

MINUTES
NVTC COMMISSION MEETING – MAY 1, 2008
NVTC CONFERENCE ROOM – ARLINGTON, VIRGINIA

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

Members Present

David Albo
Charles Badger
Sharon Bulova
Kelly Burk
Gerald Connolly
Adam Ebbin
William D. Euille
Jay Fisette
Pat Herrity
Mary Hynes
Scott Silverthorne
Paul Smedberg
David F. Snyder
Mary Margaret Whipple
Christopher Zimmerman

Members Absent

Catherine Hudgins
Joe May
Jeffrey McKay
Thomas Rust

Staff Present

Rhonda Gilcrest
Scott Kalkwarf
Greg McFarland
Adam McGavock
Kala Quintana
Elizabeth Rodgers
Mark Roeber (VRE)
Jennifer Straub (VRE)
Rick Taube

Minutes of the April 3, 2008 NVTC Meeting

On a motion by Mr. Connolly and a second by Mr. Zimmerman, the commission unanimously approved the minutes. The vote in favor was cast by commissioners Badger, Bulova, Burk, Connolly, Ebbin, Euille, Herrity, Hynes, Silverthorne, Snyder, Whipple and Zimmerman. Mr. Smedberg abstained.

VRE Items

Report from the VRE Operations Board and Chief Executive Officer. Ms. Straub reported that VRE is averaging just over 15,200 passenger trips per day, which is approximately 1,500 more passenger trips per day compared to the same time last year. Ridership is anticipated to continue to increase over the next several months. In response to a question from Mr. Connolly, Ms. Straub stated that capacity is 15,500, which is tight with standees on some of the peak trains. VRE is continuing to address the capacity issue by adding railcars.

Ms. Straub reported that unfortunately, VRE has been experiencing some problems with on-time performance, which is down to 80 percent this past month. The delays have not been significant delays, but have tended to affect almost all trains. Causes are primarily due to track inconsistencies, which require the trains to slow down through certain areas, as well as some train interference on the Manassas Line.

Mr. Straub announced that VRE has now received half of the 50 new railcars and they are all in service, divided between the two lines. The next five cars are expected on May 18th and will be put into service on the Manassas Line. Also, next week VRE will put into service one of the three newly leased locomotives.

It was also announced that there are two upcoming ribbon cutting ceremonies. On June 26, there will be a ceremony to celebrate the opening of the new parking structure at the Manassas station. On June 28th there will be a ribbon cutting ceremony for the Burke Centre parking facility. Mrs. Bulova stated that this is good news. Some ridership was lost during the Burke Centre construction, but it should bump back up with the opening of the new facility.

Authorization to Modify VRE's Fares. Mrs. Bulova moved, with a second by Mr. Zimmerman, to approve Resolution #2102 (copy attached), which would authorize VRE's Chief Executive Officer to amend VRE's tariff to increase fares by an average of three percent on June 30, 2008 and to initiate a fare indexing policy beginning with

VRE's FY 2010 budget process. The vote in favor of the motion was unanimous and cast by commissioners Badger, Bulova, Burk, Connolly, Ebbin, Euille, Herrity, Hynes, Silverthorne, Smedberg, Snyder, Whipple and Zimmerman.

Contract for Insurance Brokerage Services. Mrs. Bulova reported that the VRE Operations Board recommends approval of Resolution #2103, which would authorize VRE's CEO to execute a three-year contract with Aon Risk Services for insurance brokerage services. It would also authorize VRE's CEO to execute up to two additional one-year options. The total contract value for the five years will not exceed \$908,600. VRE is taking over this procurement from the Virginia Division of Risk Management with the approval of DRM. The current brokerage contract expires on June 30, 2008.

On a motion by Mrs. Bulova and a second by Mr. Zimmerman, the commission unanimously approved the resolution (copy attached). The vote in favor was cast by Badger, Bulova, Burk, Connolly, Ebbin, Euille, Herrity, Hynes, Silverthorne, Smedberg, Whipple and Zimmerman. Mr. Snyder abstained.

Locomotive Fuel Supply at Broad Run Yard and Crossroads Yard. Mrs. Bulova reported that the VRE Operations Board recommends commission approval of Resolutions #2104 and #2105, which would approve the locomotive fuel supply for the Broad Run and Crossroads yards. Resolution #2104 would authorize VRE's CEO to amend by \$250,000 the existing contract with Mifco Heating Oil of Manassas, Virginia for the current year. With the amendment the total contract value will be \$1,850,000. The resolution would also authorize the CEO to execute the final option year of the contract at a price not to exceed \$2,300,000. Since the price paid for fuel and the amount of fuel used by VRE has risen, the previously approved maximum value of the current year of the contract would be exceeded without the amendment. Exercising the final option year—starting on July 1, 2008—now will allow longer term purchases of fuel that may reduce price volatility. Resolution #2105 would authorize VRE's CEO to amend the contract with Quarles Petroleum Company of Fredericksburg, Virginia by \$850,000 for the current year. With the amendment the contract value for the current year will increase to \$3,000,000. Also, the VRE CEO would be authorized to execute the final option year of the contract at a price not to exceed \$3,000,000.

Mrs. Bulova moved, with a second by Mr. Zimmerman, to approve Resolutions #2104 and #2105 (copies attached). The vote in favor was cast by commissioners Badger, Bulova, Burk, Connolly, Ebbin, Euille, Herrity, Hynes, Silverthorne, Smedberg, Snyder, Whipple and Zimmerman.

Contract for Second Platform at Woodbridge. Mrs. Bulova reported that the VRE Operations Board recommends approval of Resolution #2106, which would authorize VRE's CEO to enter into a contract and execute any related documents with Costello Construction of Columbia, Maryland for construction of a second platform at the Woodbridge VRE station. The contract amount is \$3,868,700, which includes a 10 percent contingency. Funding for this phase of the project is included in VRE's Capital Improvement Program from a FY 2003 federal grant.

On a motion by Mrs. Bulova and a second Mr. Smedberg, the commission unanimously approved the resolution (copy attached). The vote in favor was cast by commissioners Badger, Bulova, Burk, Connolly, Ebbin, Euille, Herrity, Hynes, Silverthorne, Smedberg, Snyder, Whipple and Zimmerman.

Commonwealth Transportation Board's Public Hearing on its Six-Year Improvement Program

Mr. Taube stated that CTB will conduct a hearing on May 14th at the Northern Virginia Community College in the Ernst Cultural Center in Annandale. The hearing will be on the draft FY 2009-14 SYIP. NVTC has prepared testimony for Chairman Euille or his designee to present at the hearing.

Mr. Taube reported that NVTC will receive approximately \$25 million in additional state assistance from the several transit funding programs in FY 2009 compared to FY 2008. However, there is no great net increase because NVTC will not receive General Fund appropriations as it did last year (\$20 million). VRE also received \$15 million in FY 2008 from the General Fund but none in FY 2009.

Delegate Albo arrived at 8:24 P.M. and joined the discussion.

Mr. Taube also reported that DRPT is taking off the top of most programs a 2.6 percent "project management fee" totaling about \$5 million statewide (\$2.7 million for NVTC). Mr. Connolly stated that, in other words, this is the first time the General Assembly has authorized this and otherwise the funds would be program funds instead of covering the cost of DRPT administration. He further stated that this is the same General Assembly that criticized Fairfax County's proposal to use designated tax dollars for administration.

Delegate Ebbin asked where DRPT's administrative funds came from previously. Mr. Badger responded that they came out of highway, maintenance and operating

funds. Senator Whipple asked if the authorization was in the budget language and Mr. Badger replied that it was.

Mr. Taube stated that the overall state matching ratio for three principal sources of funding is 66 percent, but NVTC's portion is only 64 percent, meaning the rest of the state is receiving 72 percent (and the rest of the state outside NVTC and PRTC combined is receiving 78 percent). One reason for this disparity is DRPT's decision to exclude WMATA's Metro Matters from the bond program (80 percent match) and instead fund it entirely from the formula program (50 percent match). In response to a question from Mr. Connolly asking for the state's rationale for doing this, Mr. Badger explained that to be eligible for bond funding an item must be linked directly to a specific asset with a significant useful life and funds cannot be used for debt service. Mr. Connolly stated that many components of Metro Matters would appear to meet this definition. Mr. Taube stated that if NVTC's capital grants received the combined 66 percent matching ratio applicable to the entire state, NVTC's jurisdictions would receive an additional \$2.3 million and VRE would receive \$1.5 million. Mr. Zimmerman asked staff to put together a simple table explaining this information.

Mr. Connolly expressed his concern that the net result is that the region with the biggest need; the region by far with the lion's share of transit ridership; the region by far paying more of its local dollars into transit than any other part of the state; is actually coming out on the short end of the stick relative to every other part of the state in terms of the percentage of state funding. That outcome should be unacceptable to DRPT.

Mr. Snyder stated that it is important for NVTC to make a clear statement that the outcome is unacceptable. This is one area of funding where this region gets somewhat near what it ought to get. This region has air quality and congestion challenges. Mr. Connolly further stated that the region is bumping up against capacity with VRE and Metro. Metro Matters is supposed to help address capacity needs.

On another issue, Mr. Taube stated that DRPT has decided to employ a requirement for maintaining the local level of effort. In the approved budget, the General Assembly called for a "maintenance of effort" provision but did not define it. DRPT has chosen pre-budget FY 2008 as the base, to be compared to the amounts shown in the pre-budget FY 2009 applications. To calculate the required local level of effort, DRPT subtracts a transit system's FY 2008 fare revenues from its total operating costs and then subtracts the FY 2008 state assistance for fuels, tires, maintenance and administration. The same calculation using FY 2009 pre-budget data must at least equal the FY 2008 calculation. If not, DRPT withholds enough state aid for FY 2009 until the two amounts are equal. For FY 2009, Loudoun County lost \$164,000 and Falls Church lost \$13,000 as a result.

Mr. Connolly stated that it is a bit much for the state to be grading the jurisdictions on their effort, when the state itself is notorious for not maintaining its level of effort. It is his understanding that Loudoun County and Falls Church were basically penalized. It might only affect these two jurisdictions now, but it could affect other jurisdictions in the future. He stated that NVTC's testimony should reflect a concern and object to this double standard.

In response to a question from Senator Whipple, Mr. Connolly stated that if a jurisdiction increases its ridership on transit and thus receives more fare revenue, which would reduce their local subsidy, under DRPT's method the jurisdiction would be accused of not maintaining its level of effort. This approach provides an incentive to not raise fares or encourage more riders, because state aid will be reduced by doing so.

Mr. Snyder stated that NVTC shouldn't just question this approach, it should oppose it. Mr. Connolly observed that DRPT feels it is required by state statute to do it this way. Mr. Badger concurred. Mr. Connolly stated that the General Assembly is ultimately the one responsible. He stated that this double standard needs to be highlighted in the testimony.

Senator Whipple stated that the principles of local maintenance of effort, transit sustainability, public benefit and asset management are not bad principles. The question needs to be how it is being carried out, which does not necessarily mean that the language of the legislation needs to be changed. The regulations may just need to be changed.

Mr. Connolly stated that there is an unintended consequence to this General Assembly action. There may be anomalies that are perfectly reasonable and, in fact, desirable. The unintended consequence is that a jurisdiction gets penalized for doing good things. Normally increasing fare box recovery and becoming more efficient are good things. While it is now affecting only two jurisdictions, in theory it could affect all jurisdictions.

In response to a question from Senator Whipple, Mr. Badger stated that the process does not preclude jurisdictions from adding services to show greater local effort because a jurisdiction can then submit a revised budget.

Mr. Connolly moved to adopt the testimony and direct staff to further wordsmith it to reflect this discussion. Mr. Zimmerman seconded. Mr. Smedberg suggested that the final version could be reviewed by the Executive Committee. The commission then

voted on the motion and it passed. The vote in favor was cast by commissioners Albo, Badger, Bulova, Burk, Connolly, Ebbin, Euille, Herrity, Hynes, Silverthorne, Smedberg, Snyder, Whipple and Zimmerman.

Mr. Taube stated that authorization is also requested regarding the draft policy statement. Commissioners and staff will have an additional three weeks to comment. On a motion by Mr. Zimmerman and a second by Mrs. Bulova, the commission unanimously approved the draft policy statement. The vote in favor was cast by commissioners Albo, Badger, Bulova, Burk, Connolly, Ebbin, Euille, Herrity, Hynes, Silverthorne, Smedberg, Snyder, Whipple and Zimmerman.

Memorandum of Understanding with the Virginia Department of Taxation

Mr. Taube reported that the Virginia Department of Taxation and PRTC have previously negotiated and executed a MOU that calls for the Department of Taxation to notify PRTC of proposed settlements with motor fuels taxpayers whenever the amount to be repaid is at least \$25,000 less than the amount originally owed. The MOU gives PRTC and its jurisdictions the opportunity to be notified of such settlements and to offer comments. NVTC and its jurisdictions should be granted the same opportunity. The agreement has been reviewed by staff of NVTC's jurisdictions and by attorneys for PRTC.

Mr. Zimmerman moved, with a second by Mrs. Bulova, to authorize NVTC's executive director to execute a MOU with the Department of Taxation substantially the same as the PRTC agreement. The vote in favor was cast by commissioners Albo, Badger, Bulova, Burk, Connolly, Ebbin, Euille, Herrity, Hynes, Silverthorne, Smedberg, Snyder, Whipple and Zimmerman.

Legislative Items

Mr. Taube asked General Assembly members for an update about the Special Session. Delegate Ebbin reported that House members from Northern Virginia and Hampton Roads are scheduled to meet next week to discuss strategies. Senator Whipple stated that a Special Session is expected to be convened at the end of June.

Mr. Fisetto arrived at 8:45 P.M.

Mr. Taube stated that NVT A has launched an innovative public outreach campaign featuring You Tube videos (Give Legislators a Piece of Your Commute), web ads, on-line petition, and black ribbon tying ceremonies.

Mr. Connolly observed that hearings are being held now for the federal transportation reauthorization bill, which will be voted on next year. NVTC needs to monitor this.

I-95/395 HOT Lanes

Chairman Euille explained that Secretary of Transportation Pierce Homer has requested that this item be deferred to the June meeting.

Mr. Connolly moved, with a second by Mr. Smedberg, to defer this item to the June meeting. The vote in favor was cast by commissioners Albo, Badger, Bulova, Burk, Connolly, Ebbin, Euille, Fisette, Herrity, Hynes, Silverthorne, Smedberg, Snyder, Whipple and Zimmerman.

Delegate Albo reported that he is getting “slammed” with comments by sluggers about this issue.

Metro Items

Status of Rail to Dulles Rail Project. Mr. Connolly stated that it is good news that FTA has agreed to advance the Dulles Rail project into the Final Design stage under the FTA New Starts program.

Mr. Connolly moved, with a second by Mr. Zimmerman, to authorize NVTC’s chairman to send a letter to Governor Kaine, Senator Warner and Congressman Wolf thanking them for their leadership and work in supporting the Dulles Rail project.

In response to a question from Mr. Snyder, Mr. Connolly stated that additional regional funding is not required.

The commission then voted on the motion and it passed. The vote in favor was cast by commissioners Albo, Badger, Bulova, Burk, Connolly, Ebbin, Euille, Fisette, Herrity, Hynes, Silverthorne, Smedberg, Snyder, Whipple and Zimmerman.

Monthly Ridership at Virginia's Metrorail Stations. Metrorail ridership at Virginia stations is very strong in FY 2008 through March compared to FY 2007. NVTC staff will continue to track and report monthly ridership to observe if this trend persists.

Buses Operating on Shoulder Lanes. WMATA is looking at a proposal to run buses on shoulder lanes, which would allow buses to bypass congestion and give commuters added incentive to use transit.

Regional Transportation Items

Code Red. Chairman Euille congratulated staff on a successful kick-off event for the Code Red Program on April 30, 2008. Ms. Quintana reported that it was a huge success and the project received a lot of media and press attention. The Fairfax Connector reported its highest weekday ridership count for that day. She thanked local officials for their participation, as well as the local transit providers.

Mr. Zimmerman left the meeting at 9:02 P.M. and did not return.

In response to a question from Mr. Herrity, Mr. Taube explained that since not all bus drivers record passenger counts on Code Red days, it is hard to accurately measure the program's success. On-board surveys show that four percent of the bus riders on Ride Free days changed their commuting behavior from driving automobiles because of the program. This does not seem like a lot, but it results in 80,000 diverted trips from automobiles per ozone season. It is a reasonably cost effective way to reduce ozone when one looks at the cost of reduced pollution (about \$1 per pound). Mr. Connolly stated that he has concerns about whether the program is getting people out of their automobiles or whether the program is just subsidizing people who would ride transit anyway. However, it does provide a benefit to the region by reducing air pollution, which results in the region receiving air quality credit.

In response to a question from Ms. Burk, Ms. Quintana stated that Loudoun County participated in the kick-off event and provided system maps for Loudoun riders.

Delegate Ebbin suggested putting signage on bus stops and backs of fare cards to further promote the program. Ms. Quintana responded that it's a very limited program; however it is promoted through press releases and the media.

Virginia Transit Association Spring Meeting. Chairman Euille reported that VTA will hold its Spring Meeting on May 19-21, 2008 at the Hilton Crystal City Hotel. Commissioners interested in attending should contact staff.

TPB's Report on Regional Value Pricing (Toll Road) System. Mr. Taube stated TPB staff has released a report on the benefits and costs of a region wide system of tolls on existing roads and bridges. The revenue would largely go to support public transit improvements. Mr. McFarland will be available immediately following the meeting to give a Power Point presentation for those commissioners who wish to see it.

Bike to Work Day. Bike to Work Day is May 16, 2008. There will be pit stop rallies throughout the region, including one at Franconia/Springfield Metrorail Station. Free t-shirts are available to the first 7,000 registrants.

NVTC Financial Items for March, 2008

Commissioners were provided with the financial reports for March, 2008. There were no questions or comments.

Adjournment

Mr. Smedberg moved, with a second by Senator Whipple, to adjourn the meeting. The vote to adjourn was unanimous. Chairman Euille adjourned the meeting at 9:08 P.M.

Approved this 5th day of June, 2008.

William D. Euille
Chairman

Gerald E. Connolly
Secretary-Treasurer