases limited to 5% per year beginning in their second year of retirement. VRS also provides death and disability benefits. Title 51.1 of the *Code of Virginia* (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The System issues a publicly available comprehensive annual financial report that included financial statements and required supplementary information for VRS. A copy of that report may be downloaded from their website at <http://www.varetire.org/Pdf/2004AnnuRept.pdf> or obtained by writing to the System at P.O. Box 2500, Richmond, VA, 23218-2500.

B. Funding Policy

Plan members are required by title 51.1 of the *Code of Virginia* (1950), as amended, to contribute 5% of their annual reported compensation to the VRS. VRE has assumed this 5% member contribution. In addition, VRE is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the *Code of Virginia* and approved by the VRS Board of Trustees.

VRE's contribution rate for fiscal year 2005 was 11.5% of annual covered payroll, inclusive of the 5% member contribution.

VIRGINIA RAILWAY EXPRESS

NOTES TO FINANCIAL STATEMENTS

Note 5. Defined Benefit Pension Plan (Continued)

C. Annual Pension Cost

For fiscal year 2005, VRE's annual pension cost of \$244,529 was equal to VRE's required and actual contributions. The required contribution was determined as part of the June 30, 2003 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 8% investment rate of return (b) projected salary increases ranging from 4% to 7% per year, and (c) 3% per year cost of living adjustments. Both (a) and (b) included an inflation component of 3%. The actuarial value of the PRTC's assets exceeds modified market value of the assets (VRE's assets are not separated from PRTC's). This method uses techniques that smooth the effects of short term volatility in the market value of assets over a five year period. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis within a period of 30 years or less.

VRE's payroll for the employees covered by the VRS for the years ended June 30, 2005 and 2004 was \$2,207,029 and \$2,107,310 respectively.

Note 6. Operating Leases and Agreements

Operating Access Agreements with the CSX and Norfolk Southern provide the Commissions the right to use tracks owned by the railroads in the provision of commuter rail passenger service. These agreements require the Commissions to pay the railroads a monthly base fee and to reimburse the railroads for any incremental cost incurred by the railroads as a result of providing commuter rail service. During 2005 and 2004, annual track usage fees totaled approximately \$5,116,536 and \$5,268,140 respectively, and facility and other identified costs totaled \$423,207 and \$393,094, respectively.

Under the Purchase of Services Agreement, Amtrak operates and maintains the VRE service and rolling stock, and permits the Commissions to use its terminal, station, and equipment maintenance facilities at Union Station, Washington, D.C. Actual costs of these services, which are based on annual budgets prepared in advance by Amtrak, amounted to \$15,670,663 in 2005 and \$15,269,724 in 2004. During July 2005, an amended agreement was signed that extended the agreement until July 1, 2010, effective July 1, 2005.

VRE has entered into a series of operating leases with Sound Transit for bi-level rail cars and locomotives. At June 30, 2005, six rail cars had been returned to Sound Transit, leaving twelve rail cars and two locomotives still under lease. An additional rail car was returned in July 2005. Prior to the return of the seven cars, the leases provided for monthly payments in the amount of \$142,892, adjusted annually by the urban CPI. After the return of the cars, the monthly lease amount dropped to \$95,440. The remaining leases are subject to termination upon 120 days notice.

VIRGINIA RAILWAY EXPRESS

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-Term Debt Obligations

The following is a summary of long-term liability activity for the year ended June 30, 2005:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Revenue Bonds	\$ 74,315,000	\$ -	\$ (4,775,000)	\$ 69,540,000	\$ 5,010,000
Capital Leases	2,018,938	25,100,000	(365,987)	26,752,951	1,175,727
Note Payable	780,000	-	(60,000)	720,000	60,000
	77,113,938	25,100,000	(5,200,987)	97,012,951	6,245,727
Compensated Absences	174,551	43,726	-	218,277	218,277
	<u>\$ 77,288,489</u>	<u>\$ 25,143,726</u>	<u>\$ (5,200,987)</u>	<u>\$ 97,231,228</u>	<u>\$ 6,464,004</u>

Revenue Bonds:

\$37,625,000 Commuter Rail Revenue Refunding Bonds, series 1993; due in annual maturities of \$3,950,000 to \$5,065,000 through July 2010, plus semi-annual interest at 4.9% to 5.25%	\$ 26,895,000
\$23,000,000 Commuter Rail Revenue Bonds, series 1997; due in annual maturities of \$955,000 to \$2,115,000 through July 2017, plus semi-annual interest at 4.7% to 6.0%	17,645,000
\$31,700,000 Commuter Rail Revenue Refunding Bonds, series 1998; due in annual maturities of \$105,000 to \$6,555,000 through July 1, 2014, plus semi-annual interest at 4.3% to 5.375%	<u>25,000,000</u>
	69,540,000
Plus (less) unamortized:	
Deferred loss	(1,885,292)
Discount	(154,913)
(Premiums)	<u>554,040</u>
Total bonded debt, net	<u>\$ 68,053,835</u>

The 1993, 1997 and 1998 Series Bonds are payable from a pledge of revenues attributable to VRE, including government grants, local jurisdictional contributions and passenger revenue. A financial guaranty bond guarantees payments of each bond series. Mandatory debt service requirements consist of the following:

Years Ended June 30,	Principal	Interest	Total Required
2006	\$ 5,010,000	\$ 3,550,539	\$ 8,560,539
2007	5,255,000	3,296,729	8,551,729
2008	5,520,000	3,027,016	8,547,016
2009	5,795,000	2,731,522	8,526,522
2010	6,105,000	2,411,369	8,516,369
2011-2015	35,825,000	6,622,227	42,447,227
2016-2018	6,030,000	499,770	6,529,770
	<u>\$ 69,540,000</u>	<u>\$ 22,139,172</u>	<u>\$ 91,679,172</u>

VIRGINIA RAILWAY EXPRESS

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-Term Debt Obligations (Continued)

Deferred bond costs, consisting of bond issuance costs and insurance premiums are shown net of accumulated amortization. These costs are amortized on a straight-line basis over the life of the bonds. Amortization of deferred bond costs, approximating \$56,982, is included in interest expense in 2005 and 2004.

The Indentures of Trust for the 1997 Commuter Rail Revenue Bonds required VRE to maintain a debt service reserve. During fiscal year 2000, VRE purchased a surety in substitution of the debt service reserve fund, releasing the proceeds from the reserve. The Indentures of Trust for the 1997 issue also require the maintenance of an operating reserve equivalent to one-third (33.3%) of annual budgeted operating expenses. As of June 30, 2005 and 2004, VRE designated \$26,052,674 and \$15,916,621 respectively of its cash, the restricted bond interest and principal funds, inventory and receivables as this operating reserve. The reserves represented 73.9% and 51.6% of budgeted operating expenses for June 30, 2005 and 2004, respectively.

Funds are invested by the Trustee pursuant to the Indentures of Trust and are classified as restricted. Funds held by the Trustee as of June 30, 2005 and 2004, are as follows:

	2005	2004
Bond Interest Fund	\$ 1,848,451	\$ 1,968,456
Bond Principal Fund	5,024,684	4,887,991
Total Held by Trustee	<u>\$ 6,873,135</u>	<u>\$ 6,856,447</u>

Capitalized leases:

\$2,717,409 capitalized lease obligation due \$39,347 monthly, interest at 5.73%, maturing in 2009, collateralized with a fare collection system with a carrying value of \$1,549,249	<u>\$ 1,652,951</u>
---	---------------------

Future minimum lease payments as of June 30, 2005 are as follows:

Year	Amount
2006	\$ 472,160
2007	472,160
2008	472,160
2009	<u>432,813</u>
Total minimum lease payments	1,849,293
Lease amount representing interest	<u>196,342</u>
Present value of lease payments	<u>\$ 1,652,951</u>

Capitalized Lease-Gallery IV

\$25,100,000 capitalized lease obligation due \$965,679 semi-annually, interest at 4.59%, maturing in 2025, collateralized with Gallery IV cars. First payment will be in November 2005	<u>\$25,100,000</u>
---	---------------------

VIRGINIA RAILWAY EXPRESS

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-Term Debt Obligations (Continued)

Future minimum lease payments as of June 30, 2005 are as follows:

Year	Amount
2006	\$ 1,931,357
2007	1,931,357
2008	1,931,357
2009	1,931,357
2010	1,931,357
2011-2015	9,656,785
2016-2020	9,656,785
2021-2025	9,656,785
Total minimum lease payments	38,627,140
Lease amount representing interest	13,527,140
Present value of lease payments	<u>\$ 25,100,000</u>

Note Payable:

In June 2002, VRE entered into a borrowing with SunTrust Bank in the amount of \$900,000 to refinance a previous borrowing used to purchase the VRE offices. This note carries a repayment schedule of 15 years, with the terms of the note subject to revision June 2007. The current note is secured by the office condominium and bears interest at 68% of the one-month LIBOR plus 47 basis points. Principal of \$5,000 plus interest is payable monthly. The interest rate at June 30, 2005 was 2.605%. During fiscal year 2005, VRE paid \$60,000 in principal and \$15,181 in interest.

Note 8. Short-Term Debt

VRE uses a revolving line of credit to finance certain grant-funded capital projects prior to the receipt of reimbursements from the granting agencies. The revolving line of credit was not used during the year ended June 30, 2005.

Note 9. Liability Insurance Plan

The Virginia Department of Treasury, Division of Risk Management has established the terms of VRE's Commuter Rail Operations Liability Plan (the Insurance Plan). The Insurance Plan consists of a combination of self-insurance reserves and purchased insurance in amounts actuarially determined to meet the indemnification requirements of the Operating Access Agreements and the Purchase of Services Agreement. The Commissions indemnify each of the railroads in an amount up to \$250,000,000 for any claims against persons or property associated with commuter rail operations.

VIRGINIA RAILWAY EXPRESS

NOTES TO FINANCIAL STATEMENTS

Note 9. Liability Insurance Plan (Continued)

Division of Risk Management manages the Insurance Trust Fund pursuant to provisions of the Insurance Plan. In fiscal year 2005, approximately one-half of plan assets were invested in the Department of Treasury common pool, and the remainder were invested in a portfolio managed by external financial consultants. Activity in the Insurance Trust Fund for the years ended June 30, 2005 and 2004 was as follows:

	2005	2004
Beginning Balance, July 1	\$ 15,290,158	\$ 17,648,836
Insurance premiums paid	(3,412,960)	(2,961,485)
Claims mitigation costs and losses incurred	-	(116,982)
Investment income	688,816	837,583
Actuarial and administrative charges	(126,997)	(117,794)
Ending Balance, June 30	<u>\$ 12,439,017</u>	<u>\$ 15,290,158</u>

An actuarial study is performed annually to determine the adequacy of the Insurance Trust Fund for the risk retained and to determine the required contribution to reserves.

Note 10. Contingencies and Contractual Commitments

At June 30, 2005, there were disputes between the VRE and certain vendors. The amount of any settlements, should they occur, are not determinable at this time. However, such amounts are not expected to be material in relation to the recorded amounts.

The Commissions have outstanding commitments for construction of facilities and equipment. A combination of Federal and Commonwealth of Virginia grants will be used to finance these capital projects. The following is a summary of the more significant contractual commitments, net of expenditures incurred as of June 30, 2005:

Station and parking lots	\$ 648,474
Railcars	22,343,900
Maintenance and layover yards	1,299,249
Track and signal improvements	12,098,632
Other administrative	<u>841,816</u>
	<u>\$ 37,232,071</u>

VIRGINIA RAILWAY EXPRESS

NOTES TO FINANCIAL STATEMENTS

Note 11. Pending GASB Statements

At June 30, 2005, the Governmental Accounting Standards Board (GASB) had issued several statements not yet implemented by the Commissions. The statements which might impact the Commissions are as follows:

GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries* requires evaluation and reporting the effects of capital asset impairments and insurance recoveries when they occur. The provisions of Statement No. 42 will be effective for fiscal years beginning after December 15, 2004.

GASB Statement No. 44, *Economic Condition Reporting: the Statistical Section, an amendment of NCGA Statement No. 1*, clarifies and establishes objectives of the statistical section and its five categories of information: financial trends, revenue capacity, debt capacity, demographic and economic, and operating.

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and required supplemental information. Statement No. 45 will be effective for periods beginning after December 15, 2008.

GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation*, establishes and modifies requirements related to restrictions of net assets resulting from enabling legislation. Statement No. 46 will be effective for periods beginning after June 15, 2005.

GASB Statement No. 47, *Accounting for Termination Benefits*, establishes accounting standards for termination benefits offered by an employer to employees to hasten an employee's voluntary termination of services, sometimes referred to as early-retirement incentives. Statement No. 47 will be effective for financial statements for periods beginning after June 15, 2005.

Statistical Section



Virginia Railway Express

Expenses by Function

Last Ten Fiscal Years

Fiscal Year	Contract Operations and Maintenance	Other Operations and Maintenance	Property Leases and Access fees	Insurance	Marketing and Sales	General and Administrative	Depreciation	Financing and other Nonoperating Costs	Totals
1996	\$ 8,327,348	\$ 1,757,034	\$ 3,106,246	\$ 2,013,759	\$ 701,502	\$ 1,694,394	\$ 3,964,793	\$ 4,840,251	\$ 26,405,327
1997	9,069,346	1,989,717	3,499,324	1,842,283	719,874	1,678,625	4,475,630	4,658,821	27,933,620
1998	9,238,341	2,129,560	3,403,352	942,196	719,689	2,036,545	4,697,006	5,868,344	29,035,033
1999	9,426,764	2,468,107	3,841,159	1,662,073	781,955	2,011,298	4,358,362	5,482,403	30,032,121
2000	10,861,997	2,927,389	4,451,130	1,596,382	942,040	2,804,978	4,556,921	5,586,847	33,727,684
2001	11,340,419	4,301,643	5,046,537	1,049,905	1,073,257	3,402,105	5,246,347	5,113,403	36,573,616
2002	12,188,085	4,558,318	6,308,712	1,340,527	1,549,752	4,496,015	5,261,679	6,250,481	41,953,569
2003	13,095,504	4,741,041	7,307,905	2,429,993	1,482,131	5,462,768	5,837,560	3,960,846	44,317,748
2004	14,212,476	5,466,313	8,163,632	3,275,081	1,279,549	5,041,238	6,595,698	4,323,776	48,357,763
2005	14,144,414	7,928,107	8,769,866	3,533,503	1,302,527	5,282,641	6,699,409	4,257,178	51,917,645

Source: VRE Department of Finance

Virginia Railway Express

Revenues by Source Last Ten Fiscal Years

Fiscal Year	Passenger		Equipment		Subsidies and Grants			Interest	Totals
	Revenue	Rentals & Other	Commonwealth	Federal	Local and Other				
1996	\$ 8,519,735	\$ 760,851	\$ 5,898,628	\$ 7,487,174	\$ 6,370,767	\$ 2,097,496	\$ 31,134,651		
1997	7,650,245	778,798	6,485,430	9,311,521	5,752,891	2,117,111	32,095,996		
1998	6,475,680	172,326	6,538,183	10,146,384	5,752,889	3,120,338	32,205,800		
1999	7,526,837	140,822	6,323,508	8,469,164	5,752,890	2,803,056	31,016,277		
2000	8,761,919	363,972	8,823,209	16,622,941	6,238,306	2,181,406	42,991,753		
2001	10,358,348	130,110	11,984,626	21,157,431	7,090,662	1,904,672	52,625,849		
2002	12,753,214	206,796	13,281,956	16,224,151	6,452,265	1,417,195	50,335,577		
2003	15,048,262	292,086	11,152,320	15,766,058	6,210,039	1,259,476	49,728,241		
2004	16,929,629	188,256	11,691,385	12,916,210	9,496,209	881,973	52,103,662		
2005	19,452,162	121,373	11,391,168	17,948,799	6,619,147	953,564	56,486,213		

Source: VRE Department of Finance

Virginia Railway Express

Ridership Last Ten Fiscal Years

Fiscal Year	Total Ridership
1996	1,875,411
1997	1,751,210
1998	1,502,845
1999	1,741,922
2000	2,032,147
2001	2,437,995
2002	2,783,260
2003	3,282,722
2004	3,517,154
2005	3,756,453

Virginia Railway Express

Miscellaneous Statistics

Began Operation:	Fredericksburg Line	June 1, 1992
	Manassas Line	July 1, 1992
Number of Stations		18
Rolling Stock: ⁽¹⁾		
	Locomotives	20
	Rail Cars	112
Employees		34
Average Daily Ridership, 2005		15,086
Parking Spaces		6,081

⁽¹⁾ Rolling stock owned and leased as of June 30, 2005.

Compliance Section





Mensel D. Dean
Gregory W. Geisert
Herman W. Hale
John L. Vincie, III
Keith L. Wampler
Daniel B. Martin
Sean R. O'Connell

Kevin D. Humphries
Bradford R. Jones
Virginia B. Miller
John E. Zigler, Jr
Michael T. Kennison
Michael A. Garber
Donald W. Knotts

**INDEPENDENT AUDITORS' REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Commissioners
The Northern Virginia Transportation Commission
The Potomac and Rappahannock Transportation Commission

We have audited the basic financial statements of the Virginia Railway Express as of and for the year ended June 30, 2005, and have issued our report thereon dated October 28, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Virginia Railway Express' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Virginia Railway Express' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions and specifications was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Commissioners, the Auditor of Public Accounts, and other Federal and state agencies and is not intended to be and should not be used by anyone other than those specified parties.

PBGH, LLP

Harrisonburg, Virginia
October 28, 2005

Increased Task Order for General Fleet Maintenance.

The VRE Operations Board recommends approval of Resolution #2012. This resolution authorizes VRE's CEO to amend a task order with STV, Inc. for general fleet maintenance by \$768,890. Amtrak has delayed issuing a Request for Proposals for fleet maintenance at VRE's Virginia yards and STV must continue to perform the work. This request will provide funding through July 31, 2006 from VRE's approved operating budgets.



RESOLUTION #2012

SUBJECT: Increased Task Order for General Fleet Maintenance.

WHEREAS: STV, Inc. currently performs the maintenance, periodic inspections and repairs in the Virginia yards on all of VRE's Gallery cars and other equipment; and

WHEREAS: Amtrak was scheduled to assume those duties through a sub-contractor by the summer of 2005 but has been delayed.

NOW, THEREFORE, BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to amend a task order with STV, Inc. for general fleet maintenance by \$768,890, for a total task order value of \$2, 072, 103, to provide funding through July 31, 2006.

Approved this 9th day of February, 2006.

Gerald Connolly
Chairman

William Euille
Secretary-Treasurer





Virginia Railway Express Operations Board

1500 King Street • Suite 202 • Alexandria, Virginia 22314-2730 • (703) 684-1001 • FAX (703) 684-1313
Web Site: <http://www.vre.org> • E-Mail: gotrains@vre.org

AGENDA ITEM 9-E ACTION ITEM

TO: CHAIRMAN CADDIGAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: JANUARY 20, 2006

RE: AUTHORIZATION TO INCREASE TASK ORDER FOR GENERAL FLEET MAINTENANCE

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Chief Executive Officer to amend a task order with STV, Inc. for general fleet maintenance by \$768,890 for a total task order value of \$2,072,103.

BACKGROUND:

On November 19, 2004, the Operations Board authorized a task order to STV for \$533,720 general fleet maintenance work performed in VRE's Virginia yards between January 1, 2005, and July 31, 2005. This task order scope and schedule was based on Amtrak's intent to have their own sub-contractor performing maintenance functions by this past summer. Due to a delay in Amtrak publishing the RFP and subsequently awarding a maintenance contract, VRE staff returned to the Operations Board in June of 2005 to request an additional \$732,851 to allow continued maintenance through December 31, 2005.

Amtrak has still not published a Request for Proposals for this work and VRE must subsequently continue contracting with STV for these services for the foreseeable future. The requested task order increase will allow STV to perform the maintenance, periodic inspections and repairs on all of its Gallery cars and several other railcars through July 31, 2006.



AGENDA ITEM #5

MEMORANDUM

TO: Chairman Connolly and NVTC Commissioners
FROM: Scott Kalkwarf and Colethia Quarles
DATE: February 2, 2006
SUBJECT: NVTC Financial Reports for December, 2005.

The reports are attached for your information.



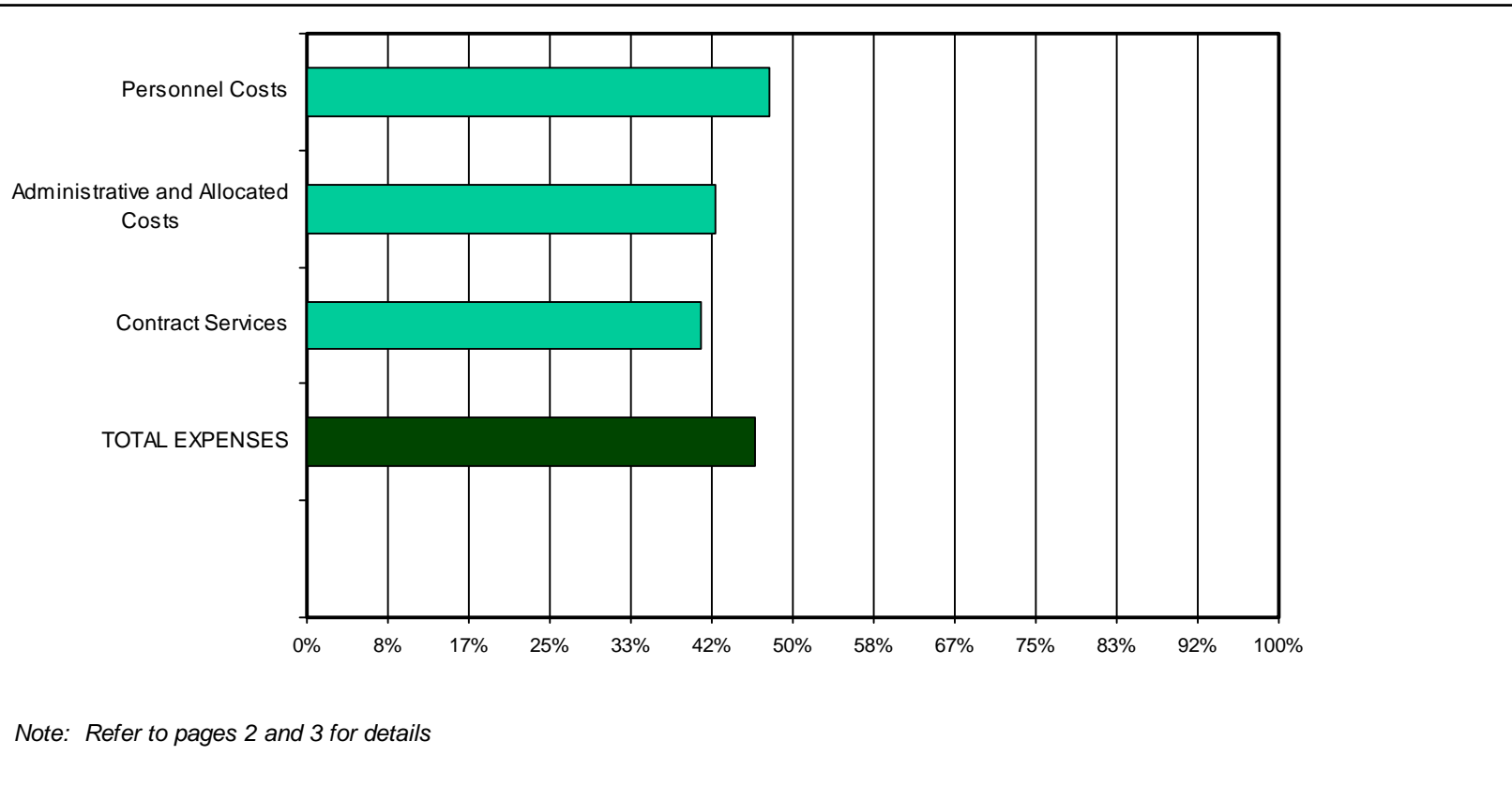
4350 N. Fairfax Drive • Suite 720 • Arlington, Virginia 22203
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E-mail nvtc@nvtc.org • Website www.thinkoutsidethecar.org

Northern Virginia Transportation Commission

Financial Reports

December, 2005

Percentage of FY 2006 NVTC Administrative Budget Used
December, 2005
(Target 50% or less)



NORTHERN VIRGINIA TRANSPORTATION COMMISSION
G&A BUDGET VARIANCE REPORT
December, 2005

	<u>Current Month</u>	<u>Year To Date</u>	<u>Annual Budget</u>	<u>Balance Available</u>	<u>Balance %</u>
<u>Personnel Costs</u>					
Salaries	\$ 45,681.44	\$ 314,985.88	\$ 612,384.00	\$ 297,398.12	48.6%
Temporary Employee Services	-	-	1,000.00	1,000.00	100.0%
Total Personnel Costs	45,681.44	314,985.88	613,384.00	298,398.12	48.6%
<u>Benefits</u>					
Employer's Contributions:					
FICA	2,950.26	20,034.83	40,869.00	20,834.17	51.0%
Group Health Insurance	2,567.63	20,158.12	92,749.00	72,590.88	78.3%
Retirement	5,460.75	24,914.50	48,800.00	23,885.50	48.9%
Workmans & Unemployment Compensation	-	885.00	3,000.00	2,115.00	70.5%
Life Insurance	273.72	1,655.01	3,150.00	1,494.99	47.5%
Long Term Disability Insurance	271.37	1,536.09	3,902.00	2,365.91	60.6%
Total Benefit Costs	11,523.73	69,183.55	192,470.00	123,286.45	64.1%
<u>Administrative Costs</u>					
Commissioners Per Diem	1,250.00	6,300.00	13,800.00	7,500.00	54.3%
<i>Rents:</i>					
Office Rent	13,334.66	82,021.36	167,481.00	85,459.64	51.0%
Parking	510.00	5,315.00	10,800.00	5,485.00	50.8%
<i>Insurance:</i>					
Public Official Bonds	200.00	500.00	2,000.00	1,500.00	75.0%
Liability and Property	997.80	1,314.80	1,850.00	535.20	28.9%
<i>Travel:</i>					
Conference Registration	-	340.00	2,000.00	1,660.00	83.0%
Conference Travel	-	181.68	5,000.00	4,818.32	96.4%
Local Meetings & Related Expenses	574.70	3,867.14	12,000.00	8,132.86	67.8%
Training & Professional Development	-	135.00	4,000.00	3,865.00	96.6%
<i>Communication:</i>					
Postage	154.87	2,126.16	6,000.00	3,873.84	64.6%
Telephone - LD	97.35	596.13	1,500.00	903.87	60.3%
Telephone - Local	349.47	2,152.56	5,000.00	2,847.44	56.9%
<i>Publications & Supplies</i>					
Office Supplies	635.96	1,644.72	5,000.00	3,355.28	67.1%
Duplication	1,032.12	6,048.26	14,100.00	8,051.74	57.1%
Public Information	500.00	500.00	10,000.00	9,500.00	95.0%

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
G&A BUDGET VARIANCE REPORT
December, 2005**

	<u>Current Month</u>	<u>Year To Date</u>	<u>Annual Budget</u>	<u>Balance Available</u>	<u>Balance %</u>
<i>Operations:</i>	2,742.29	5,948.78	23,500.00	17,551.22	74.7%
Furniture and Equipment	1,595.57	1,795.56	8,000.00	6,204.44	77.6%
Repairs and Maintenance	625.00	625.00	1,000.00	375.00	37.5%
Computers	521.72	3,528.22	14,500.00	10,971.78	75.7%
 <i>Other General and Administrative</i>	 443.57	 4,142.94	 6,400.00	 2,257.06	 35.3%
Subscriptions	-	-	500.00	500.00	100.0%
Memberships	-	1,607.00	1,300.00	(307.00)	-23.6%
Fees and Miscellaneous	258.10	1,409.57	2,600.00	1,190.43	45.8%
Advertising (Personnel/Procurement)	185.47	1,126.37	2,000.00	873.63	43.7%
40th Anniversary	-	-	-	-	0
Total Administrative Costs	<u>22,312.79</u>	<u>117,819.53</u>	<u>279,631.00</u>	<u>161,811.47</u>	<u>57.9%</u>
	<u>Contracting Services</u>				
Auditing	-	8,000.00	17,700.00	9,700.00	54.8%
Consultants - Technical	-	-	1,000.00	1,000.00	100.0%
Legal	-	-	1,000.00	1,000.00	100.0%
Total Contract Services	<u>-</u>	<u>8,000.00</u>	<u>19,700.00</u>	<u>11,700.00</u>	<u>59.4%</u>
 Total Gross G&A Expenses	 <u>\$ 79,517.96</u>	 <u>\$ 509,988.96</u>	 <u>\$ 1,105,185.00</u>	 <u>\$ 595,196.04</u>	 <u>53.9%</u>

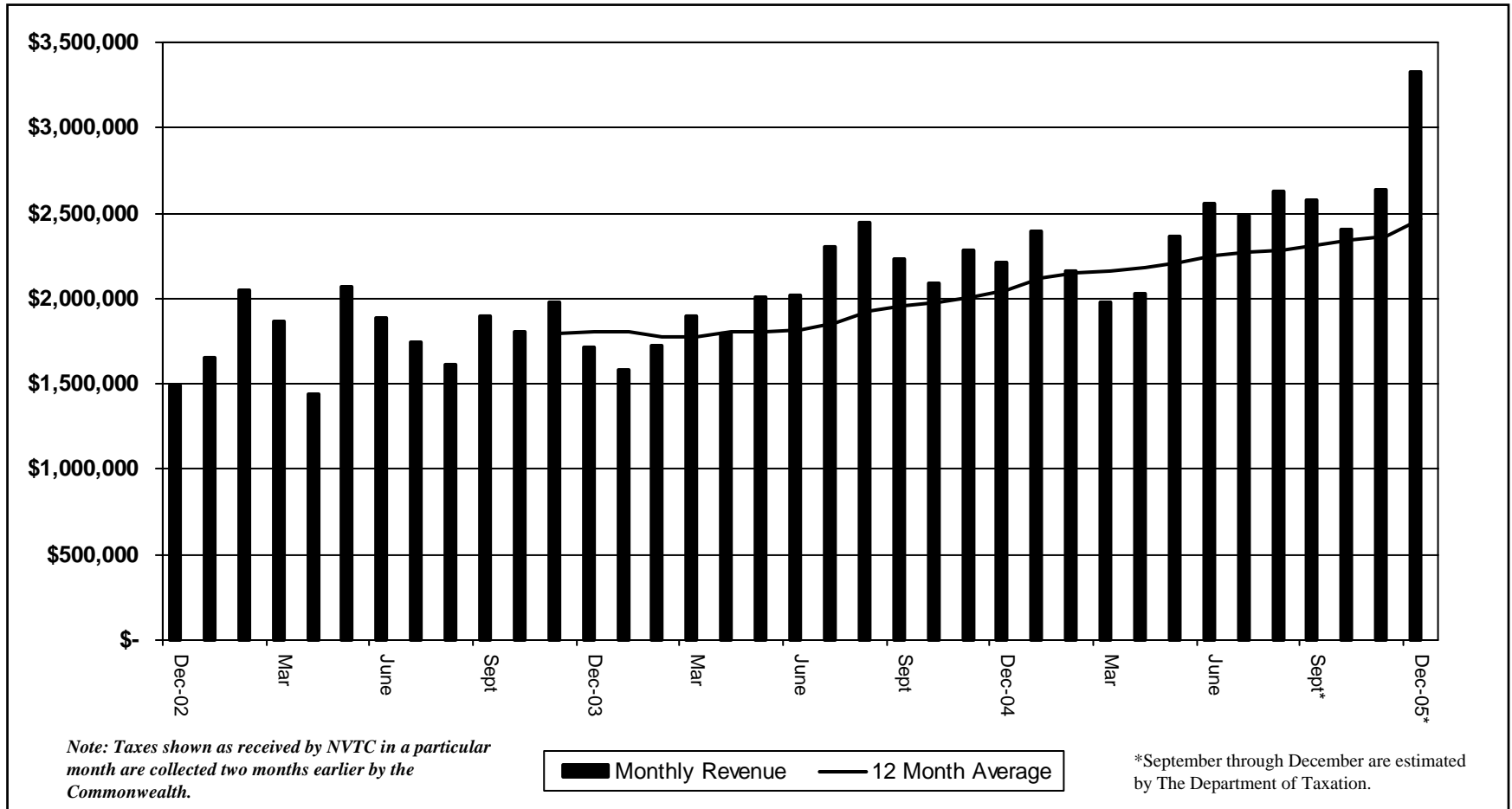
**NVTC
RECEIPTS and DISBURSEMENTS
December, 2005**

<u>Date</u>	<u>Payer/ Payee</u>	<u>Purpose</u>	<u>Wachovia (Checking)</u>	<u>Wachovia (Savings)</u>	<u>VA LGIP</u>	
					<u>G&A / Project</u>	<u>Trusts</u>
RECEIPTS						
2	VRE	Reimbursement for staff support		\$ 6,991.96		
2	Staff	Reimbursement of expenses		18.38		
5	DRPT	SmarTrip grant receipt			2,659.00	
5	DRPT	Bus Stop Shelter project grant receipt			18,477.00	
6	DRPT	Capital grant receipt				1,263,825.00
6	DRPT	Capital grant receipt				1,240,882.00
6	DRPT	SmarTrip grant receipt			1,889.00	
6	DRPT	Sr. Mobility Study grant receipt			20,178.00	
8	DRPT	Intern grant receipt			7,065.00	
19	DRPT	FTM/Admin grant receipt				5,000,604.00
19	Eagle Administration	Deposit refund		635.73		
19	Staff	Reimbursement of expenses		53.46		
20	Dept. of Taxation	Motor vehicle fuels sales tax receipt				3,326,768.48
23	City of Fairfax	G&A contribution		3,098.00		
23	DRPT	TransAction project grant receipt			58,708.00	
27	DRPT	VTA capital grant receipt				5,049,667.00
31	Banks	December investment income		271.82	2,820.77	250,290.90
			<u>-</u>	<u>11,069.35</u>	<u>111,796.77</u>	<u>16,132,037.38</u>
DISBURSEMENTS						
1-31	Various	NVTC project and administration	(85,183.13)			
2	IBI	Consulting - SmarTrip project	(13,994.08)			
2	IBI	Consulting - SmarTrip project	(9,940.16)			
5	City of Alexandria	Bus Shelter project costs incurred			(18,477.00)	
6	WBA	Consulting - Sr. Mobility project	(21,240.00)			
22	BMI-SG	Consulting - TransAction project	(58,708.41)			
22	George Hoyt	Consulting - Bus Data project	(10,594.56)			
31	Wachovia Bank	December service fees	(38.87)			
			<u>(199,699.21)</u>	<u>-</u>	<u>(18,477.00)</u>	<u>-</u>
TRANSFERS						
2	Transfer	From LGIP to checking	23,934.00		(23,934.00)	
6	Transfer	From LGIP to checking	51,000.00		(51,000.00)	
22	Transfer	From LGIP to checking	123,000.00		(123,000.00)	
			<u>197,934.00</u>	<u>-</u>	<u>(197,934.00)</u>	<u>-</u>
NET INCREASE (DECREASE) FOR MONTH			<u>\$ (1,765.21)</u>	<u>\$ 11,069.35</u>	<u>\$ (104,614.23)</u>	<u>\$ 16,132,037.38</u>

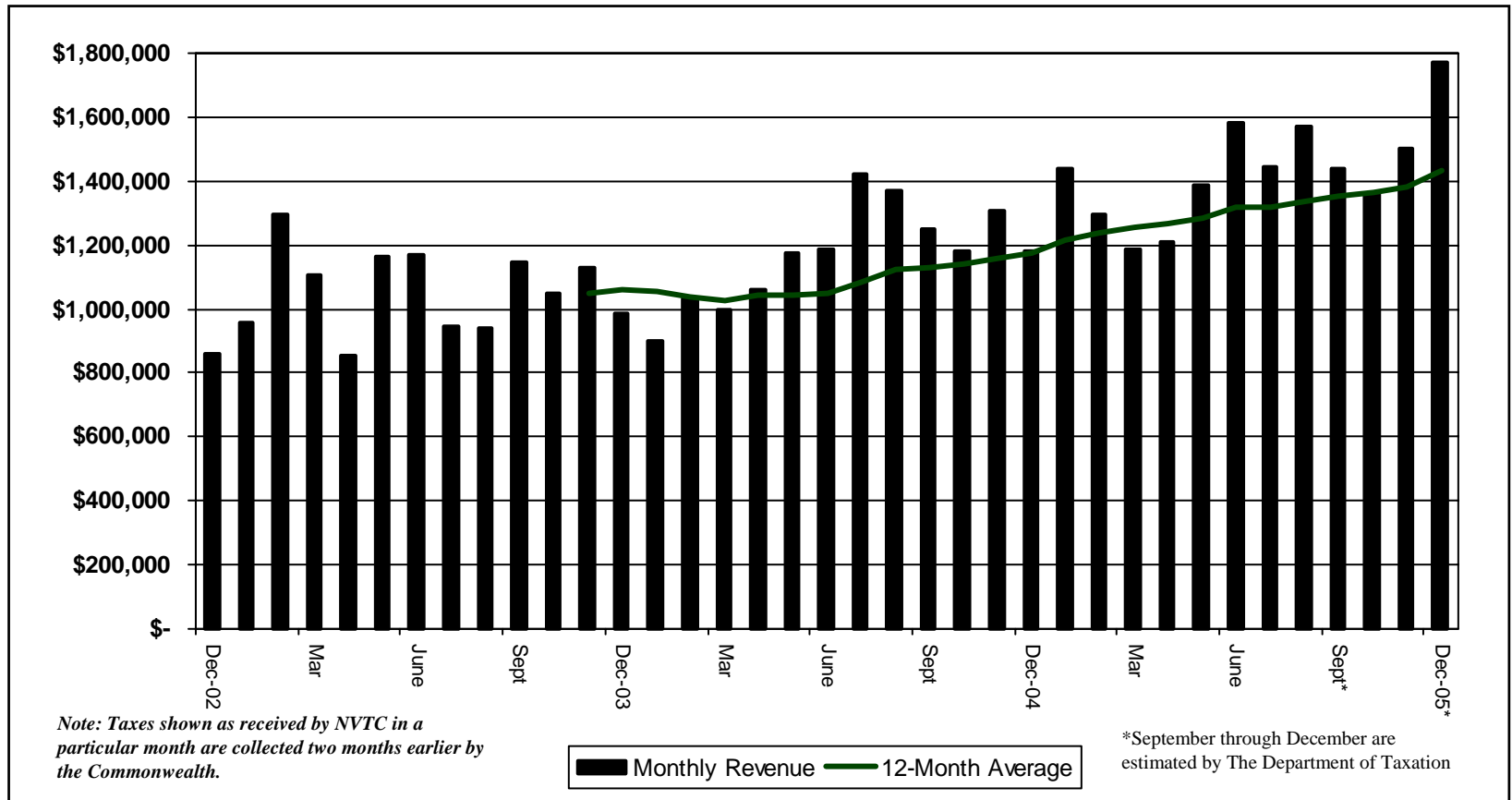
**NVTC
INVESTMENT REPORT
December, 2005**

<u>Type</u>	<u>Rate</u>	<u>Balance 11/30/2005</u>	<u>Increase (Decrease)</u>	<u>Balance 12/31/2005</u>	<u>NVTC G&A/Project</u>	<u>Jurisdictions Trust Fund</u>	<u>Loudoun Trust Fund</u>
<u>Cash Deposits</u>							
Wachovia: NVTC Checking	N/A	\$ 12,761.77	\$ (1,765.21)	\$ 10,996.56	\$ 10,996.56	\$ -	\$ -
Wachovia: NVTC Savings	3.41%	91,710.66	11,069.35	102,780.01	102,780.01	-	-
<u>Investments - State Pool</u>							
Nations Bank - LGIP	4.14%	65,591,038.58	16,027,423.15	81,618,461.73	751,793.03	61,065,105.40	19,801,563.30
		<u>\$ 65,695,511.01</u>	<u>\$ 15,932,113.06</u>	<u>\$ 81,732,238.30</u>	<u>\$ 865,569.60</u>	<u>\$ 61,065,105.40</u>	<u>\$ 19,801,563.30</u>

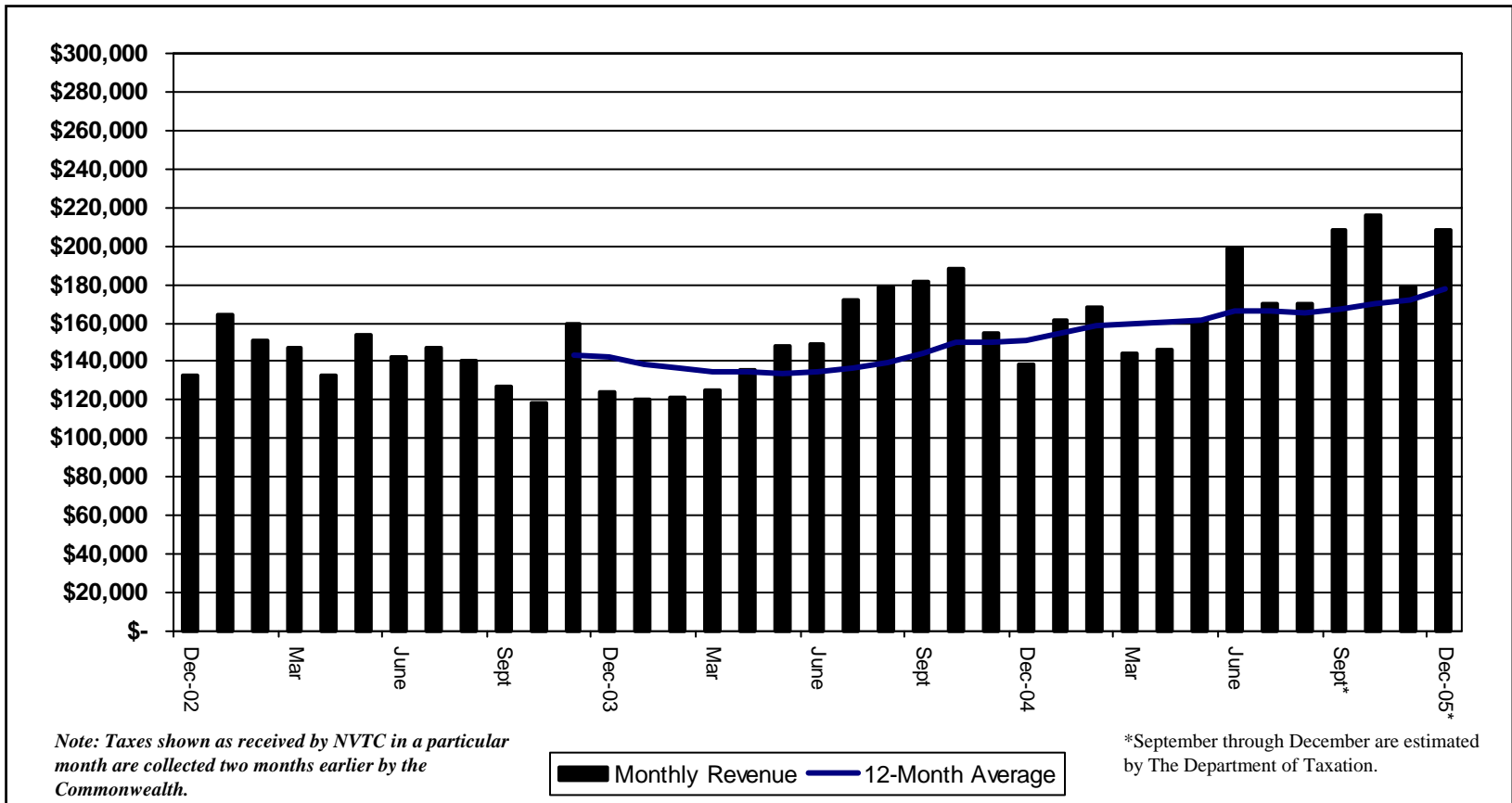
NVTC MONTHLY GAS TAX REVENUE ALL JURISDICTIONS FISCAL YEARS 2003-2006



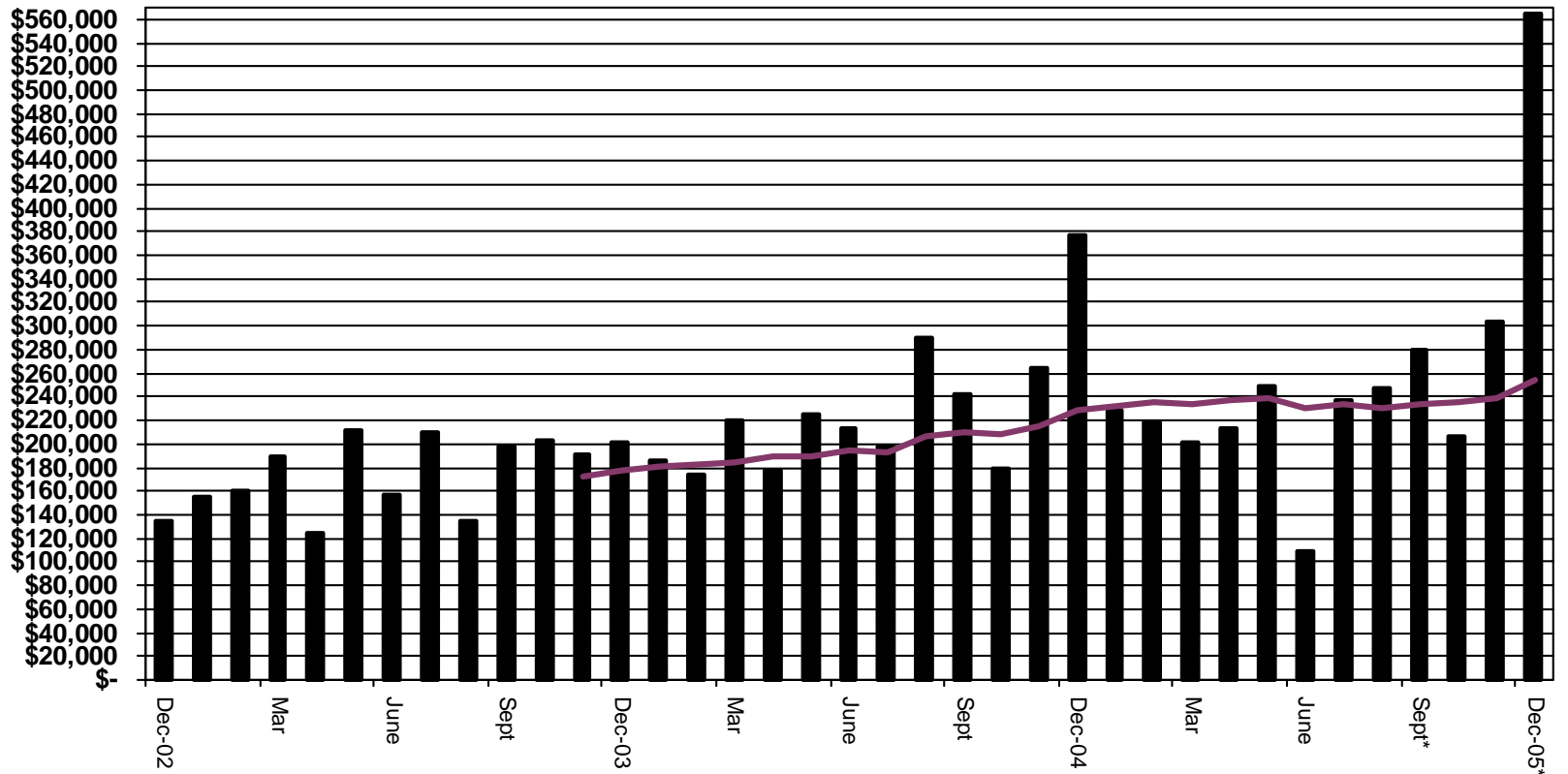
NVTC MONTHLY GAS TAX REVENUE FAIRFAX COUNTY FISCAL YEARS 2003-2006



NVTC MONTHLY GAS TAX REVENUE CITY OF ALEXANDRIA FISCAL YEARS 2003-2006



NVTC MONTHLY GAS TAX REVENUE ARLINGTON COUNTY FISCAL YEARS 2003-2006

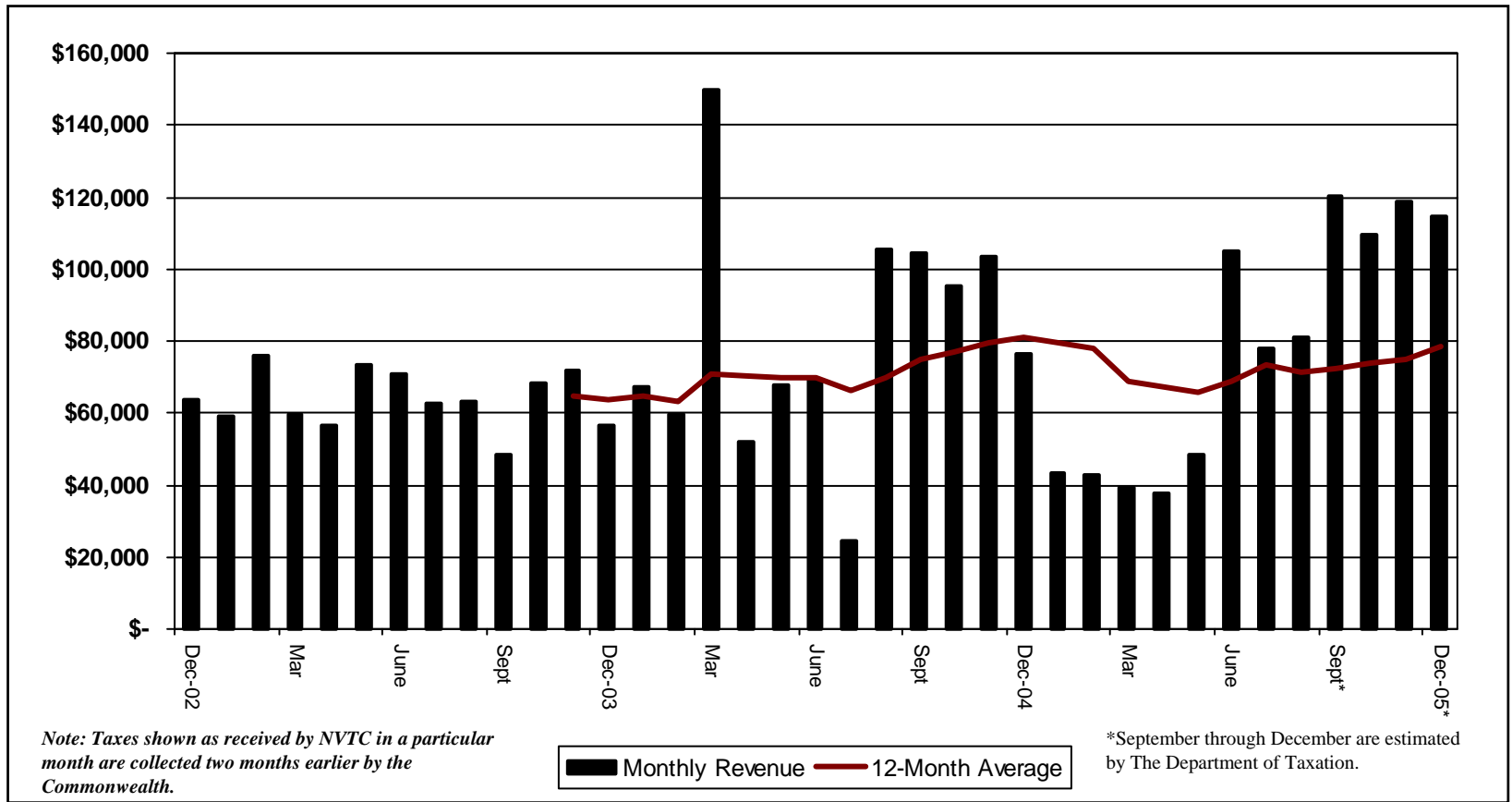


Note: Taxes shown as received by NVTC in a particular month are collected two months earlier by the Commonwealth.

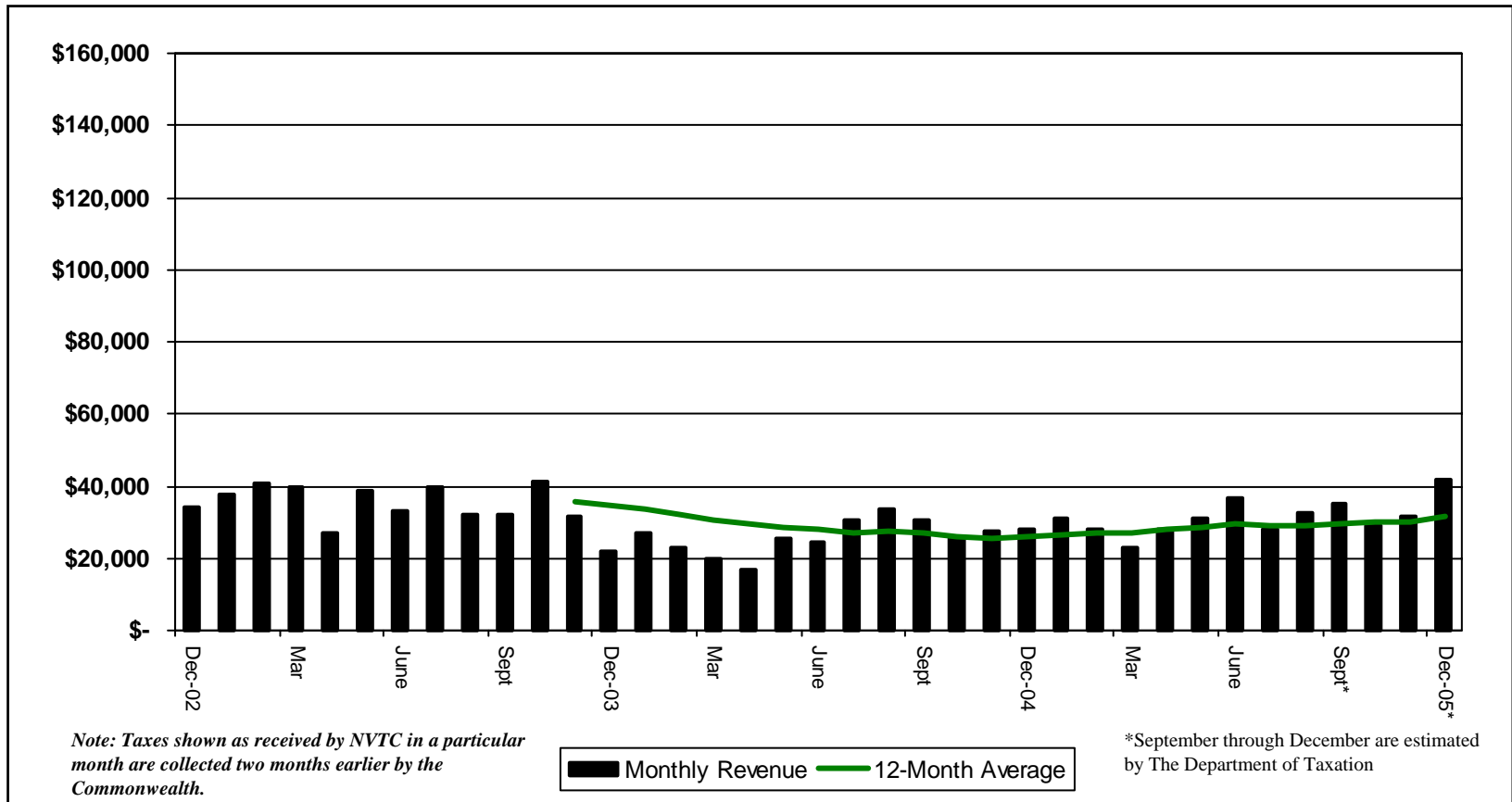
Monthly Revenue
 12-Month Average

* September through December are estimated by The Department of Taxation.

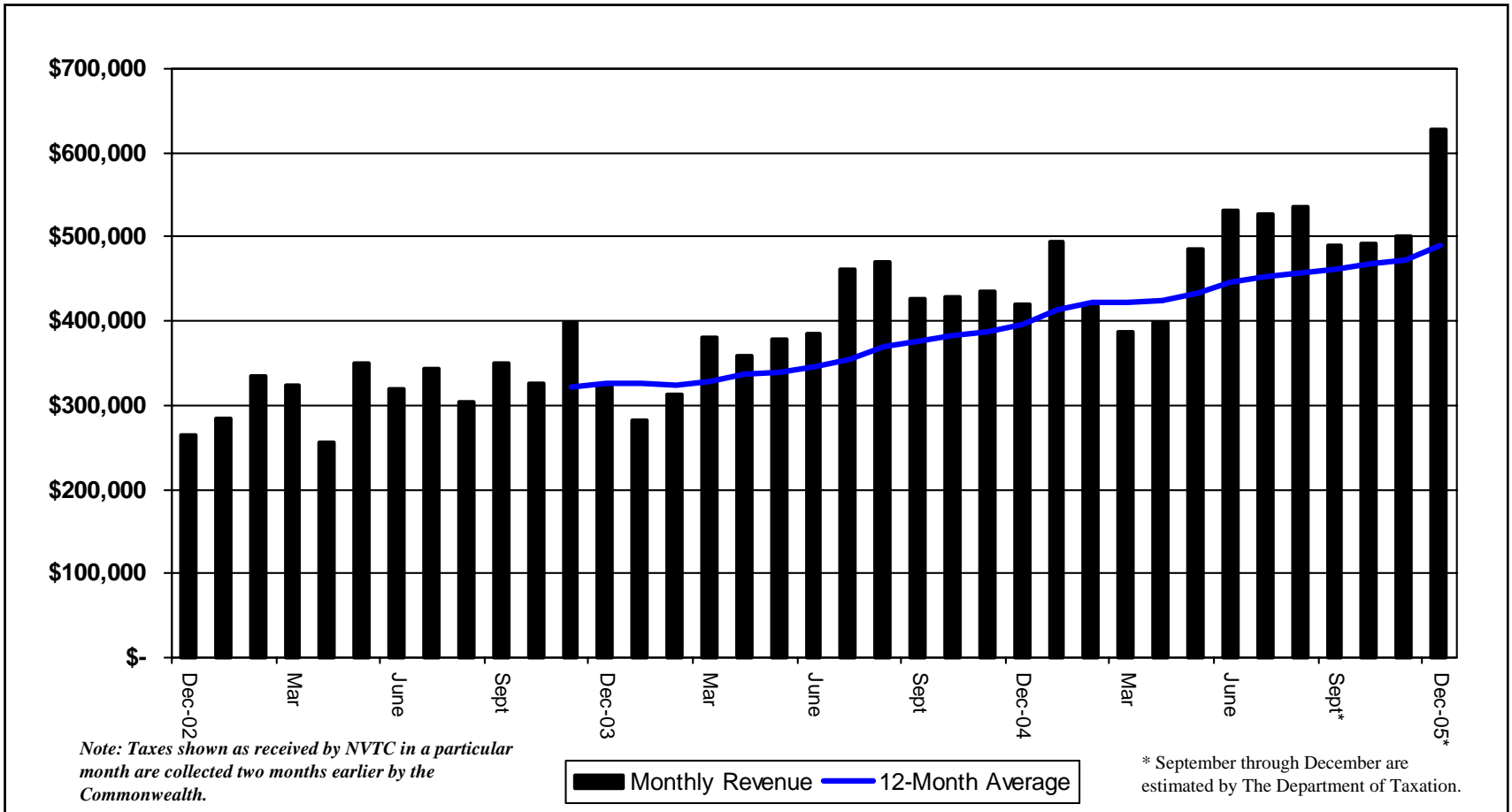
NVTC MONTHLY GAS TAX REVENUE CITY OF FAIRFAX FISCAL YEARS 2003-2006



NVTC MONTHLY GAS TAX REVENUE CITY OF FALLS CHURCH FISCAL YEARS 2003-2006



NVTC MONTHLY GAS TAX REVENUE LOUDOUN COUNTY FISCAL YEARS 2003-2006



MEMORANDUM

TO: Chairman Connolly and NVTC Commissioners
FROM: Rick Taube
DATE: February 2, 2006
SUBJECT: Legislative Items.

Staff will describe recent developments in the 2006 General Assembly session. A list of bills being tracked by NVTC and local staff is attached, together with a flyer that has been distributed to the public to encourage support for dedicated funding for Metro and another draft flyer included for your review.

Commissioners will have the opportunity to discuss legislative strategy with the Northern Virginia Transportation Authority.





TAKE ACTION: CONTACT YOUR VIRGINIA GENERAL ASSEMBLY MEMBER!

Northern Virginia's Transportation

Priority: Dedicated Funding for Metro



PROPOSED ACTION: The General Assembly would authorize a 1/4-cent sales tax increase dedicated to Metro in Arlington and Fairfax counties and the cities of Alexandria, Fairfax and Falls Church. The tax would take effect only with approval of local governing bodies representing 90% of the population in those jurisdictions.

PURPOSE: Fund 340 new railcars to provide 100% of Metrorail peak-period trains with 8-car capacity. This will relieve unmanageable crowding. It will also fund 275 new buses and other rail and bus enhancements.

PAYOFF: Legislation has been introduced in Congress which would allow Maryland, D.C. and Virginia to receive \$1.5 billion in federal aid for Metro over the next 10 years, IF regional partners can provide a dedicated funding source.

YIELD: Over \$55 million annually.

FOR MORE INFORMATION CONTACT:

Northern Virginia Transportation Commission
4350 N. Fairfax Drive, #720
Arlington, VA 22203
Tel: 703/524-3322
www.thinkoutsidethecar.org



**Please Support
SB 267 &
HB 1003/1082
in the Virginia
General Assembly**

**TAKE ACTION
TODAY!!!**

Call the Constituent Viewpoint Operator at the Virginia General Assembly **TOLL FREE** at 800-889-0229.

Or to identify your legislator go to:
<http://legis.state.va.us/>

Under "Quick Links" click on "Who's My Legislator"



REASONS TO SUPPORT THE PROPOSAL:

1. Produces measurable and sustainable improvements in Metro performance.

2. Provides the opportunity to reduce the future burden on local property taxes.

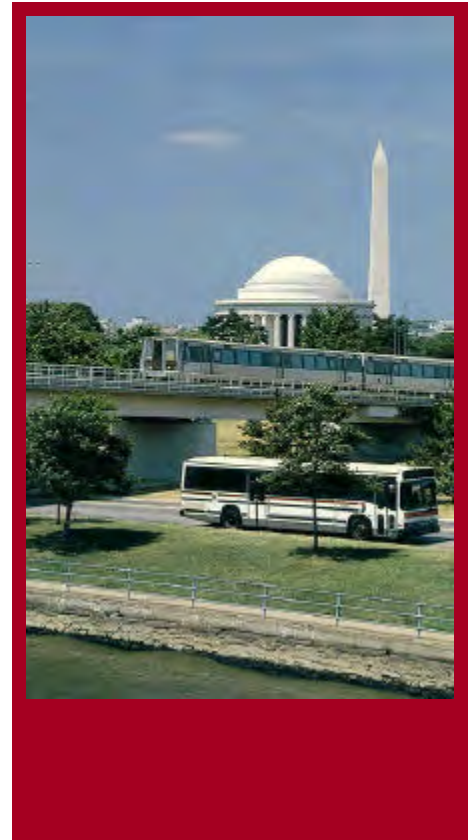
3. Ensures that tax proceeds stay in this region, are credited to the jurisdiction in which the tax is collected and are not diverted to other uses.

4. Qualifies the region for \$1.5 billion in new federal funding if the federal legislation passes and if Maryland and D.C. act to provide their shares.

5. Ensures accountability to voters through required local government action.

6. Takes advantage of the emphasis on transportation in the 2006 General Assembly and the desire of Governor Kaine to act promptly and responsibly to solve the transportation funding crisis.

7. Is consistent with strong survey evidence in Northern Virginia that there is significant frustration with traffic, that taxes must be raised to pay for improvements, that most individuals are willing to pay more than a hundred dollars a year for these improvements and that a sales tax is the preferred method of raising funds.



THE NEED FOR DEDICATED FUNDING FOR METRO IS SUPPORTED BY:

- Northern Virginia Transportation Authority
- Northern Virginia Transportation Commission
- Northern Virginia Regional Commission
- Washington Metropolitan Area Transit Authority
- Metropolitan Washington Council of Governments
- Transportation Planning Board of the National Capital Region
- Coalition for Smarter Growth
- Greater Washington Board of Trade
- Virginia Transit Association
- Fairfax County Chamber of Commerce
- Counties of: Arlington & Fairfax
- Cities of: Alexandria, Fairfax & Falls Church
- Arlington Coalition for Sensible Transportation
- Transportation Association of Greater Springfield (TAGS)
- Sierra Club – Virginia Chapter
- Greater Springfield Chamber of Commerce
- Dulles Area Transportation Association (DATA)
- Dulles Corridor Rail Association (DCRA)
- Southern Environmental Law Center
- Piedmont Environmental Council
- Clean Water Action
- Washington Regional Network for Livable Communities
- Northern Virginia Association of Realtors
- Washington Area Bicyclist Association
- Business Transportation Action Coalition
- Northern Virginia Transportation Alliance



Grow Right,



Get There Faster



...work



.... school



....leisure



...family activities

Governor Kaine

and General Assembly members seem to be getting the message: **We need dedicated, sustainable funding to provide transportation choices.** They need to hear from us now that we believe strongly they are on the right track.

Several important transportation funding bills have been introduced so far in the ongoing General Assembly session in Richmond.

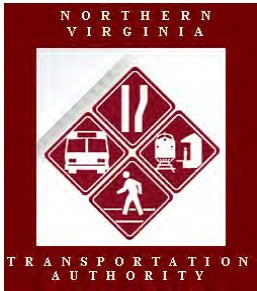


Governor Kaine, Senate leadership and individual Senators and Delegates have separate proposals that would:

- Dedicate funds for Metro to qualify for \$1.5 billion in new federal assistance.
- Provide approximately a billion dollars a year in new transportation funding statewide
- Direct more funds to Northern Virginia
- Prevent diversion of transportation funds to other uses
- Give local governments more tools to shape growth

Many of these bills would specifically provide significant new funds for public transit, including dedicated funding for Metro railcars and buses and continuing funds for local buses and Virginia Railway Express railcars and locomotives.

These bills deserve our strong support.



The Northern Virginia Transportation Authority (NVTA)

used extensive public input to develop a plan for priority projects in Northern Virginia's commuting corridors that will make a real difference in relieving congestion. NVTA's surveys show that the public wants these new investments to provide transportation choices and the public is willing to pay more for such congestion relief.

The new bills would fund many of those NVTA projects.

Take action!

Your support is needed now.

Contact your General Assembly members TODAY!

Urge them to support bills that will:

- Identify dedicated regional funding for Metro to qualify for \$1.5 billion of new federal funds over 10 years;
- Provide sustainable increases in statewide funding of at least \$1 billion annually for transportation with a significant share (more than 15 percent) for transit;
- Increase transportation funds directed to Northern Virginia.
- Safeguard transportation revenues from diversion to other uses;
- Give local governments enhanced tools to shape growth to prevent and relieve severe traffic congestion.



"The Washington Post, December 28, 2004."

To identify your legislator go to: <http://legis.state.va.us/>

(Under "Quick Links" click on "Who's My Legislator")

Or call the Constituents Viewpoint Hotline TOLL FREE 800/889-0229

For more information contact:

**Northern Virginia Transportation Commission
4350 N. Fairfax Drive, #720
Arlington, VA 22203
Tel: 703/524-3322
www.thinkoutsidethecar.org/legislative.asp.**



VTA Update on Budget Amendments

Secretary of Transportation

Amendment	Budget	FY 2007	FY 2008	Patron
	Item #			
Increases the appropriation and fully establishes the Transportation Intermodal Office.	Governor 427#2g	\$3,500,000 NGF	\$3,640,000 NGF	Governor Kaine
Strikes language stating the maintenance of existing transportation assets is the first priority of the Secretary of Transportation and authorizes the use of TTF revenues for highway maintenance and operations.	House 427#1h	Language		Watts

Department of Rail & Public Transportation

Amendment	Budget	FY 2007	FY 2008	Patron
	Item #			
Provides funding to conduct a study of transit needs in the Route 1 corridor.	House 436#1h	\$1,500,000 GF	\$0	Sickles
Funding to support mass transit programs as part of the Governor's transportation initiative.	Governor 437#4g	\$85,100,000 NGF	\$123,850,000 NGF	Governor Kaine
Appropriates funding for mass transit. The VA Code permits the CTB to use highway aid funds to support mass transit if the region's transportation needs would be better served by mass transit.	Senate 437#4s	\$100,000,000 NGF	\$100,000,000 NGF	Colgan
Provides funding to Hampton Roads Transit for the purchase of 12 hybrid-electric vehicles for planned services Newport News.	House 437#2h 437#3h	\$6,200,000 GF \$6,200,000 GF	\$0 \$0	Howell, A. Hamilton
Funds to expedite completion of the "Third Rail" in the Fredericksburg to D.C. corridor.	House 438#3h	\$17,600,000 GF	\$0	Howell, W.
Supplement the existing NGF appropriation for the railway preservation program managed by VDOT.	House 438#4h	\$3,000,000 GF	\$3,000,000 GF	Abbitt
Funds for preliminary engineering and environmental assessment requirements associated with the extension of the VRE's Manassas line to Gainesville and Haymarket.	House 438#5h	\$3,000,000 GF	\$0	Parrish
Directs that, as a part of the Dulles Corridor Rail Project, a soundwall shall be constructed in accordance with the provisions of the Memorandum of Agreement signed VDOT and the Metropolitan Washington Airports Authority.	House 439#1h	Language		Scott, JM
Eliminates the transfer of certain transportation funds associated with transportation services in the Depts. of Aviation and Rail and Public Transportation to the General Fund.	Governor 3-1.01#8g	Language		Governor Kaine

Department Of Transportation

Amendment	Budget	FY 2007	FY 2008	Patron
	Item #			
Provides funding for local, regional, and private partnerships, and improved coordination with land use activities, and addresses the funding impact to the highway construction program from fully funding maintenance with new revenues.	Governor 443#23g	\$506,600,000 NGF	\$539,000,000 NGF	Governor Kaine
Expand commuter parking along Garrisonville Rd. in Stafford County	House 443#1h	\$250,000 GF	\$0	Howell, W
Requires the assessment of transportation impact fees by localities if new commercial and residential development can't adequately be accommodated by the existing transportation system.	House 443#3h	Language		Wardrup

Construct a commuter parking lot in Prince William County	House 443#16h 443#22h	\$4,000,000 GF \$4,800,000 GF	\$0 \$0	McQuigg Frederick
Funds transportation construction projects pursuant to HB 661 (increasing the portion of state sales and use tax dedicated to transportation).	House 443#18h	\$258,600,00 NGF	\$271,250,000 NGF	Wardrup
Funds transportation construction projects pursuant to HB 659 (dedicates all revenues from the deed recording tax to transportation).	House 443#19h	\$565,800,000 NGF	\$571,700,000 NGF	Wardup
Funds transportation construction projects pursuant to HB 660 (dedicating all insurance license tax revenues to transportation).	House 443#20h	\$277,600,000 NGF	\$293,500,000 NGF	Wardup
Increases the appropriation for operational activities undertaken by the department to improve mobility, safety, travel time reliability and security.	Governor 444#6g	\$10,000,000 NGF	\$10,000,000 NGF	Governor Kaine
Reduces the authorized position level for VDOT by 123 positions.	Governor 444 #7g	-123.00 FTE	-123.00 FTE	Governor Kaine
Make technical adjustments to reflect needed increases in the appropriations for the maintenance program based on the most recent revenue forecast.	Governor 444#8g	\$64,963,630 NGF	\$111,759,149 NGF	Governor Kaine
Prohibits VDOT from accepting any new subdivision streets into the Secondary System of state highways, unless a developer has paid an impact fee to cover the costs.	House 444#1h	Language		Marshall,R
Make technical adjustments to reflect needed increases in the appropriations for financial assistance to localities for maintenance and access roads based on the most recent revenue forecast.	Governor 446#2g	\$14,666,285 NGF	\$25,299,652 NGF	Governor Kaine
Expands use of the state-local partnership program by alleviating cash flow burdens imposed on local governments pursuant to VDOT's administration of the program	House 446#1h	Language		Frederick
Authorizes VDOT to make payments on the capital lease for an office building in Northern VA being developed jointly with VDOT and Fairfax County.	Governor 448#1g	Language		Governor Kaine
Provides funds for the engineering and design work for the Craney Island Marine Terminal. Part of Governor's Transportation initiative.	Governor 453#2g	\$15,000,000 NGF	\$14,000,000 NGF	Governor Kaine

Additional information on budget amendments can be obtained from to the General Assembly Legislative Information web site (<http://leg1.state.va.us>) Go to State Budget, then click on Budget Amendment Items (on the left hand side of the screen).

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HB 85 Retail Sales and Use Tax revenue; increases amount to Transportation Trust Fund.

A BILL to amend and reenact § 58.1-638 of the Code of Virginia, relating to sales and use tax revenue dedicated to the Transportation Trust Fund.

063454272

Summary as introduced:

Sales and use tax revenue dedicated to the Transportation Trust Fund. Increases the amount of sales and use tax revenue dedicated to the Transportation Trust Fund from an amount generated by a one-half percent sales and use tax, to an amount generated by a 1% sales and use tax.

Patrons: Cole, Frederick, Janis, Lingamfelter and Wardrup; Senator: Cuccinelli

12/16/05 House: Prefiled and ordered printed; offered 01/11/06 063454272

12/16/05 House: Referred to Committee on Appropriations

01/23/06 House: Fiscal impact statement from TAX (HB85)

HB 118 Transportation Trust Fund; increases amount of sales and use tax revenue dedicated thereto.

A BILL to amend and reenact § 58.1-638 of the Code of Virginia, relating to sales and use tax revenue dedicated to the Transportation Trust Fund.

065132396

Summary as introduced:

Sales and use tax revenue dedicated to the Transportation Trust Fund. Increases the amount of sales and use tax revenue dedicated to the Transportation Trust Fund from an amount generated by a 0.50 percent sales and use tax, to an amount generated by a 0.75 percent sales and use tax.

Patrons: Marshall, R.G., Frederick and McQuigg; Senator: Cuccinelli

12/27/05 House: Prefiled and ordered printed; offered 01/11/06 065132396

12/27/05 House: Referred to Committee on Appropriations

01/23/06 House: Fiscal impact statement from TAX (HB118)

HB 145 Motor vehicle fuels tax; imposition optional for localities in certain transportation districts.

A BILL to amend and reenact § 58.1-1720 of the Code of Virginia, relating to sales tax on fuel in certain transportation districts.

060791272

Summary as introduced:

Motor vehicle fuels sales tax. Makes the imposition of the 2% motor vehicle fuels sales tax optional for the localities in certain transportation districts. Under current law, the tax is imposed automatically in those districts.

Patron: Cole

12/28/05 House: Prefiled and ordered printed; offered 01/11/06 060791272

12/28/05 House: Referred to Committee on Finance

01/16/06 House: Fiscal impact statement from TAX (HB145)

01/18/06 House: Assigned to Finance sub-committee: #2 (Purkey)

HB 166 Defense Facility and Transportation Improvement Program, and Fund; created.

A BILL to amend the Code of Virginia by adding sections numbered 33.1-221.1:9 and 58.1-815.4, relating to the Virginia Defense Facility and Transportation Improvement Program and the Virginia Defense Facility and Transportation Improvement Program Fund.

068729380

Summary as introduced:

Virginia Defense Facility and Transportation Improvement Fund and Program. Establishes the Virginia Defense Facility and Transportation Improvement Fund and Program. The Fund is to consist of \$250 million of annual collections of state recordation taxes. Its proceeds are to be allocated by the Commonwealth Transportation Board to highway construction districts wherein federal defense facilities or bases are affected as the result of actions of the Base Realignment and Closure Commission, and are to be used for transportation infrastructure improvements. The provisions of the bill would expire on July 1, 2011.

Patron: Lingamfelter

12/29/05 House: Prefiled and ordered printed; offered 01/11/06 068729380

12/29/05 House: Referred to Committee on Transportation

01/18/06 House: Assigned to Transportation sub-committee: #3 (Carrico)

01/26/06 House: Fiscal impact statement from TAX (HB166)

HB 219 Income tax, state; employer-provided commuting benefits tax credit.

A BILL to amend the Code of Virginia by adding in Article 13 of Chapter 3 of Title 58.1 a section numbered 58.1-439.12:02, relating to employer-provided commuting benefits tax credit.

065618364

Summary as introduced:

Income tax; employer-provided commuting benefits tax credit. Grants an income tax credit for taxable years beginning on or after January 1, 2007, to employers who pay employees' eligible commuting expenses, which include multiple-passenger vehicle and mass transit transportation costs, parking fees, and showers and bike rack installation costs. The credit equals 40% of such costs, not to exceed \$240 per employee each year. Unused credits may be carried over for five years.

Patron: Jones, D.C.

01/03/06 House: Prefiled and ordered printed; offered 01/11/06 065618364
01/03/06 House: Referred to Committee on Finance
01/14/06 House: Fiscal impact statement from TAX (HB219)
01/18/06 House: Assigned to Finance sub-committee: #3 (Ware, R.L.)

HB 226 Transportation needs of populations with limited mobility; specific mobility goals to be addressed.

A BILL to amend the Code of Virginia by adding a section numbered 33.1-23.03:0001, relating to establishment of specific mobility goals for addressing the transportation needs of populations with limited mobility.

063728364

Summary as introduced:

Mobility goals for addressing the transportation needs of populations with limited mobility.

Requires the Commonwealth Transportation Board, in cooperation with other local, regional, or statewide agencies and entities vested with transportation planning responsibilities, to establish specific mobility goals for addressing the transportation needs of populations with limited mobility and incorporate such goals in the development and implementation of the Statewide Transportation Plan required by § 33.1-23.03.

Patron: Jones, D.C.

01/03/06 House: Prefiled and ordered printed; offered 01/11/06 063728364
01/03/06 House: Referred to Committee on Transportation
01/18/06 House: Assigned to Transportation sub-committee: #2 (Saxman)
01/24/06 House: Reported from Transportation (17-Y 0-N)
01/26/06 House: Read first time
01/27/06 House: Read second time and engrossed
01/30/06 House: Read third time and passed House BLOCK VOTE (99-Y 0-N)
01/30/06 House: VOTE: BLOCK VOTE PASSAGE (99-Y 0-N)
01/30/06 House: Communicated to Senate
01/31/06 Senate: Constitutional reading dispensed
01/31/06 Senate: Referred to Committee on Transportation

HB 236 Regional Transportation Authority; created.

A BILL to amend the Code of Virginia by adding in Title 33.1 a chapter numbered 17, consisting of sections numbered 33.1-464 through 33.1-487, establishing the Virginia Regional Transportation Authority.

063726364

Summary as introduced:

Virginia Regional Transportation Authority. Establishes the Virginia Regional Transportation Authority to plan, finance, construct, and operate transportation projects and improve air quality. The bill is patterned on the Georgia Regional Transportation Authority established in Georgia in 1999.

Patron: Jones, D.C.

01/03/06 House: Prefiled and ordered printed; offered 01/11/06 063726364
01/03/06 House: Referred to Committee on Transportation
01/18/06 House: Assigned to Transportation sub-committee: #3 (Carrico)

HB 314 DMV; assessment of fees on certain drivers.

A BILL to amend the Code of Virginia by adding a section numbered 46.2-206.1, relating to imposition of certain additional fees on certain drivers.

063531204

Summary as introduced:

Assessment of fees by Department of Motor Vehicles (DMV) on certain drivers; use of fees collected. Requires the DMV Commissioner to impose and collect fees on drivers who have accumulated more than four net driver demerit points or have been convicted of reckless driving, aggressive driving, driving on a suspended or revoked license, DUI, or any other misdemeanor involving operation of a motor vehicle. Annually, minus the cost of collection, the funds shall be deposited into the state treasury and credited to the county, city, or town where the assessed person resides according to his address on record with the Department and, in consultation with the Commonwealth Transportation Board and the General Assembly, shall be used to pay for residential and secondary road improvements.

Patrons: Albo, Rust, Bell, Callahan, Carrico, Cosgrove, Frederick, Gear, Kilgore, Landes, Lingamfelter, Marshall, D.W., McQuigg, O'Bannon, Suit and Tata; Senator: O'Brien

01/04/06 House: Prefiled and ordered printed; offered 01/11/06 063531204
01/04/06 House: Referred to Committee on Transportation
01/18/06 House: Assigned to Transportation sub-committee: #3 (Carrico)
01/30/06 House: Fiscal impact statement from DPB (HB314)

HB 317 Railroads; passenger rail service liability.

A BILL to amend the Code of Virginia by adding a section numbered 56-446.1, relating to limitations on passenger rail transportation liability.

066624204

Summary as introduced:

Passenger rail service liability. Authorizes any agency or political subdivision of the Commonwealth that provides public rail transportation services to contract with a railroad company to allocate financial responsibility for claims related to passenger rail services. The measure limits the aggregate liability of the agency or political subdivision and the railroad company for claims arising from a single accident or incident related to passenger rail services to \$200 million per incident or accident.

Patron: Albo

01/04/06 House: Prefiled and ordered printed; offered 01/11/06 066624204
01/04/06 House: Referred to Committee on Commerce and Labor

01/12/06 House: Fiscal impact statement from SCC (HB317)
01/17/06 House: Referred from Commerce and Labor
01/17/06 House: Referred to Committee for Courts of Justice

HB 409 Dulles Toll Road; imposes certain conditions on increase and use of tolls.

A BILL to amend and reenact § 14 of Chapter 560 of the Acts of Assembly of 1995 and to amend Chapter 560 of the Acts of Assembly of 1995 by adding sections numbered 10a, 15, 16, and 17, relating to financing the widening of the Dulles Toll Road; tolls.

065161396

Summary as introduced:

Dulles Toll Road; tolls. Imposes certain conditions on the increase and use of tolls on the Dulles Toll Road.

Patron: Marshall, R.G.

01/06/06 House: Prefiled and ordered printed; offered 01/11/06 065161396
01/06/06 House: Referred to Committee on Transportation
01/23/06 House: Assigned to Transportation sub-committee: #3 (Carrico)

HB 527 DMV; assessment of fees on certain drivers.

A BILL to amend the Code of Virginia by adding a section numbered 46.2-206.1, relating to imposition of certain additional fees on certain drivers.

067923492

Summary as introduced:

Assessment of fees by Department of Motor Vehicles (DMV) on certain drivers; use of fees collected. Requires the DMV Commissioner to impose and collect fees on drivers who have accumulated more than four net driver demerit points or have been convicted of reckless driving, aggressive driving, driving on a suspended or revoked license, DUI, or any other misdemeanor involving operation of a motor vehicle. Annually, the first \$40 million of these fees, minus cost of collection, will be directed to the Transportation Partnership Opportunity Fund and the remainder will be directed to the Local Congestion Mitigation Incentive Fund.

Patrons: Rust, Albo, Athey, Bell, Callahan, Gear, Kilgore, Landes, Marshall, D.W., McQuigg, Nixon, Suit and Tata

01/09/06 House: Prefiled and ordered printed; offered 01/11/06 067923492
01/09/06 House: Referred to Committee on Transportation
01/18/06 House: Assigned to Transportation sub-committee: #3 (Carrico)
01/30/06 House: Fiscal impact statement from DPB (HB527)

HB 581 Motor fuel tax; rate increase.

A BILL to amend and reenact §§ 58.1-2217, 58.1-2249, 58.1-2289, 58.1-2701, and 58.1-2706 of the Code of Virginia, relating to motor fuel tax rates.

067881544

Summary as introduced:

Motor fuel tax; rate increase. Increases the tax on gasoline, diesel fuel, and alternative fuel by \$0.085 per gallon, increases the motor carrier road tax by an equivalent of \$0.085 per gallon of fuel used in the Commonwealth, and increases the alternative use fee for certain motor carriers from \$100 to \$150 (the fee is an alternative to paying the motor carrier road tax). All motor fuels taxes will be indexed every two years beginning July 1, 2007, by an amount equal to the percentage change in the U.S. Department of Labor's Producer Price Index for Highway and Street Construction. The revenue generated is used for transportation purposes as required by existing law.

Patron: Watts

01/10/06 House: Prefiled and ordered printed; offered 01/11/06 067881544

01/10/06 House: Referred to Committee on Finance

01/18/06 House: Assigned to Finance sub-committee: #2 (Purkey)

HB 659 Recordation tax; dedicated for transportation.

A BILL to amend the Code of Virginia by adding in Chapter 8 of Title 58.1 sections numbered 58.1-818 and 58.1-819, relating to distribution of state recordation tax for transportation.

063777536

Summary as introduced:

Recordation tax; dedicated for transportation. Dedicates recordation tax revenues not already dedicated, to the Commonwealth Transportation Board for transportation projects in localities throughout the Commonwealth on a pro rata basis pursuant to the amount of the recordation tax collected in each locality.

Patrons: Wardrup and Albo

01/10/06 House: Prefiled and ordered printed; offered 01/11/06 063777536

01/10/06 House: Referred to Committee on Appropriations

01/26/06 House: Fiscal impact statement from TAX (HB659)

HB 660 Insurance license tax; dedicated for transportation.

A BILL to amend the Code of Virginia by adding sections numbered 58.1-2511 and 58.1-2512; and to repeal the third and tenth enactments of Chapter 1019 of the Acts of Assembly of 2000 and the third and tenth enactments of Chapter 1044 of the Acts of Assembly of 2000, relating to the dedication of certain insurance license tax revenues for transportation projects throughout the Commonwealth.

063778536

Summary as introduced:

Insurance license tax; dedication for transportation. Dedicates all insurance license tax revenues to be used for transportation projects throughout the Commonwealth.

Patrons: Wardrup, Albo and Welch

01/10/06 House: Prefiled and ordered printed; offered 01/11/06 063778536
01/10/06 House: Referred to Committee on Appropriations
01/30/06 House: Fiscal impact statement from SCC (HB660)

HB 661 Retail Sales and Use Tax; increases revenue to Transportation Trust Fund.

A BILL to amend and reenact § 58.1-638 of the Code of Virginia, relating to sales and use tax revenue dedicated to the Transportation Trust Fund.

065142536

Summary as introduced:

Sales and use tax revenue dedicated to the Transportation Trust Fund. Increases the amount of sales and use tax revenue dedicated to the Transportation Trust Fund from an amount generated by a 0.50 percent sales and use tax, to an amount generated by a 0.75 percent sales and use tax.

Patrons: Wardrup and Welch; Senator: Cuccinelli

01/10/06 House: Prefiled and ordered printed; offered 01/11/06 065142536
01/10/06 House: Referred to Committee on Appropriations
01/23/06 House: Fiscal impact statement from TAX (HB661)

HB 681 Highway improvements; expands present revenue-sharing fund program.

A BILL to amend and reenact §§ 33.1-72.1 and 33.1-75.3 of the Code of Virginia; to amend the Code of Virginia by adding a section numbered 33.1-23.05; and to repeal § 33.1-75.1 of the Code of Virginia, relating to special funds for highway systems in certain counties, cities, and towns.

068810498

Summary as introduced:

Special funds for highway improvements in localities. Expands the present revenue-sharing fund program for counties to include cities and towns as well. The annual match limit is raised to \$4 million per locality, and the total limit on state funds is raised to \$100 million. Since the program now applies to all localities (not just counties), the present section embodying the program is repealed, and the new program is relocated to the article of Chapter 1 of Title 33.1 dealing with overall allocations of highway improvement funds.

Patrons: Scott, E.T., Athey, Callahan, Gear, Landes, Lingamfelter, Marshall, D.W., O'Bannon, Rust, Suit, Wardrup and Wittman

01/10/06 House: Prefiled and ordered printed; offered 01/11/06 068810498
01/10/06 House: Referred to Committee on Transportation
01/18/06 House: Assigned to Transportation sub-committee: #3 (Carrico)

HB 683 DMV; assessment of fees on certain drivers.

A BILL to amend the Code of Virginia by adding a section numbered 46.2-206.1, relating to imposition of certain additional fees on certain drivers.

068833492

Summary as introduced:

Assessment of fees by Department of Motor Vehicles (DMV) on certain drivers; use of fees collected. Requires the DMV Commissioner to impose and collect fees on drivers who have accumulated more than four net driver demerit points or have been convicted of reckless driving, aggressive driving, driving on a suspended or revoked license, DUI, or any other misdemeanor involving operation of a motor vehicle. Annually, the first \$40 million of these fees, minus cost of collection, will be directed to the Transportation Partnership Opportunity Fund and the remainder will be directed to the Local Congestion Mitigation Incentive Fund.

Patron: Rust

01/10/06 House: Prefiled and ordered printed; offered 01/11/06 068833492

01/10/06 House: Referred to Committee on Transportation

01/18/06 House: Assigned to Transportation sub-committee: #3 (Carrico)

01/30/06 House: Fiscal impact statement from DPB (HB683)

HB 767 Transportation Trust Fund; dedication of certain surplus revenue.

A BILL to amend and reenact § 33.1-23.03:1 of the Code of Virginia, relating to the Transportation Trust Fund; appropriation of certain surplus revenues.

064276510

Summary as introduced:

Transportation Trust Fund; dedication of certain surplus revenue. Dedicates to the Transportation Trust Fund 75% of any annual general fund surplus revenues remaining after any required deposits to the Revenue Stabilization Fund and to the Virginia Water Quality Improvement Fund.

Patron: Sickles

01/10/06 House: Prefiled and ordered printed; offered 01/11/06 064276510

01/10/06 House: Referred to Committee on Appropriations

HB 820 Public facilities impact fees; applicable in all localities.

A BILL to amend and reenact §§ 15.2-2317 through 15.2-2327 of the Code of Virginia, relating to impact fees.

063649400

Summary as introduced:

Impact fees. Expands the existing road impact fee provisions to include school improvements and extends the applicability of such provisions from Northern Virginia localities to all localities. "Impact fee" is defined as a charge or assessment imposed against new development in order to generate revenue to fund or recover the costs of public facilities necessitated by and attributable to the new development. The value of any dedication, contribution or construction from the developer for off-site road improvements and school facility improvements within the service area shall be treated as a credit against the impact fee. Also, an obsolete sunset clause is deleted.

Patron: May

01/10/06 House: Prefiled and ordered printed; offered 01/11/06 063649400
01/10/06 House: Referred to Committee for Courts of Justice
01/18/06 House: Referred from Courts of Justice
01/18/06 House: Referred to Committee on Counties, Cities and Towns

HB 1003 Retail sales and use tax; increase in certain localities.

A BILL to amend and reenact §§ 58.1-603, 58.1-604, 58.1-614, and 58.1-638 of the Code of Virginia, relating to additional sales and use tax in the localities financially supporting the Washington Metropolitan Area Transit Authority for the financial support of such Authority.

066681300

Summary as introduced:

Sales and use tax; increase in certain localities. Imposes an additional 0.25% sales and use tax in Arlington County, Fairfax County, the City of Alexandria, the City of Fairfax, and the City of Falls Church if approved by ordinance by the governing bodies of those localities whose population comprise at least 90% of the population in all of such localities. The bill is effective the first day of the month following 60 days from the date of such approval. The revenue is to be used solely for each locality's financial obligations to the Washington Metropolitan Area Transit Authority.

Patron: Ebbin

01/11/06 House: Prefiled and ordered printed; offered 01/11/06 066681300
01/11/06 House: Referred to Committee on Finance
01/18/06 House: Assigned to Finance sub-committee: #1 (Orrock)

HB 1070 Transportation district; localities may impose local tax to be exclusively used therefor.

A BILL to amend and reenact § 15.2-4518 of the Code of Virginia, relating to Transportation District Act of 1964; local taxation.

068758312

Summary as introduced:

Transportation District Act of 1964; local taxation. Provides that the governing bodies comprising the transportation district may agree to impose a local tax to be used exclusively by the district in order to accomplish its purposes. Prior to becoming effective, the tax shall be approved by two successive governing bodies of each locality, with an intervening election occurring between the votes of the governing bodies. The tax need not be approved by voter referendum.

Patron: Hall

01/11/06 House: Prefiled and ordered printed; offered 01/11/06 068758312
01/11/06 House: Referred to Committee on Counties, Cities and Towns

HB 1082 Retail sales and use tax; increase in certain localities.

A BILL to amend and reenact §§ 58.1-603, 58.1-604, 58.1-614, and 58.1-638 of the Code of Virginia, relating to additional sales and use tax in the localities financially supporting the Washington Metropolitan Area Transit Authority for the financial support of such Authority.

065153500

Summary as introduced:

Sales and use tax; increase in certain localities. Imposes an additional 0.25% sales and use tax in Arlington County, Fairfax County, the City of Alexandria, the City of Fairfax, and the City of Falls Church if approved by ordinance by the governing bodies of those localities whose population comprise at least 90% of the population in all of such localities. The bill is effective the first day of the month following 60 days from the date of such approval. The revenue is to be used solely for each locality's financial obligations to the Washington Metropolitan Area Transit Authority.

Patrons: Scott, J.M., Amundson, Plum and Watts

01/11/06 House: Prefiled and ordered printed; offered 01/11/06 065153500

01/11/06 House: Referred to Committee on Finance

01/18/06 House: Assigned to Finance sub-committee: #1 (Orrock)

HB 1083 Commonwealth Telework Council; created.

A BILL to amend the Code of Virginia by adding in Chapter 26 of Title 2.2 an article numbered 32, consisting of a section numbered 2.2-2698 relating to the Commonwealth Telework Council.

065165500

Summary as introduced:

Commonwealth Telework Council. Establishes the Commonwealth Telework Council to advise the Governor on guidelines for telecommuting and participation in alternative work schedules. The Council expires on July 1, 2008.

Patrons: Scott, J.M., Amundson, Bulova, Callahan, Eisenberg, Moran, Plum, Rust, Sickles and Watts;
Senators: Cuccinelli and Ticer

01/11/06 House: Prefiled and ordered printed; offered 01/11/06 065165500

01/11/06 House: Referred to Committee on Science and Technology

01/16/06 House: Fiscal impact statement from DPB (HB1083)

HB 1085 Transportation Trust Fund; increases percentage of revenues flowing to Mass Transit Fund.

A BILL to amend and reenact §§ 33.1-23.03:2 and 58.1-2425 of the Code of Virginia, relating to allocations from the Transportation Trust Fund to the Commonwealth Mass Transit Fund.

063461500

Summary as introduced:

Commonwealth Mass Transit Fund. Increases the percentage of Transportation Trust Fund revenues flowing to the Commonwealth Mass Transit Fund from 14.7 percent to 19 percent.

Patrons: Scott, J.M., Amundson, Callahan, Moran, Plum, Rust, Sickles and Watts; Senators: Howell and Ticer

01/11/06 House: Prefiled and ordered printed; offered 01/11/06 063461500

01/11/06 House: Referred to Committee on Transportation

01/18/06 House: Assigned to Transportation sub-committee: #3 (Carrico)

01/24/06 House: Referred from Transportation

01/24/06 House: Referred to Committee on Appropriations

01/27/06 House: Assigned App. sub: Transportation (May)

HB 1195 Transportation Plan; inadequacy of local or regional system.

A BILL to amend and reenact § 33.1-23.03 of the Code of Virginia, relating to Statewide Transportation Plan; adequacy of local or regional transportation system.

065424396

Summary as introduced:

Statewide Transportation Plan; inadequacy of local or regional system. Requires the Commonwealth Transportation Board to establish and apply an impact fee in any locality or region where pursuant to a comprehensive review, it determines that transportation needs are not being adequately met. The bill requires the Board to collect a fee from the builder of each new residential or commercial unit constructed in the locality or region until it determines that the transportation needs in the locality or region are being adequately met and are likely to remain so for at least the next five years. The fee shall be based on standards and criteria established by the Board, including but not limited to (i) average levels of traffic congestion and vehicle miles traveled by residents in such locality or region, (ii) the pro-rata impact of each residential or commercial unit on the existing transportation network, and (iii) the pro-rata impact of each additional residential or commercial unit on the costs of improving, expanding or developing new transportation systems in order to adequately meet the needs of such new development. The Board shall allocate all fees collected under these provisions to a special account within the Transportation Trust Fund on behalf of the locality or localities subject to the fee requirement. The Board shall make disbursements from such account for the improvement, maintenance or expansion of the transportation system in such locality or region. Upon a determination by the Board that the local or regional transportation system is adequate and is likely to remain adequate for at least the next five years, the Board shall release to the locality or localities all funds that may remain in the Transportation Trust Fund on their behalf.

Patrons: Marshall, R.G. and Frederick

01/11/06 House: Prefiled and ordered printed; offered 01/11/06 065424396

01/11/06 House: Referred to Committee on Counties, Cities and Towns

HB 1248 HOV lanes; eliminates sunset provision for vehicles bearing clean special fuel license plates.

A BILL to amend and reenact § 33.1-46.2 of the Code of Virginia, as it is currently effective and as it

may become effective, relating to use of high-occupancy vehicle lanes by vehicles bearing clean special fuel vehicle license plates.

068726332

Summary as introduced:

HOV lanes; exemption for clean special fuel vehicles. Eliminates the "sunset" on authorization of use of HOV lanes by vehicles bearing clean special fuel vehicle license plates, regardless of the number of their occupants.

Patron: Hugo

01/11/06 House: Prefiled and ordered printed; offered 01/11/06 068726332

01/11/06 House: Referred to Committee on Transportation

01/23/06 House: Assigned to Transportation sub-committee: #1 (Welch)

HB 1257 Transportation Investment Bond Act of 2006; created.

A BILL to amend and reenact §§ 33.1-268, 33.1-269, and 33.1-277 of the Code of Virginia; to amend the Code of Virginia by adding in Article 15 of Chapter 1 of Title 33.1 a section numbered 33.1-223.2:16, and sections numbered 58.1-2511 and 58.1-2512; to amend and reenact § 2 of the second enactment of Chapter 1019 of the Acts of Assembly of 2000 and § 2 of the second enactment of Chapter 1044 of the Acts of Assembly of 2000; and to repeal the third and tenth enactments of Chapter 1019 of the Acts of Assembly of 2000 and the third and tenth enactments of Chapter 1044 of the Acts of Assembly of 2000, relating to the dedication of certain insurance license tax revenues for transportation projects throughout the Commonwealth and to authorize the Commonwealth Transportation Board to issue revenue bonds for transportation projects throughout the Commonwealth.

065129332

Summary as introduced:

Commonwealth Transportation Investment Fund. Creates the Commonwealth Transportation Investment Fund and dedicates to it one-third of all insurance license tax revenues, to be used for transportation projects throughout the Commonwealth. The Commonwealth Transportation Board is authorized to issue revenue bonds provided that the total face amount of bonds issued in any fiscal year shall not exceed two-thirds of the amount of insurance license tax revenues estimated to be dedicated in that year. The proceeds of the bonds shall be allocated among various transportation modes according to the formula under current law. All other revenues in the Fund not needed to pay debt service on the bonds, are allocated for transportation construction projects among the several highway systems of the Commonwealth according to the formula under current law. The particular transportation projects to be funded shall be determined by the Commonwealth Transportation Board. The bill also increases from \$800 million to \$1.2 billion the amount of Commonwealth of Virginia Federal Highway Reimbursement Anticipation Notes that were authorized in 2000 and dedicated to transportation projects, and makes other changes to transportation projects that were authorized in 2000.

Patron: Hugo

01/11/06 House: Prefiled and ordered printed; offered 01/11/06 065129332

01/11/06 House: Referred to Committee on Transportation

01/24/06 House: Referred from Transportation

01/24/06 House: Referred to Committee on Appropriations
01/27/06 House: Assigned App. sub: Transportation (May)

HB 1385 Car tax relief.

A BILL to amend and reenact §§ 30-133, 58.1-3506, 58.1-3506.1, 58.1-3523, 58.1-3524, and 58.1-3912 of the Code of Virginia and to amend the Code of Virginia by adding sections numbered 58.1-3524.1 through 58.1-3524.6, 58.1-3535.1, and 58.1-3916.01:1, relating to personal property tax relief.

064185204

Summary as introduced:

Car tax relief. Removes the cap on the overall amount of car tax relief beginning January 1, 2007, and gradually increases the amount of car tax relief to 100% of the reimbursable amount for qualifying vehicles over a six-year period. The bill is effective January 1, 2007.

Patrons: Albo, Lingamfelter, Hargrove, McQuigg and Wright

01/11/06 House: Presented and ordered printed 064185204
01/11/06 House: Referred to Committee on Appropriations

HB 1397 Rural Public Transportation program; provision of state matching funds.

A BILL to amend and reenact § 33.1-391.5 of the Code of Virginia, relating to duties of the Department of Rail and Public Transportation; state matching funds for federal FTA Section 5311 Rural Public Transportation program.

062676428

Summary as introduced:

Department of Rail and Public Transportation. Requires the Department of Rail and Public Transportation to provide sufficient state matching funds for the federal FTA Section 5311 Rural Public Transportation program to guarantee that the local match required by the program does not exceed 25%.

Patrons: Wittman and Crockett-Stark

01/13/06 House: Presented and ordered printed 062676428
01/13/06 House: Referred to Committee on Appropriations
01/27/06 House: Assigned App. sub: Transportation (May)

HB 1426 Public-Private Transportation Act of 1995 (PPTA); provides for granting of concessions and taxation.

A BILL to amend and reenact §§ 33.1-23.03:1, 56-557, 56-558, 56-560, 56-564, 56-566, 56-567.1, 56-573.1, 58.1-811, 58.1-3203, and 58.1-3703 of the Code of Virginia and to amend the Code of Virginia by adding sections numbered 33.1-23.03:9 and 58.1-3606.1, relating to concession agreements pursuant to the Public-Private Transportation Act of 1995 and the taxation thereof; allocation of concession payments.

068847536

Summary as introduced:

Public-Private Transportation Act of 1995 (PPTA). Provides for the granting of concessions under the PPTA and the taxation thereof.

Patrons: Wardrup, Callahan, Cosgrove, Crockett-Stark, Fralin, Howell, W.J., Hugo, Iaquinto, Jones, S.C., Landes, May, Moran, Nixon, O'Bannon, Oder, Purkey, Reid, Rust, Saxman, Scott, E.T., Valentine, Ward, Welch and Wittman; *Senators:* Hawkins, Houck, Howell, Norment, Saslaw, Stolle, Stosch, Watkins and Williams

01/16/06 House: Presented and ordered printed 068847536

01/16/06 House: Referred to Committee on Transportation

01/31/06 House: Reported from Transportation with substitute (21-Y 0-N)

02/01/06 House: Committee substitute printed 068918536-H1

HB 1436 Transportation Trust Fund; dedication of certain recordation tax revenue.

A BILL to amend the Code of Virginia by adding a section numbered 58.1-815.4, relating to the dedication of certain recordation taxes to the Transportation Trust Fund.

065174380

Summary as introduced:

Transportation Trust Fund; dedication of certain recordation tax revenue. Dedicates to the Transportation Trust Fund the additional recordation tax revenue generated by the recordation tax increase enacted during the 2004 Special Session I.

Patrons: Lingamfelter, Cole, Gear, Hugo, Orrock and Wright

01/17/06 House: Presented and ordered printed 065174380

01/17/06 House: Referred to Committee on Appropriations

01/26/06 House: Fiscal impact statement from TAX (HB1436)

HB 1466 Bus rapid transit operators; use of HOT lanes in Washington-Fredericksburg Corridor.

A BILL to amend the Code of Virginia by adding a section numbered 33.1-56.3:1, relating to development and implementation of plan for use of HOT lanes by bus rapid transit operators in the Washington-Fredericksburg Corridor.

063830301

Summary as introduced:

Plan for use of HOT lanes by bus rapid transit operators in the Washington-Fredericksburg Corridor. Requires the Virginia Department of Rail and Public Transit, in cooperation with the Virginia Department of Transportation and in consultation with local providers of bus rapid transit services in the Washington-Fredericksburg Corridor, to develop and implement a plan that allows bus rapid transit service providers to take maximum advantage of HOT lanes.

Patron: Eisenberg

01/19/06 House: Presented and ordered printed 063830301

01/19/06 House: Referred to Committee on Transportation

HB 1555 Transportation; provides for new funding in Northern Virginia.

A BILL to amend and reenact §§ 2.2-1509.2, 30-133, 46.2-686, 46.2-694.1, 46.2-697, 58.1-638, 58.1-814, 58.1-815.1, 58.1-2402, and 58.1-2425 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 46.2-206.1, by adding in Title 58.1 a chapter numbered 6.2, consisting of sections numbered 58.1-645 and 58.1-646, by adding a section numbered 58.1-803.1, and by adding in Article 6 of Chapter 38 of Title 58.1 a section numbered 58.1-3827, relating to the funding for transportation in Northern Virginia.

065172204

Summary as introduced:

Transportation funding; Northern Virginia. Provides new funding for transportation in the Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park and the Counties of Arlington, Fairfax, Loudoun, and Prince William. The sources of the new funds are: (i) civil penalties for certain offenses relating to the operation of a motor vehicle by persons residing in any of the localities; (ii) additional motor vehicle registration fees for trailers, semitrailers, and trucks with a gross weight over 12,000 pounds registered in any of the localities; (iii) an additional fee on the rental of motor vehicles in the localities; (iv) a transportation impact fee on the sale of real property in any of the localities; (v) dedication of current sales and use tax on motor vehicle repair parts and accessories sold in any of the localities; and (vi) a transient occupancy tax on rooms in the localities.

The authority to impose any of the new or additional fees ceases if any transportation funds of the Commonwealth are not spent for transportation purposes.

The priority of the projects to be funded shall be determined by the Northern Virginia Transportation Authority in consultation with the local governing bodies of the localities, and in consultation with the members of the House of Delegates and the Senate who represent any of the localities. At least 40% of the revenues shall be dedicated to use on residential, urban, and secondary road construction and improvement.

Patrons: Rust, Albo, Plum and Poisson; Senator: Devolites Davis

01/20/06 House: Presented and ordered printed 065172204

01/20/06 House: Referred to Committee on Transportation

HB 1601 Motor fuels tax; rate increase.

A BILL to amend and reenact §§ 58.1-2217, 58.1-2249, 58.1-2289, 58.1-2701, and 58.1-2706 of the Code of Virginia, relating to motor fuel tax rates.

069854336

Summary as introduced:

Motor fuel tax; increase. Increases the tax on gasoline, diesel fuel, and alternative fuel by \$0.055 per

gallon, increases the motor carrier road tax by an equivalent of \$0.055 per gallon of fuel used in the Commonwealth, and increases the alternative use fee for certain motor carriers from \$100 to \$150 (the fee is an alternative to paying the motor carrier road tax). The revenue generated is used for transportation purposes as required by existing law.

Patron: Hull

01/20/06 House: Presented and ordered printed 069854336

01/20/06 House: Referred to Committee on Finance

01/24/06 House: Assigned to Finance sub-committee: #2 (Purkey)

HB 1609 Traffic impact analysis; localities to prepare and consider prior to approving zoning ordinances.

A BILL to amend and reenact § 15.2-2285 of the Code of Virginia, relating to zoning; traffic impact.

065465129

Summary as introduced:

Zoning; traffic impact. Requires localities to prepare and consider a traffic impact analysis prior to approving zoning amendments.

Patron: McQuigg

01/27/06 House: Introduced at the request of Governor

01/27/06 House: Presented and ordered printed 065465129

01/27/06 House: Referred to Committee on Counties, Cities and Towns

HB 1610 Zoning ordinances; locality may deny or modify request if inadequate road capacity.

A BILL to amend the Code of Virginia by adding a section numbered 15.2-2286.1, relating to certain permitted provisions in a zoning ordinance.

067535129

Summary as introduced:

Zoning; road capacity. Allows a locality to deny or modify a request for rezoning when the existing and future transportation network, which will serve the proposed development, is inadequate to handle the anticipated transportation impact of the proposed development.

Patrons: Marshall, R.G. and McQuigg

01/27/06 House: Introduced at the request of Governor

01/27/06 House: Presented and ordered printed 067535129

01/27/06 House: Referred to Committee on Counties, Cities and Towns

HB 1611 Motor Vehicle Sales and Use Tax; increases tax.

A BILL to amend and reenact § 58.1-2402 of the Code of Virginia, relating to increasing the motor vehicle sales and use tax.

065190129

Summary as introduced:

Motor vehicle sales and use tax; increase. Increases the motor vehicle sales and use tax from 3% to 5% and dedicates the revenue generated for transportation purposes. The authority to impose the additional tax ceases on December 31 of any year in which any of the additional revenue is not used for transportation purposes.

Patron: Brink

01/27/06 House: Introduced at the request of Governor

01/27/06 House: Presented and ordered printed 065190129

01/27/06 House: Referred to Committee on Finance

HB 1612 DMV; assessment of fees on certain drivers, use of fees collected.

A BILL to amend the Code of Virginia by adding a section numbered 46.2-206.1, relating to certain additional fees imposed on certain drivers; funding of asset management in the Highway Maintenance and Operating Fund.

065192129

Summary as introduced:

Assessment of fees by DMV on certain drivers; use of fees collected. Requires the courts to impose, in addition to any other penalties imposed, an initial additional fee for each conviction as show on the driving record of certain motor vehicle law offenders. These fees, minus cost of collection, will be deposited into the Highway Maintenance and Operating Fund for highway maintenance purposes.

Patrons: Rust and Albo

01/27/06 House: Introduced at the request of Governor

01/27/06 House: Presented and ordered printed 065192129

01/27/06 House: Referred to Committee on Transportation

HB 1613 Motor vehicle insurance license tax; revenue dedicated to mass transit.

A BILL to amend and reenact §§ 33.1-23.03:1, 33.1-23.03:8, and 58.1-2501 of the Code of Virginia, and to repeal the tenth enactment of Chapter 1019 of the Acts of Assembly of 2000 and the tenth enactment of Chapter 1044 of the Acts of Assembly of 2000, relating to disposition of a portion of insurance license tax revenue.

065186129

Summary as introduced:

Insurance license tax revenue; dedication to mass transit. Dedicates an amount equal to the difference between one-third of the estimated revenue to be collected for all insurance license tax for each fiscal year and the estimated revenue from the motor vehicle insurance license tax; and increases

the motor vehicle insurance license tax from two and one-fourth percent to four and one-half percent.

Patron: Ebbin

01/27/06 House: Introduced at the request of Governor
01/27/06 House: Presented and ordered printed 065186129
01/27/06 House: Referred to Committee on Finance

HB 1614 Vehicle registration fees; additional fee for transportation purposes.

A BILL to amend and reenact §§ 46.2-694 and 58.1-2425 of the Code of Virginia, relating to fees for registration of certain motor vehicles; dedication of proceeds.

068904129

Summary as introduced:

Vehicle registration fees. Increases vehicle registration fees and dedicates the proceeds to transportation purposes.

Patron: Jones, D.C.

01/27/06 House: Introduced at the request of Governor
01/27/06 House: Presented and ordered printed 068904129
01/27/06 House: Referred to Committee on Transportation

HJ 3 Constitutional amendment; Transp. Fund, Transp. Trust Fund, & Hwy. Maintenance & Operating Fund.

Proposing an amendment to the Constitution of Virginia by adding in Article X a section numbered 7-B, relating to special funds for transportation purposes.

063180380

Summary as introduced:

Constitutional amendment (first resolution); Transportation Funds. Requires the General Assembly to maintain permanent and separate Transportation Funds to include the Commonwealth Transportation Fund, Transportation Trust Fund, and Highway Maintenance and Operating Fund. All revenues dedicated to Transportation Funds on January 1, 2007, by general law, other than a general appropriation law, shall be deposited to the Transportation Funds, unless the General Assembly by general law, other than a general appropriation law, alters the revenues dedicated to the Funds. The amendment limits the use of Fund moneys to transportation and related purposes. The General Assembly may borrow from the Funds for other purposes only by a vote of two-thirds plus one of the members voting in each house, and the loan or reduction must be repaid with reasonable interest within four years.

Patrons: Lingamfelter, Kilgore, Landes and McQuigg

12/02/05 House: Prefiled and ordered printed; offered 01/11/06 063180380
12/02/05 House: Referred to Committee on Privileges and Elections
01/11/06 House: Continued to 2007 in Privileges and Elections

HJ 18 Constitutional amendment; Transp. Fund, Transp. Trust Fund, & Hwy. Maintenance & Operating Fund.

Proposing an amendment to the Constitution of Virginia by adding in Article X a section numbered 7-B, relating to special funds for transportation purposes.

063186396

Summary as introduced:

Constitutional amendment (first resolution); Transportation Funds. Requires the General Assembly to maintain permanent and separate Transportation Funds to include the Commonwealth Transportation Fund, Transportation Trust Fund, and Highway Maintenance and Operating Fund. All revenues dedicated to Transportation Funds on January 1, 2007, by general law, other than a general appropriation law, shall be deposited to the Transportation Funds, unless the General Assembly by general law, other than a general appropriation law, alters the revenues dedicated to the Funds. The amendment limits the use of Fund moneys to transportation and related purposes. The General Assembly may borrow from the Funds for other purposes only by a vote of two-thirds plus one of the members voting in each house, and the loan or reduction must be repaid with reasonable interest within four years.

Patron: Marshall, R.G.

12/13/05 House: Prefiled and ordered printed; offered 01/11/06 063186396

12/13/05 House: Referred to Committee on Privileges and Elections

01/11/06 House: Continued to 2007 in Privileges and Elections

HJ 24 Constitutional amendment; Hwy. Maintenance & Operating Fund, & Transp. Trust Fund, cont. (1st ref.).

Proposing an amendment to the Constitution of Virginia by adding in Article X a section numbered 7-B, relating to special funds for highway and transportation purposes.

063203302

Summary as introduced:

Constitutional amendment (first resolution); highway and transportation trust funds. Provides that the Highway Maintenance and Operating Fund and the Transportation Trust Fund established in 1986 will be permanent and separate funds and will be funded annually by the General Assembly by appropriations of the revenues generated by the 1986 package of tax and fee increases and the revenues from all other sources that were appropriated to the Funds in the fiscal year ending June 30, 2005. The amendment limits the use of Fund moneys to transportation and related purposes.

Patron: Fralin

12/27/05 House: Prefiled and ordered printed; offered 01/11/06 063203302

12/27/05 House: Referred to Committee on Privileges and Elections

01/11/06 House: Continued to 2007 in Privileges and Elections

HJ 127 Mass transit; joint subcommittee to study.

Establishing a joint subcommittee to study mass transit in the Commonwealth. Report.

065425396

Summary as introduced:

Study; mass transit in the Commonwealth; report. Establishes a 10-member joint subcommittee to conduct a two-year study of mass transit in the Commonwealth.

Patron: Marshall, R.G.

01/11/06 House: Prefiled and ordered printed; offered 01/11/06 065425396

01/11/06 House: Referred to Committee on Rules

HJ 144 State employees; joint subcommittee to study ways to enhance telework opportunities therefor.

Establishing a joint subcommittee to study the ways in which telework opportunities for state employees can be enhanced and increased. Report.

067664332

Summary as introduced:

Study; telework; report. Establishes a joint subcommittee to study the ways in which telework opportunities for state employees can be enhanced and increased.

Patrons: Hugo, Hull and Scott, J.M.

01/11/06 House: Prefiled and ordered printed; offered 01/11/06 067664332

01/11/06 House: Referred to Committee on Rules

HJ 238 Constitutional amendment; Transportation Fund and Transportation Trust Fund, etc. (first reference).

Proposing an amendment to the Constitution of Virginia by adding in Article X a section numbered 7-B, relating to special funds for transportation purposes.

065187129

Summary as introduced:

Constitutional amendment (first resolution); Transportation Funds. Requires the General Assembly to maintain permanent and separate Transportation Funds to include the Commonwealth Transportation Fund, Transportation Trust Fund, Highway Maintenance and Operating Fund, Priority Transportation Fund, and other funds dedicated to transportation by general law. All revenues dedicated to Transportation Funds on January 1, 2006, by general law, other than a general appropriation law, shall be deposited to the Transportation Funds, unless the General Assembly by general law, other than a general appropriation law, alters the revenues dedicated to the Funds. The amendment limits the use of Fund moneys to transportation and related purposes. The General Assembly may borrow from the Funds for other purposes only by a vote of two-thirds plus one of the members voting in each house, and the loan or reduction must be repaid with reasonable interest within three years.

Patron: Moran

01/27/06 House: Introduced at the request of Governor
01/27/06 House: Presented and ordered printed 065187129
01/27/06 House: Referred to Committee on Privileges and Elections

SB 64 Retail Sales and Use Tax; sales tax increase on motor fuels in NOVA Transportation District.

A BILL to amend and reenact §§ 58.1-1720 and 58.1-1721 of the Code of Virginia, relating to the sales tax on fuels in certain transportation districts.

060839844

Summary as introduced:

Sales tax on motor fuels. Increases from 2% to 4% the sales tax on fuels in every county or city situated in the Northern Virginia Transportation District. In the first full fiscal year of the tax increase such counties and cities would be required to reduce their real estate tax rates in order to reduce real estate tax revenues in the following fiscal year by the amount of incremental revenues generated by the sales tax increase. The reduction in real estate tax rates would be required only in the first fiscal year of the sales tax increase.

Patron: Whipple

01/05/06 Senate: Prefiled and ordered printed; offered 01/11/06 060839844
01/05/06 Senate: Referred to Committee on Finance
01/29/06 Senate: Fiscal impact statement from TAX (SB64)

SB 127 Retail Sales and Use Tax; revenue to local transportation and education.

A BILL to amend and reenact § 58.1-638 of the Code of Virginia, relating to sales and use tax revenue dedicated to local transportation and education.

066586784

Summary as introduced:

Sales and use tax; dedication of portion of revenue to local transportation and education. Provides that 0.25% of the sales and use tax revenue shall be returned to the locality in which it was collected to be used for transportation, and that 0.25% of the sales and use tax revenue shall be returned to the locality in which it was collected to be used for education purposes.

Patron: O'Brien

01/10/06 Senate: Prefiled and ordered printed; offered 01/11/06 066586784
01/10/06 Senate: Referred to Committee on Finance
01/30/06 Senate: Fiscal impact statement from TAX (SB127)

SB 193 Highway construction funds; allocation for rail projects.

A BILL to amend and reenact § 33.1-23.1 of the Code of Virginia, relating to allocation of highway construction funds for rail projects that will result in mitigation of highway congestion.

068830848

Summary as introduced:

Allocation of highway construction funds for rail projects. Allows the Commonwealth Transportation Board to allocate up to 10% of funds available for highway construction to undertaking and financing of rail projects that, in its determination, will result in mitigation of highway congestion.

Patron: Williams

01/10/06 Senate: Prefiled and ordered printed; offered 01/11/06 068830848

01/10/06 Senate: Referred to Committee on Transportation

01/26/06 Senate: Reported from Transportation (15-Y 0-N)

01/30/06 Senate: Constitutional reading dispensed (38-Y 0-N)

01/30/06 Senate: VOTE: (38-Y 0-N)

01/31/06 Senate: Read second time and engrossed

02/01/06 Senate: Read third time and passed Senate (39-Y 0-N)

02/01/06 Senate: VOTE: (39-Y 0-N)

02/01/06 Senate: Communicated to House

SB 215 Rail Transportation Development Authority; created.

A BILL to amend and reenact § 2.2-2101 of the Code of Virginia, as it is currently effective and as it shall become effective; to amend the Code of Virginia by adding in Title 33.1 a chapter numbered 10.2, consisting of sections numbered 33.1-391.6 through 33.1-391.10; and to repeal Chapter 1041 of the Acts of Assembly of 2003, relating to the Rail Transportation Development Authority.

068737728

Summary as introduced:

Rail Transportation Development Authority. Establishes the Rail Transportation Development Authority. The Authority is to be responsible for identifying needed construction, reconstruction, improvements, or repairs to railroads and their facilities and equipment. The Authority is given the power to finance or assist in financing any such rail transportation project. The bill requires the Virginia Department of Rail and Public Transportation, in conjunction with the Authority, to develop a rail transportation plan for the Commonwealth. The bill also repeals Chapter 1041 of the 2003 Acts of Assembly, which provided for the creation of a Rail Transportation Development Authority. That act never became effective because it included a "reenactment clause," and the act was not reenacted by the 2004 Session.

Patron: Edwards

01/10/06 Senate: Prefiled and ordered printed; offered 01/11/06 068737728

01/10/06 Senate: Referred to Committee on Local Government

01/31/06 Senate: Reported from Local Government with substitute (11-Y 1-N 1-A)

02/01/06 Senate: Committee substitute printed 068900728-S1

SB 267 Retail sales and use tax; increase in certain localities.

A BILL to amend and reenact §§ 58.1-603, 58.1-604, 58.1-614, and 58.1-638 of the Code of Virginia, relating to additional sales and use tax in the localities financially supporting the Washington Metropolitan Area Transit Authority for the financial support of such Authority.

065669844

Summary as introduced:

Sales and use tax; increase in certain localities. Imposes an additional 0.25% sales and use tax in Arlington County, Fairfax County, the City of Alexandria, the City of Fairfax, and the City of Falls Church if approved by ordinance by the governing bodies of those localities whose population comprise at least 90% of the population in all of such localities. The bill is effective the first day of the month following 60 days from the date of such approval. The revenue is to be used solely for each locality's financial obligations to the Washington Metropolitan Area Transit Authority.

Patron: Whipple

01/10/06 Senate: Prefiled and ordered printed; offered 01/11/06 065669844

01/10/06 Senate: Referred to Committee on Finance

SB 329 Transportation construction and maintenance; revises allocation system.

A BILL to amend and reenact §§ 33.1-1, 33.1-2, 33.1-12, 33.1-12.1, 33.1-23.1, 33.1-23.2, 33.1-23.4, 33.1-23.5:1, 33.1-25, 33.1-31, 33.1-32, 33.1-34, 33.1-35, 33.1-39, 33.1-41.1, 33.1-42, 33.1-44, 33.1-46, 33.1-46.1, 33.1-46.2, as it is currently effective and as it may become effective, 33.1-46.4, 33.1-47, 33.1-47.1, 33.1-55, 33.1-56, 33.1-61, 33.1-67 through 33.1-69.2, 33.1-70.01, 33.1-70.1, 33.1-72.1, 33.1-75.1, 33.1-75.2, 33.1-75.3, 33.1-79, 33.1-84 through 33.1-88, 33.1-268, 33.1-269, 33.1-277, 33.1-285.1, 33.1-416, 33.1-436, 46.2-815, 46.2-1149.2, 58.1-815.1, and 58.1-2259 of the Code of Virginia and to amend the Code of Virginia by adding in Article 1.1 of Chapter 1 of Title 33.1 a section numbered 33.1-23.001 and by adding sections numbered 33.1-23.03:3.1, 33.1-23.05, 33.1-23.3:1, and to repeal §§ 33.1-23.1:1, 33.1-23.1:2, 33.1-23.3, 33.1-23.5, 33.1-30, 33.1-49 through 33.1-54, and 33.1-70.2 of the Code of Virginia, relating to membership and powers of the Commonwealth Transportation Board; division of the Commonwealth into regions for certain transportation purposes; the Northern Virginia Transportation District Program; the State Revenue Bond Act; and refunds of motor fuel taxes.

068715832

Summary as introduced:

Transportation construction and maintenance. Revises Virginia's transportation construction and maintenance allocation system in accordance with recommendations made by the Joint Legislative Audit and Review Commission to the 2002 Session of the General Assembly.

Patron: Wagner

01/11/06 Senate: Prefiled and ordered printed; offered 01/11/06 068715832

01/11/06 Senate: Referred to Committee on Transportation

SB 373 Development rights; localities provide for transfer thereof from parcel located in locality.

A BILL to amend the Code of Virginia by adding in Chapter 22 of Title 15.2 an article numbered 7.1,

consisting of sections numbered 15.2-2316.1 and 15.2-2316.2, relating to transfer of development rights.

065468840

Summary as introduced:

Transfer of development rights. Allows localities to provide for the transfer of development rights from a parcel of property located in the locality to another parcel of property located elsewhere in the locality.

Patrons: Watkins and Houck

01/11/06 Senate: Prefiled and ordered printed; offered 01/11/06 061631712
 01/11/06 Senate: Referred to Committee on Local Government
 01/24/06 Senate: Reported from Local Government with substitute (14-Y 0-N)
 01/25/06 Senate: Committee substitute printed 065468840-S1
 01/26/06 Senate: Constitutional reading dispensed (38-Y 0-N)
 01/26/06 Senate: VOTE: (38-Y 0-N)
 01/27/06 Senate: Read second time
 01/27/06 Senate: Reading of substitute waived
 01/27/06 Senate: Committee substitute agreed to 065468840-S1
 01/27/06 Senate: Engrossed by Senate - committee substitute SB373S1
 01/30/06 Senate: Read third time and passed Senate (38-Y 0-N)
 01/30/06 Senate: VOTE: (38-Y 0-N)
 01/30/06 Senate: Communicated to House

SB 374 Single-family dwellings; deletes certain optional provisions regarding clustering thereof.

A BILL to amend and reenact §§ 15.2-2242, 15.2-2286 and 36-98 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 15.2-2286.1, relating to clustering of single-family dwellings.

061635712

Summary as introduced:

Clustering of single-family dwellings. Deletes certain optional provisions regarding the clustering of single-family housing and reinserts those provisions as mandatory provisions of local zoning ordinances. Localities shall be required to provide in their zoning or subdivision ordinances standards, conditions, and criteria for the clustering of single-family dwellings and the preservation of open space developments. In establishing such standards, conditions, and criteria, the localities may include any provisions they determine appropriate to ensure quality development, preservation of open space, and compliance with their comprehensive plans and land use ordinances.

Patrons: Watkins and Houck

01/11/06 Senate: Prefiled and ordered printed; offered 01/11/06 061635712
 01/11/06 Senate: Referred to Committee on Local Government

SB 412 Intermodal Office; specific functions and goals in the Office of Secretary of Transportation.

A BILL to amend and reenact § 2.2-229 of the Code of Virginia, relating to the Intermodal Office of the Secretary of Transportation.

061642712

Summary as introduced:

Intermodal Office. Provides more specific functions and goals for the Intermodal Office in the Office of the Secretary of Transportation.

Patron: Houck

01/11/06 Senate: Prefiled and ordered printed; offered 01/11/06 061642712

01/11/06 Senate: Referred to Committee on General Laws and Technology

01/18/06 Senate: Reported from General Laws and Technology (14-Y 0-N)

01/20/06 Senate: Constitutional reading dispensed (38-Y 0-N)

01/20/06 Senate: VOTE: (38-Y 0-N)

01/23/06 Senate: Read second time and engrossed

01/24/06 Senate: Read third time and passed Senate (39-Y 0-N)

01/24/06 Senate: VOTE: (39-Y 0-N)

01/24/06 Senate: Communicated to House

01/26/06 House: Placed on Calendar

01/26/06 House: Read first time

01/26/06 House: Referred to Committee on Transportation

SB 423 Highway construction districts; list of localities within, & membership of Transportation Board.

A BILL to amend and reenact §§ 33.1-1 and 33.1-2 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 33.1-23.05, relating to composition of the Commonwealth Transportation Board and the number of and territory embraced by highway construction districts.

061640712

Summary as introduced:

Highway construction districts. Replaces VDOT's current nine highway construction districts with seven and specifies the territory embraced within each district. The size of the Commonwealth Transportation Board is also reduced by two to accommodate the reduction in the number of Board members appointed on a district-residence basis.

Patron: Williams

01/11/06 Senate: Prefiled and ordered printed; offered 01/11/06 061640712

01/11/06 Senate: Referred to Committee on Transportation

SB 425 Interstate Public-Private Transportation Partnership Compact; created

A BILL to establish the Interstate Public-Private Transportation Partnership Compact.

067943848

Summary as introduced:

Interstate Public-Private Transportation Partnership Compact. Establishes the Interstate Public-Private Transportation Partnership Compact.

Patron: Williams

01/11/06 Senate: Prefiled and ordered printed; offered 01/11/06 067943848

01/11/06 Senate: Referred to Committee on Privileges and Elections

01/24/06 Senate: Rereferred from Privileges and Elections (14-Y 0-N)

01/24/06 Senate: Rereferred to Transportation

SB 476 Road indebtedness, local; state to match funds generated by transportation referendum.

A BILL to amend the Code of Virginia by adding in Chapter 4 of Title 33.1 an article numbered 4, consisting of a section numbered 33.1-335.1, relating to local road indebtedness; matching funds.

069153716

Summary as introduced:

Local road indebtedness; state funds. Requires the Commonwealth to match dollars generated by a local transportation referendum. However, such state funds may not be used by the locality for debt service, nor shall the funds be deemed to constitute the full faith and credit of the Commonwealth.

Patron: Colgan

01/11/06 Senate: Prefiled and ordered printed; offered 01/11/06 069153716

01/11/06 Senate: Referred to Committee on Transportation

01/19/06 Senate: Rereferred from Transportation (15-Y 0-N)

01/19/06 Senate: Rereferred to Finance

SB 614 Virginia-North Carolina Interstate Toll Road Compact; created.

A BILL to establish the Virginia-North Carolina Interstate Toll Road Compact.

068809832

Summary as introduced:

Virginia-North Carolina Interstate Toll Road Compact. Establishes the Virginia-North Carolina Interstate Toll Road Compact to set, impose, and collect tolls for use of Interstate Route 85 and Interstate 95.

Patron: Wagner

01/12/06 Senate: Presented and ordered printed 068809832

01/12/06 Senate: Referred to Committee on Privileges and Elections

01/24/06 Senate: Rereferred from Privileges and Elections (14-Y 0-N)

01/24/06 Senate: Rereferred to Transportation

SB 630 Sales and use tax revenue dedicated to the Transportation Trust Fund.

A BILL to amend and reenact § 58.1-638 of the Code of Virginia, relating to sales and use tax revenue dedicated to the Transportation Trust Fund.

069176720

Summary as introduced:

Sales and use tax revenue dedicated to the Transportation Trust Fund. Increases the amount of sales and use tax revenue dedicated to the Transportation Trust Fund from an amount generated by a 0.50 percent sales and use tax, to an amount generated by a 0.75 percent sales and use tax.

Patrons: Cuccinelli, Obenshain and O'Brien

01/16/06 Senate: Presented and ordered printed 069176720

01/16/06 Senate: Referred to Committee on Finance

01/23/06 Senate: Fiscal impact statement from TAX (SB630)

SB 633 Courthouse security fee.

A BILL to amend and reenact § 53.1-120 of the Code of Virginia, relating to the courthouse security fee.

064618728

Summary as introduced:

Courthouse security fee. Increases the fee assessed for costs in criminal and traffic cases to \$10. Additionally, the bill states that the assessment shall be used solely for the funding of courthouse security personnel, equipment, and other personal property used in connection with courthouse security.

Patron: Edwards

01/16/06 Senate: Presented and ordered printed 064618728

01/16/06 Senate: Referred to Committee for Courts of Justice

01/23/06 Senate: Reported from Courts of Justice (15-Y 0-N)

01/23/06 Senate: Rereferred to Finance

02/02/06 Senate: Fiscal impact statement from DPB (SB633)

SB 652 Passenger rail transportation liability; limitations.

A BILL to amend the Code of Virginia by adding a section numbered 56-446.1, relating to limitations on passenger rail transportation liability.

062711816

Summary as introduced:

Passenger rail service liability. Authorizes any agency or political subdivision of the Commonwealth that provides public rail transportation services to contract with a railroad company to allocate financial responsibility for claims related to passenger rail services. The measure limits the aggregate liability of the agency or political subdivision and the railroad company for claims arising from a single accident or

incident related to passenger rail services to \$200 million per incident or accident.

Patrons: Saslaw and Whipple

01/18/06 Senate: Presented and ordered printed 062711816

01/18/06 Senate: Referred to Committee on Transportation

01/26/06 Senate: Rereferred from Transportation (15-Y 0-N)

01/26/06 Senate: Rereferred to Courts of Justice

SB 671 Rail and Public Transportation, Department of; to provide state matching funds for federal program.

A BILL to amend and reenact § 33.1-391.5 of the Code of Virginia, relating to duties of the Department of Rail and Public Transportation; state matching funds for federal FTA Section 5311 Rural Public Transportation program.

068832804

Summary as introduced:

Department of Rail and Public Transportation. Requires the Department of Rail and Public Transportation to provide sufficient state matching funds for the federal FTA Section 5311 Rural Public Transportation program to guarantee that the local match required by the program does not exceed 25%.

Patron: Rerras

01/19/06 Senate: Presented and ordered printed 068832804

01/19/06 Senate: Referred to Committee on Transportation

SB 681 Cash proffers; road improvements.

A BILL to amend and reenact § 15.2-2303.2 of the Code of Virginia, relating to cash proffers; road improvements.

064394772

Summary as introduced:

Cash proffers; road improvements. Allows localities to award a contract to certain entities that are willing to construct a more extensive road improvement utilizing cash proffers of others as well as other available funds, upon a written determination by the governing body stating the basis for awarding one construction contract to extend the limits of the road improvement.

Patrons: Colgan, O'Brien and Puller

01/20/06 Senate: Presented and ordered printed 064394772

01/20/06 Senate: Referred to Committee on Local Government

01/31/06 Senate: Reported from Local Government with substitute (13-Y 0-N)

02/01/06 Senate: Committee substitute printed 065477716-S1

SB 686 Transportation Future Fund; created.

A BILL to amend and reenact §§ 58.1-603, 58.1-604, 58.1-604.1, and 58.1-614 of the Code of Virginia, to amend the Code of Virginia by adding a section numbered 33.1-23.1:01 and by adding in Article 15 of Chapter 1 of Title 33.1 sections numbered 33.1-223.2:16 and 33.1-223.2:17, relating to the Transportation Future Fund, imposition and collection of tolls for use of certain highways; sales and use tax increase; disposition of revenues.

062223788

Summary as introduced:

Transportation Future Fund. Establishes the Transportation Future Fund (the Fund) to support the design and construction of surface transportation infrastructure of long-term statewide significance. Fund investments include: design and construction of the Third Crossing of Hampton Roads; construction of the Southeastern Parkway and improvements to U.S. Route 460 and Interstate Route 64 in Hampton Roads; expansion of Metrorail service to Tyson's Corner; completion of environmental impact studies associated with the Eastern and Western Bypasses in the Virginia suburbs of Washington, D.C.; completion of location studies and reservation of rights-of-way in connection with a Potomac River bridge between the American Legion Bridge (Interstate Route 495) and the U.S. Route 15 bridge; establishment of high-occupancy toll lanes on Interstate Routes 95, 395, and 495 in the Virginia suburbs of Washington, D.C., in the Fredericksburg-Washington corridor; expansion of Interstate Route 66 both within and outside the Capital Beltway; and completion of environmental impact studies associated with improvements to rail service, additional truck lanes, and improvements to choke points and dangerous locations in the Interstate Route 81 corridor. The Fund is to be financed through a 1cent increase in the sales and use tax and through establishment of toll roads.

Patron: Potts

01/20/06 Senate: Presented and ordered printed 062223788

01/20/06 Senate: Referred to Committee on Finance

SB 699 Transportation planning; coordination of state and local.

A BILL to amend and reenact § 15.2-2223 of the Code of Virginia, and to amend the Code of Virginia by adding a section numbered 15.2-2222.1, relating to coordination of state and local transportation planning.

069841740

Summary as introduced:

Transportation. Coordination of state and local transportation planning.

Patrons: Houck, Chichester, Colgan, Edwards, Hawkins, Lambert, Puckett, Rerras, Reynolds, Saslaw, Wagner and Whipple

01/20/06 Senate: Presented and ordered printed 069841740

01/20/06 Senate: Referred to Committee on Local Government

SB 701 Transportation; provides for new funding therefor in Northern Virginia.

A BILL to amend and reenact §§ 2.2-1509.2, 30-133, 46.2-686, 46.2-694.1, 46.2-697, 58.1-638, 58.1-814, 58.1-815.1, 58.1-2402, and 58.1-2425 of the Code of Virginia and to amend the Code of Virginia

by adding a section numbered 46.2-206.1, by adding in Title 58.1 a chapter numbered 6.2, consisting of sections numbered 58.1-645 and 58.1-646, by adding a section numbered 58.1-803.1, and by adding in Article 6 of Chapter 38 of Title 58.1 a section numbered 58.1-3827, relating to the funding for transportation in Northern Virginia.

065743726

Summary as introduced:

Transportation funding; Northern Virginia. Provides new funding for transportation in the Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park and the Counties of Arlington, Fairfax, Loudoun, and Prince William. The sources of the new funds are: (i) civil penalties for certain offenses relating to the operation of a motor vehicle by persons residing in any of the localities; (ii) additional motor vehicle registration fees for trailers, semitrailers, and trucks with a gross weight over 12,000 pounds registered in any of the localities; (iii) an additional fee on the rental of motor vehicles in the localities; (iv) a transportation impact fee on the sale of real property in any of the localities; (v) dedication of current sales and use tax on motor vehicle repair parts and accessories sold in any of the localities; and (vi) a transient occupancy tax on rooms in the localities.

The authority to impose any of the new or additional fees ceases if any transportation funds of the Commonwealth are not spent for transportation purposes.

The priority of the projects to be funded shall be determined by the Northern Virginia Transportation Authority in consultation with the local governing bodies of the localities, and in consultation with the members of the House of Delegates and the Senate who represent any of the localities. At least 40% of the revenues shall be dedicated to use on residential, urban, and secondary road construction and improvement.

Patrons: Devoletes Davis and O'Brien; *Delegates:* Albo and Rust

01/20/06 Senate: Presented and ordered printed 065743726

01/20/06 Senate: Referred to Committee on Finance

SB 708 Transportation needs; provides several mechanisms for funding, report.

A BILL to amend and reenact §§ 2.2-1509.2, 33.1-23.03:8, 33.1-23.1, 46.2-694, 46.2-694.1, 46.2-697, 46.2-698, 46.2-700, 46.2-730, 46.2-752, 46.2-753, 58.1-602, 58.1-609.5, 58.1-638, 58.1-2217, 58.1-2249, 58.1-2289, 58.1-2402, 58.1-2425, 58.1-2701, and 58.1-2706 of the Code of Virginia; to amend the Code of Virginia by adding sections numbered 33.1-23.1:01, 33.1-23.1:02, 33.1-221.1:1.2, and 46.2-702.1, by adding in Chapter 22 of Title 58.1 an article numbered 8.1, consisting of a section numbered 58.1-2288.1, and by adding in Article 2 of Chapter 25 of Title 58.1 a section numbered 58.1-2531; and to repeal the tenth enactment clauses of Chapter 1019 and Chapter 1044 of the Acts of Assembly of 2000; relating to the funding of transportation in the Commonwealth.

069189736

Summary as introduced:

Funding of transportation in the Commonwealth. Provides several mechanisms for funding the transportation needs of the Commonwealth. The bill provides that all moneys credited to specified transportation-related funds shall be solely used for the purposes set forth therein relating to the funding and maintenance of highways, public transportation, congestion mitigation, railways, seaports, and

airports; making payments on bonds and obligations related to funding transportation projects; or making loans to finance transportation projects. Through revenues raised by the bill and the creation of new funds, the bill addresses the specific needs of ameliorating urban congestion, addressing rural transportation funds, and supporting further rail development in the Commonwealth. The bill establishes three new funds to focus on some of these needs. Two of these funds, The Virginia Urban Congestion Relief Fund and the Virginia Rural Transportation Fund, will be administered by the Commonwealth Transportation Board, and the third fund, the Shortline Railway Preservation Fund, will be administered by the Department of Rail and Public Transportation.

The bill generates revenues for these new funds, for existing funds, and for local transportation needs from a variety of revenue sources. The bill would raise vehicle registration fees by \$10 for most vehicles and \$20 for large passenger cars and pick-up or panel trucks; impose the retail sales and use tax on labor and service charges for vehicle maintenance and repair; increase the tax levied on diesel and alternative fuels to the same seventeen and one-half-cents currently levied on gasoline; impose an additional tax on gasoline, diesel, and alternative fuels based on a percentage of the statewide average retail price of gasoline; and would phase-in an increase of the motor vehicles sales tax.

Patrons: Hawkins, Chichester, Colgan, Edwards, Houck, Howell, Lambert, Locke, Lucas, Potts, Quayle, Rerras, Reynolds, Saslaw, Ticer, Wagner, Whipple and Williams

01/20/06 Senate: Presented and ordered printed 069189736

01/20/06 Senate: Referred to Committee on Finance

SB 720 Highway user fees; localities may establish.

A BILL to amend and reenact §§ 15.2-2001 and 33.1-12 of the Code of Virginia, relating to establishment of highway user fees.

065191129

Summary as introduced:

Highway user fees. Authorizes the establishment of user fees for the systems of state highways and for locally controlled highways outside any state highway system.

Patron: Wagner

01/27/06 Senate: Introduced at the request of Governor

01/27/06 Senate: Presented and ordered printed 065191129

01/27/06 Senate: Referred to Committee on Transportation

SB 721 Highway improvements; expands present revenue-sharing fund program.

A BILL to amend and reenact §§ 33.1-72.1 and 33.1-75.3 of the Code of Virginia, to amend the Code of Virginia by adding a section numbered 33.1-23.05, and to repeal § 33.1-75.1 of the Code of Virginia, relating to matching and revenue-sharing funds for highways in certain counties, cities, and towns.

065188129

Summary as introduced:

Revenue-sharing funds for systems in certain counties, cities, and towns. Expands the present

revenue-sharing fund program for counties to include cities and towns as well. The annual match limit is raised to \$1 million per locality, and the total limit on state funds is raised to \$50 million. Up to half of local contributions may take the form of proffers. Since the program now applies to all localities (not just counties), the present section embodying the program is repealed, and the new program is relocated to the article of Chapter 1 of Title 33.1 dealing with overall allocations of highway improvement funds.

Patron: Saslaw

01/27/06 Senate: Introduced at the request of Governor
01/27/06 Senate: Presented and ordered printed 065188129
01/27/06 Senate: Referred to Committee on Transportation

SB 722 DMV; assessment of fees on certain drivers, use of fees collected.

A BILL to amend the Code of Virginia by adding a section numbered 46.2-206.1, relating to certain additional fees imposed on certain drivers; and funding of asset management in the Highway Maintenance and Operating Fund.

065193129

Summary as introduced:

Assessment of fees by DMV on certain drivers; use of fees collected. Requires the courts to impose, in addition to any other penalties imposed, an initial additional fee for each conviction as show on the driving record of certain motor vehicle law offenders. These fees, minus cost of collection, will be deposited into the Highway Maintenance and Operating Fund for highway maintenance purposes.

Patron: Reynolds

01/27/06 Senate: Introduced at the request of Governor
01/27/06 Senate: Presented and ordered printed 065193129
01/27/06 Senate: Referred to Committee on Transportation

SB 723 Vehicle registration fees; additional fee for transportation purposes.

A BILL to amend and reenact §§ 46.2-694 and 58.1-2425 of the Code of Virginia, relating to fees for registration of certain motor vehicles; dedication of proceeds.

068903129

Summary as introduced:

Vehicle registration fees. Increases vehicle registration fees and dedicates the proceeds to transportation purposes.

Patron: Houck

01/27/06 Senate: Introduced at the request of Governor
01/27/06 Senate: Presented and ordered printed 068903129
01/27/06 Senate: Referred to Committee on Finance

SB 724 Traffic impact analysis; localities to prepare and consider prior to approving zoning ordinances.

A BILL to amend and reenact § 15.2-2285 of the Code of Virginia, relating to zoning; traffic impact.

065351129

Summary as introduced:

Zoning; traffic impact. Requires localities to prepare and consider a traffic impact analysis prior to approving zoning amendments.

Patron: Quayle

01/27/06 Senate: Introduced at the request of Governor

01/27/06 Senate: Presented and ordered printed 065351129

01/27/06 Senate: Referred to Committee on Local Government

SB 725 Motor vehicle insurance license tax; revenue dedicated to mass transit.

A BILL to amend and reenact §§ 33.1-23.03:1, 33.1-23.03:8, and 58.1-2501 of the Code of Virginia, and to repeal the tenth enactment of Chapter 1019 of the Acts of Assembly of 2000 and the tenth enactment of Chapter 1044 of the Acts of Assembly of 2000, relating to disposition of a portion of insurance license tax revenue.

068877129

Summary as introduced:

Insurance license tax revenue; dedication to mass transit. Dedicates an amount equal to the difference between one-third of the estimated revenue to be collected for all insurance license tax for each fiscal year and the estimated revenue from the motor vehicle insurance license tax; and increases the motor vehicle insurance license tax from two and one-fourth percent to four and one-half percent.

Patron: Colgan

01/27/06 Senate: Introduced at the request of Governor

01/27/06 Senate: Presented and ordered printed 068877129

01/27/06 Senate: Referred to Committee on Finance

SB 726 Motor Vehicle Sales and Use Tax; increases tax.

A BILL to amend and reenact § 58.1-2402 of the Code of Virginia, relating to increasing the motor vehicle sales and use tax.

065183129

Summary as introduced:

Motor vehicle sales and use tax; increase. Increases the motor vehicle sales and use tax from 3% to 5% and dedicates the revenue generated for transportation purposes. The authority to impose the additional tax ceases on December 31 of any year in which any of the additional revenue is not used for

transportation purposes.

Patron: Hawkins

01/27/06 Senate: Introduced at the request of Governor

01/27/06 Senate: Presented and ordered printed 065183129

01/27/06 Senate: Referred to Committee on Finance

Counts: HB: 40 HJ: 6 SB: 29



Virginia Railway Express

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January 30, 2006

Karen Rae
Director
VA Department of Rail & Public Transportation
1313 E. Main Street, Suite 300
Richmond, VA 23218

Dear Ms. Rae:

Karen

I'm asking for your help during the current General Assembly session to assist VRE in securing additional state earmarks for the purchase of new railcars.

As you know, we awarded a contract to Sumitomo Corporation for the purchase of 11 "gallery style" cab cars with the option to purchase 50 additional railcars. The option must be exercised by April 30, 2006. Delivery of the first 11 cab cars will commence in November 2006. If the 50-railcar option is exercised, delivery would commence in July 2007 with approximately four railcars delivered per month thereafter. The total cost of the 50-railcar option is \$92.5 million.

The 2005 General Assembly appropriated \$20 million for new railcars which will be used to fund the 50-railcar option. In addition, Governor Warner recommended an additional \$15 million in his budget submission to the 2006 General Assembly.

Due to uncertainty over the status and level of future earmarks, several financing scenarios have been presented to the VRE Operations Board and are being considered by VRE and jurisdictional staff. While VRE is seeking authority to make application to the FRA for financing, the jurisdictions will likely be required to assume some increase in local subsidy, depending on the final outcome of state earmarks.

If VRE does not receive any additional funding from the Commonwealth beyond the \$20 million currently allocated, the jurisdictions would be required to finance \$72.5 million in debt that would require a subsidy increase of \$2 million/year for 25 years. If we could receive earmarks from the Commonwealth totaling approximately \$65 million, which would require an additional \$27.5 million in debt

- A Transportation Partnership -

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Arlington, Virginia 22203
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Potomac and Rappahannock
Transportation Commission
14700 Potomac Mills Road
Woodbridge, Virginia 22192
(703) 583-7782

Karen Rae
January 30, 2006
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financing from the FRA, it would significantly minimize the impact on the jurisdictions.

I have initiated discussions with the eight jurisdictions to advise them that a potential subsidy increase may be required to exercise the 50-railcar option. My concern is that if the subsidy increase is considered unmanageable, one or more of the jurisdictions will not approve the purchase of the debt financing required to execute the option. Under the VRE Master Agreement, unanimous approval by all eight jurisdictions is required to implement the option and the related financing plan.

Any support you can provide to maximize the Commonwealth's investment in the 50-railcar option increases the prospect that the option can be executed. The additional 50 railcars are paramount for VRE to meet future demand and begin the process of phasing out of service our oldest Gallery railcars.

Sincerely,



Dale Zehner
Chief Executive Officer

cc: Chairman, VRE Operations Board
Stephen A. MacIsaac, Esquire
Al Harf
Rick Taube ✓
Jennifer Straub
Donna Boxer
Mark Roeber