



NVTC COMMISSION MEETING
THURSDAY, JANUARY 7, 2010
NVTC CONFERENCE ROOM
8:00 PM

NOTE: A buffet supper will be provided for attendees.

AGENDA

1. Minutes of the NVTC Meeting of December 3, 2009.

Recommended Action: Approval.

2. Oath of Office for New NVTC Commissioners.

If any new commissioners have been selected, Chairman Zimmerman will administer the oath of office.

Recommended Action: Administer oath of office (if needed).

3. VRE Items.

- A. Report from the VRE Operations Board and Chief Executive Officer—Information Item.
- B. Approval of FY 2011 VRE Capital and Operating Budget and Revisions to the FY 2010 Budget—Action Item / Resolution #2136.
- C. Extend CSXT Operating Agreement—Action Item/ Resolution #2137.
- D. Extend Norfolk Southern Operating Agreement—Action Item/ Resolution #2138.



4. Election of Officers for 2010.

NVTC's Executive Committee has recommended a slate of officers.

Recommended Action: Elect officers. Chairman Zimmerman will administer the oath of office to the new officers. The new chairman will recognize Chairman Zimmerman for his service as immediate past chairman.

5. Selection of NVTC Representatives to Boards and Committees.

NVTC's new chairman will announce nominations from the jurisdictions for the WMATA and VRE boards. He or she will also announce selections for NVTC's Legislative Committee. The commission will also select board members for the Virginia Transit Association.

Recommended Action: Elect representatives to the WMATA and VRE and VTA boards. Some of these selections may be contingent on subsequent action by the jurisdictions to confirm their nominees.

6. Selection of NVTC Signatories and Pension Trustees.

After NVTC's Secretary-Treasurer is elected, that person should be selected as a NVTC signatory and a pension trustee.

Recommended Action: Approve Resolution #2139.

7. Public Hearing on and Approval of NVTC's 2010 Work Program and Schedule.

NVTC staff will provide a review of significant accomplishments in 2009 and an overview of the proposed schedule and work program for 2010. This document has been posted on NVTC's website since early December and has been previously reviewed by staff of local jurisdictions and regional and state agencies.

Recommended Action: After the staff presentation, conduct a public hearing. Upon the conclusion of the hearing, act to approve the 2010 schedule and work program, incorporating comments by commissioners and the public.

8. FY 2010 NVTC Administrative Budget.

The identical preliminary budget was presented to the commission in September, 2009 and has been reviewed by jurisdiction and agency staff. Local contributions and expenditures are held constant. No increase in staff salaries is included. This is the second straight year of freezing expenditures and salaries.

Recommended Action: Approve the recommended budget.

9. Authorize Award of a Contract and Related Actions for Design of the Vanpool Incentive Program.

Following a competitive procurement with a Request for Proposals issued November 13, 2009, the selection committee may be ready with a recommendation of a consulting team. The project is jointly funded by NVTC and FAMPO using federal CMAQ funds. DRPT has agreed to manage the project.

Recommended Action: Authorize NVTC's Executive Director to complete all required actions to execute a grant agreement, to execute the consulting contract jointly with the Executive Director of FAMPO, to execute a Memorandum of Understanding with DRPT to manage the consulting team, and to execute such other MOU's that may be required for successful implementation of the design of the Vanpool Incentive Program. The consulting contract will not be executed and notice to proceed given until all requirements necessary to secure funding have been accomplished and consultation has occurred with legal counsel.

10. Status of Transition to the 2.1% NVTC/PRTC Motor Fuels Tax.

The commissions wrote to Commissioner Bowen to seek to revise the guidelines for administering the new tax. Senator Saslaw has been briefed. Staff will provide a status report and propose appropriate action, if necessary.

Discussion/Action Item.

11. Legislative Items.

Copies of NVTC's approved legislative agenda have been widely distributed. The status of state and federal legislative actions will be reviewed.

Discussion Item.

12. Metro Items.

Information Item.

13. NVTC Financial Items for November, 2009.

Information Item.

Note: The next NVTC meeting will be in the General Assembly Building in Room 3 West in Richmond. This will be a joint meeting with the Northern Virginia Transportation Authority from 5:30 to 6:30 P.M. on February 11, 2010.



AGENDA ITEM #1

MINUTES
NVTC COMMISSION MEETING – DECEMBER 3, 2009
NVTC CONFERENCE ROOM, ARLINGTON, VIRGINIA

The meeting of the Northern Virginia Transportation Commission was called to order by Chairman Zimmerman at 8:19 P.M.

Members Present

David Albo
Charles Badger
John Foust
Pat Herrity
Catherine Hudgins
Mary Hynes
Dan Maller
Jeffrey McKay
Thomas Rust
Paul Smedberg
Mary Margaret Whipple
Christopher Zimmerman

Members Absent

Sharon Bulova
Kelly Burk
Adam Ebbin
William D. Euille
Jay Fisette
Jeffrey Greenfield
Mark R. Herring
Joe May

Staff Present

Lynn Everett
Rhonda Gilchrest
Scott Kalkwarf
Greg McFarland
Adam McGavock
Kala Quintana
Jennifer Straub (VRE)
Rick Taube
Dale Zehner (VRE)



Minutes of the November 5, 2009 NVTC Meeting

Senator Whipple moved, with a second by Mr. McKay, to approve the minutes. The vote in favor was cast by commissioners Albo, Badger, Foust, Herrity, Hudgins, Hynes, Maller, McKay, Whipple and Zimmerman. Mr. Smedberg abstained since he did not attend the November meeting.

VRE Items

Report from the VRE Operations Board. Mr. Zehner reported that systemwide on-time performance slipped in November because of signal problems on the Norfolk Southern line. VRE Santa Trains are scheduled for December 12th with tickets basically sold out. There are a few tickets remaining for the Manassas Line, so if commissioners wish to ride, they should contact the VRE office. VRE will also be collecting toys and monetary donations for the Toys for Tots Campaign on December 19, 2009.

Extend Lease Agreement with Manassas Regional Airport. Mr. Zehner stated that the VRE Operations Board recommends approval of Resolution #2135, which would authorize him as VRE CEO to extend the term of a lease agreement between VRE and the Manassas Regional Airport Authority for 59 months at a cost not to exceed \$81,960. The lease covers land on which 98 parking spaces are located at the VRE Broad Run station. The original lease was signed in February, 2005 for a five-year period. Funding is available from a FY 2009 federal grant with local and state funds providing the required match.

On a motion by Mr. Smedberg and a second by Chairman Zimmerman, the commission unanimously approved the resolution (copy attached). The vote in favor was cast by commissioners Albo, Badger, Foust, Herrity, Hudgins, Hynes, Maller McKay, Smedberg, Whipple and Zimmerman.

NVTC and VRE Audits for FY 2008

Mr. Taube introduced Mike Garber, the partner in charge of the audits for PBGH LLP, the audit firm for NVTC and VRE. Mr. Garber stated that he met with the Executive Committee prior to this meeting and attended the last VRE Operations Board meeting. He stated that for NVTC, there are two opinions from PBGH, both clean. There was no federal single-agency audit required this year because the threshold of federal grant billings was not exceeded. For FY 2009, NVTC's revenues increased by over \$50 million from the previous year to reach \$203 million. For VRE, the two opinions were also unqualified. However, a finding was made in one opinion regarding

internal controls, because a major item paid electronically in July, was not properly accrued as of June 30, 2009. VRE staff has acted to correct the situation.

Senator Whipple moved, with a second by Mrs. Hudgins, to authorize NVTC's executive director and VRE's CEO to distribute the audited financial statements to interested regulatory agencies, bond holders, other firms and individuals, and to post the results on the NVTC and VRE websites. The vote in favor was cast by commissioners Albo, Badger, Foust, Herrity, Hudgins, Hynes, Maller McKay, Smedberg, Whipple and Zimmerman.

Mr. Herrity asked if it is possible to include a comparative statement in future audit statements, where the overall statement is compared year to year. Mr. Garber stated that they could look into doing this.

WMATA Items

Mr. Taube introduced Nat Bottigheimer, WMATA's Assistant General Manager of Planning and Joint Development. Mr. Bottigheimer also introduced Jim Hamre, WMATA's Director of Service Planning and Bus Operations, and Jennifer Green, WMATA's Government Relations Officer for Virginia. Mr. Bottigheimer then gave his presentation about the opportunities to support bus prioritization in Northern Virginia and the region, including the Metrobus priority corridor network plan, TIGGER grant application, and the TPB sponsored study. He stated that VDOT has joined in the funding of the TPB study (along with DDOT, MDOT and WMATA).

Delegate Rust arrived and joined the discussion.

Mr. Bottigheimer stated that the TPB sponsored study shows that with dedicated bus lanes and other enhancements in the region daily ridership could be increased from the current 450,000 daily riders to 700,000 riders per day by 2030. The increase would result from an estimated 100,000 riders switching from rail to bus and another 100,000 switching from auto to transit because of the time savings benefits.

Mr. Bottigheimer stated that the study also looked at taking existing lanes of traffic and making designated bus-only lanes. He then reviewed the network map. In response to a question from Mr. Maller, Mr. Bottigheimer clarified that just because a corridor is not designated in the map does not mean that it is precluded from being analyzed. It just means that the benefits of bus-only lanes would not be as great in that corridor compared to the other listed corridors. Mr. McKay stated that it would be interesting to know how close the routes not chosen in Virginia (to be considered for bus-only designation) came to meeting the criteria for providing bus-only lanes.

Chairman Zimmerman noted that there is interest in looking at Braddock Road as a potential bus-only lane corridor.

Mr. Bottigheimer stated that WMATA needs help from the local jurisdictions, other transit agencies, highway departments and citizens. Mrs. Hudgins asked if the network would address “person through put” and she observed that it is a huge cultural change. Mr. Hamre reviewed examples in Virginia where designated lanes have been successful (i.e., the 5th and 6th lanes on Arlington Boulevard which were created as bus-only lanes in the 1970’s and continued to be successful until the Metro system was running and they were no longer needed; Patrick Street and Henry Street in Alexandria are one-way streets through Old Town Alexandria with the right lane a HOV lane; and the Dulles Access Road). He stated that there is a lot to celebrate in Virginia with HOV lanes and other capacity solutions, but over time, the region has not been able to sustain it to the full advantage, partly due to budget issues.

Mrs. Hudgins stated that the congestion coming from the west is unbearable, especially in the Route 7 Corridor. It is important to provide connectivity and to not allow land use to be a barrier. Mr. Maller stated that Falls Church could use some input and help before making land use decisions along the Route 7 corridor. Mrs. Hudgins stated that solutions need to be interjurisdictional and NVTC is a good place to start to make that happen. Mr. Hamre stated that WMATA is committed to working with Falls Church to find solutions and he also reported that a corridor study team is being assembled. Chairman Zimmerman observed that a great number of cars commute through Falls Church on Route 7 and a bus-only lane could make it more efficient. Mr. McKay stated that Falls Church is not the only jurisdiction with land use issues. He stated that it is important that jurisdictions communicate with each other. The Route 1 Corridor improvements are an example where more communication would be beneficial since the jurisdictions involved have competing long-term plans for this corridor that are not compatible after crossing jurisdictional lines.

Mr. Herrity observed that people do not tend to drive solely in one corridor and, therefore, the key is to have a semi-dedicated roadway network. They are already in existence in the region (I-395, Dulles Toll Road). He stated that it is important to be careful about taking lanes away from cars. Chairman Zimmerman stated that there are significant cost savings if bus routes are managed correctly. It is important to look at routes Metrobus already runs and determine if they can be improved and more people can be moved more efficiently.

Mrs. Hynes stated that she still has questions about what this would mean for Virginia. She stated that it is important to understand what is at play for specific routes. Mr. Bottigheimer stated that he would be happy to return to NVTC and provide further

information. Chairman Zimmerman stated that this is a good idea. It is important to do analysis across jurisdictions regardless of which transit provider is providing service.

NVTC and VRE Legislative Agendas for 2010

Mr. Taube stated that NVTC's Legislative Committee, chaired by Mr. Euille, met on November 10th and recommends approval of the draft NVTC legislative agenda. The VRE Operations Board also recommends approval of VRE's legislative agenda. Both agendas speak to the need for more state and federal transit funding. Virginia's CTB is expected to take final action in December on another sharp cut in state funding. NVTC's jurisdictions will sustain a reduction of \$6.5 million in mid-FY 2010, after a reduction of \$10.1 million in mid-FY 2009, both occurring after contracts had been signed and local transit budgets set. If DRPT had not been able to utilize one-time federal stimulus funds, the FY 2010 reduction would have been even worse. The FY 2011 program is also expected to be reduced, perhaps drastically if previously authorized bonds are not sold by June or July 2010. Mr. Taube stated that jurisdictional staff have reviewed NVTC's legislative agenda and requested some minor wording changes; in #14, delete the reference to budget language; and change the heading listed on page 3 to Safety and Law Enforcement Improvements.

Mr. McKay stated that NVTA's legislative agenda references BRAC in both its state and federal legislative agendas and he would like to see NVTC do the same.

Mr. McKay moved, with a second by Mrs. Hynes, to approve the NVTC legislative agenda with additional BRAC language under both federal and state agendas, as well as the other editorial changes highlighted by staff. The motion also includes approving VRE's legislative agenda. The vote in favor was cast by commissioners Foust, Hudgins, Hynes, Maller, McKay, Smedberg and Zimmerman. Commissioners Albo, Badger, Herrity, Rust and Whipple abstained. The motion passed.

Mr. Taube stated that a fact sheet has been prepared that links the need for doubling of NVTC's motor fuels tax rate to the financial crisis at WMATA. It should help to educate legislators even if the tax increase is not enacted during the next legislative session. Also, NVTC has created a brochure to be used to present a condensed version of NVTC's legislative agenda to the General Assembly members and the public. Lynn Everett worked on this project. Mr. Taube announced that this meeting is Ms. Everett's last meeting since she has taken a new position at WMATA.

Status of Transition to the 2.1 Percent NVTC/PRTC Motor Fuels Tax

Mr. Taube announced that on January 1, 2010, distributors of motor fuels sold to retailers in the NVTC/PRTC districts will begin to pay a 2.1 percent tax and retailers will no longer collect a two percent tax on the retail pump price. Staff from both commissions have met with officials of the Virginia Department of Taxation (TAX) to discuss plans for the transition. NVTC staff coordinated comments on a set of draft regulations circulated by TAX.

Mr. Taube stated that there is still an unresolved issue. TAX has proposed that instead of assessing the motor fuels tax on the actual sales price to retailers, it would be on a "cost price" paid by distributors (excluding transportation costs and certain administrative items). This could significantly reduce the yield to NVTC/PRTC. It is estimated that the commissions stand to lose up to \$1 million annually if it is not changed.

In response to a question from Delegate Rust, Mr. Taube stated that Senator Saslaw has not been involved in this issue, but staff is prepared to contact him.

In response to a question from Mr. Maller, Senator Whipple explained that one reason for the requested change is to make sure that the transportation costs are not manipulated by the distributors.

Mrs. Hudgins moved, with a second by Mr. McKay, to authorize NVTC's chairman to send a letter to TAX regarding this concern. The vote in favor was cast by Albo, Badger, Foust, Herrity, Hudgins, Hynes, Maller, McKay, Rust, Smedberg, Whipple and Zimmerman.

On a related matter, Mr. Taube reported that NVTC has reached agreement with TAX concerning disclosure of settlements of fuel tax assessments. PRTC has specific disclosure authorization in the Virginia Code. Until NVTC can seek specific legislative changes in the Code for disclosure authorization similar to PRTC, a "stop gap" approach has been agreed to by NVTC and TAX whereby NVTC could receive this information. A MOU has been prepared for Chairman Zimmerman's signature.

Mr. Maller moved, with a second by Mr. Smedberg, to authorize NVTC's chairman to sign the MOU with TAX. The vote in favor was cast by Albo, Badger, Foust, Herrity, Hudgins, Hynes, Maller, McKay, Rust, Smedberg, Whipple and Zimmerman.

Draft NVTC Goals, Objectives, Schedules and Work Program

Mr. Taube stated that the commission is asked to authorize staff to release these draft items for public review and comment. NVTC will conduct a public hearing at its January 7, 2010 meeting. After the hearing, the commission will be asked to adopt its 2010 work program and meeting schedule. NVTC's Management Advisory Committee has commented on these documents.

Mr. McKay moved, with a second by Mrs. Hudgins, to authorize staff to release NVTC's Goals, Objectives, Schedule and Work Program. The vote in favor was cast by commissioners Albo, Badger, Foust, Herrity, Hudgins, Hynes, Maller, McKay, Rust, Smedberg, Whipple and Zimmerman.

Regional Transportation Items

U.S. Census American Community Survey Transit Facts. In October of 2009, the U.S. Census Bureau released data from the 2006-2008 American Community Survey which compiles the commuting preferences of persons nationwide including the Washington, D.C. Metropolitan region. The data provide a detailed breakdown of demographic characteristics for each major category of commuter in the D.C. area: solo drivers, carpoolers and ride sharers, and transit users. The survey found that 63.7 percent of the region's commuters drive alone, compared with 75.9 percent of commuters nationwide. Carpool users account for 10.7 percent and transit users for 16.7 percent of the region commuters.

Subway Ridership Around the World. According to the study, WMATA has the second largest ridership in the U.S. and achieves that with a relatively modest railcar fleet. Ridership in Tokyo, Moscow and Seoul far exceed any U.S. system.

Energy Efficient, Technology Advanced Bus Shelters. San Francisco's Muni Transit System is installing state-of-the-art bus shelters in partnership with Clear Channel Communications. The shelters are made from recycled materials, will feed the power grid with photovoltaic screens, and feature Wi-Fi and real-time bus information.

Opening Ceremony for Alexandria DASH Bus Garage. Alexandria officially opened the new William B. Hurd Transit Facility in a ceremony on November 21, 2009. Mr. Hurd was a driving force behind the creation of the Alexandria Transit Company (DASH) and served as the Chairman of its Board of Directors for 23 years (1984-2006).

NVTC Nominating Committee for 2010 Officers

Chairman Zimmerman announced that he has appointed the Executive Committee (Commissioners Zimmerman, Hudgins, Euille and Whipple) to serve as the Nominating Committee and a slate of officers for 2010 will be recommended at the January meeting.

NVTC Financial Items for October, 2009

Commissioners were provided with a copy of NVTC's financial reports. There were no questions or comments.

Adjournment

Without objection, Chairman Zimmerman adjourned the meeting at 9:43 P.M.

Approved this 7th day of January, 2010.

Christopher Zimmerman
Chairman

William Euille
Secretary-Treasurer



AGENDA ITEM #2

TO: Chairman Eulle and NVTC Commissioners
FROM: Rick Taube
DATE: December 31, 2009
SUBJECT: Oath of Office for New NVTC Commissioners

If any new commissioners have been selected to join NVTC they are required to receive an oath of office.

Chairman Zimmerman will administer the following oath to any new commissioners:

I do solemnly swear that I will support the constitution of the United States and the Commonwealth of Virginia and that I will faithfully discharge all the duties incumbent upon me as a member of the Northern Virginia Transportation Commission, according to the best of my ability.



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AGENDA ITEM #3

TO: Chairman Zimmerman and NVTC Commissioners
FROM: Rick Taube
DATE: December 31, 2009
SUBJECT: VRE Items

- A. Report from the VRE Operations Board and Chief Executive Officer—Information Item.
- B. Approval of FY 2011 VRE Capital and Operating Budget and Revisions to the FY 2010 Budget—Action Item / Resolution #2136.
- C. Extend CSXT Operating Agreement—Action Item/ Resolution #2137.
- D. Extend Norfolk Southern Operating Agreement—Action Item/ Resolution #2138.



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Item #3A

Report from the VRE Operations Board and Chief Executive Officer

Minutes will be provided from the Board meeting of December 18, 2009. The report from VRE's CEO is attached with ridership, on-time performance and financial information.



CHIEF EXECUTIVE OFFICER'S REPORT

December, 2009

MONTHLY DELAY SUMMARY

	August	September	October	November
System wide				
Total delays	74	36	80	94
Average length of delay (mins.)	16	15	16	18
Number over 30 minutes	9	2	7	11
Days with Heat Restrictions/Total days	4/21	0/21	0/21	0/21
On-Time Performance	87.8%	94.1%	86.9%	82.40%
Fredericksburg Line				
Total delays	38	13	27	34
Average length of delay (mins.)	15	14	19	20
Number over 30 minutes	4	0	3	5
On-Time Performance	86.1%	95.2%	90.1%	85.80%
Manassas Line				
Total delays	36	23	53	60
Average length of delay (mins.)	17	16	14	17
Number over 30 minutes	5	2	4	6
On-Time Performance	89.3%	93.2%	84.2%	79.60%

SYSTEM RIDERSHIP

Overall ridership continues to rise with a 2.1% increase in year-to-date ridership over this time last year. The total number of trips in November 2009 is 5.3% higher than in November 2008. The greatest amount of growth is occurring on the Manassas Line with year-to-date ridership 6.5% higher than it was this time last year. However, the Fredericksburg Line ridership continues to decline for the fifth straight month. This is likely due to the higher fares and longer trip distances.

SYSTEM ON TIME PERFORMANCE

OTP on the Fredericksburg Line was 85.8% and the Manassas Line was 79.6%. System on time performance for November was 82.4%. Manassas Line on-time performance was affected by some serious signal issues, wheel slippage due to wet leaves, and train interference. While there were more delays on the Manassas Line, the average delay was lower than the Fredericksburg Line. System-wide, most of the delays were due to train interference (41%) followed by passenger handling (17%) and signal/switch failures (13%).

OPERATION LIFESAVER SANTA TRAINS

VRE held its annual Operation Lifesaver Santa Trains on Saturday, December 12th. Once again, tickets sold out in record time. This very popular event is always a lot of fun for everyone and this year was no exception. As well as being an exciting event, it is also an opportunity to remind children of the importance of rail safety. Along with Mr. and Mrs. Claus, volunteers were on-board each train to hand out Operation Lifesaver materials and coloring books.

Operation Lifesaver Santa Trains also work in conjunction with the Marine Corps Toys for Tots. Our Fredericksburg, Manassas, Burke Centre, and Woodbridge stations were drop off sites for the Marine Corps Toys for Tots Campaign. VRE encouraged everyone who bought tickets to bring a new, unwrapped toy to the Santa Trains so that the less fortunate could share in the joys of the holidays.

TOYS FOR TOTS

Wednesday, December 9th was the drop off day for our regular passengers to bring an unwrapped toy and leave it on their seat for the Marine Corps Toys for Tots. At the end of the morning run, all toys were collected and presented to the US Marine Corps. Our passengers are always very generous and we collected 588 toys and \$8,500 in cash and checks.

WOODBIDGE STATION UPDATE

The canopy at the Woodbridge station has been constructed and the roofing is complete. The major items left to be completed are the inter-track fence and elevator installation. VRE expects a January completion.

EMERGENCY PREPAREDNESS DRILL

In November 2009, VRE designed and participated in a tabletop drill and full field exercise with seven first responder and law enforcement agencies including TSA, the FBI, the Virginia State Police Explosives Ordinance Division, the City of Manassas Police Special Response Team, Fairfax County Fire and Rescue, Norfolk Southern Railroad and additional participation and planning provided by the Prince William County Police Special Weapons and Tactical Team. The full scale drill was held on November 14, 2009 at the VRE Broad Run Rail Yard and was designed to address the risks of modern security threats. In this case, the exercise was based on a hostage situation with a possible improvised explosive device (IED). A VRE train consisting of a locomotive and four train cars, a full crew and 20 passenger victims were used to simulate service conditions.

These full scale field exercises, which are conducted at least annually, evaluate VRE's emergency management plans and procedures, observe and improve the abilities and coordination of emergency responders in handling transportation emergencies with VRE, and allow emergency responders to test and critique their procedures and personnel in responding to emergencies.

MONTHLY PERFORMANCE MEASURES – NOVEMBER 2009

MONTHLY ON-TIME PERFORMANCE	ON-TIME PERCENTAGE
November Fredericksburg OTP Average	85.8%
November Manassas OTP Average	79.6%
VRE NOVEMBER OVERALL OTP AVERAGE	82.4%

RIDERSHIP YEAR TO DATE	RIDERSHIP
VRE FY 2010 Passenger Totals	1,656,569
VRE FY 2009 Passenger Totals	1,622,106
PERCENTAGE CHANGE	2.1%

RIDERSHIP MONTH TO MONTH COMPARISON	
DESCRIPTION	MONTHLY RIDERSHIP
NOVEMBER 2009	302,371
NOVEMBER 2008	271,125
PERCENTAGE CHANGE	5.3% (NORMALIZED)
SERVICE DAYS (CURRENT/PRIOR)	18 / 17

Chief Executive Officer's Ridership Report



DECEMBER 2009

*As Reported to the VRE Operations Board
December 18, 2009*

Monthly Ridership and OTP: November 2009

Date	Manassas AM	Manassas PM	Total Manassas	Actual OTP TD	Fred'burg AM	Fred'burg PM	Fred'burg Total	Actual OTP TD	Total Trips	Actual OTP TD
1										
2	4,188	4,208	8,396	100%	4,120	4,070	8,190	100%	16,586	100%
3	4,036	4,105	8,141	63%	4,220	4,156	8,376	62%	16,517	62%
4	4,315	4,474	8,789	88%	4,654	4,577	9,231	92%	18,020	90%
5	4,276	3,994	8,270	94%	4,486	4,456	8,942	92%	17,212	93%
6	3,396	3,636	7,032	94%	3,758	4,228	7,986	100%	15,018	97%
7										
8										
9	4,207	4,343	8,550	94%	4,226	4,553	8,779	85%	17,329	90%
10	4,230	4,439	8,669	89%	4,489	4,469	8,958	92%	17,627	90%
11										
12	4,262	4,430	8,692	44%	4,450	4,382	8,832	77%	17,524	59%
13	3,608	3,334	6,942	88%	4,057	4,272	8,329	100%	15,271	93%
14			0							
15			0							
16	4,138	4,224	8,362	94%	2,527	2,580	5,107	100%	13,469	97%
17	4,216	4,342	8,558	75%	4,249	4,708	8,957	92%	17,515	83%
18	4,266	4,260	8,526	81%	4,314	4,773	9,087	85%	17,643	83%
19	4,196	4,210	8,406	75%	4,218	4,510	8,728	69%	17,134	72%
20	3,554	3,587	7,141	88%	3,708	3,749	7,457	85%	14,598	86%
21										
22										
23	4,224	4,571	8,795	69%	4,389	4,419	8,808	92%	17,603	79%
24	4,149	4,225	8,374	63%	3,957	4,589	8,546	77%	16,920	69%
25	2,948	3,526	6,474	50%	3,405	4,249	7,654	69%	14,128	59%
26										
27*	659	763	1,422	100%	887	835	1,722	100%	3,144	100%
28										
29										
30	4,241	4,243	8,484	75%	4,212	4,670	8,882	69%	17,366	72%
	73,139	74,914	148,053	80%	74,326	78,245	152,571	86%	300,624	82%
	Adjusted total:		146,858		Adjusted Total:		152,369	Adjusted Total:	299,227	

# of Service Days:	18	Total Trips This Month:	302,371	Adjusted Total:	299,227
Manassas Daily Avg. Trips:	7,792	Prior Total FY-2010:	1,354,198		
Fred'burg Daily Avg. Trips:	8,030	Total Trips FY-2010	1,656,569		
Total Avg. Daily Trips:	15,822	Total Prior Years:	44,455,982		
		Grand Total:	46,112,551		

Note: Adjusted Averages & Totals include all VRE trips taken on Amtrak trains, but do not include "S" schedule days.
 * designates "S" schedule day

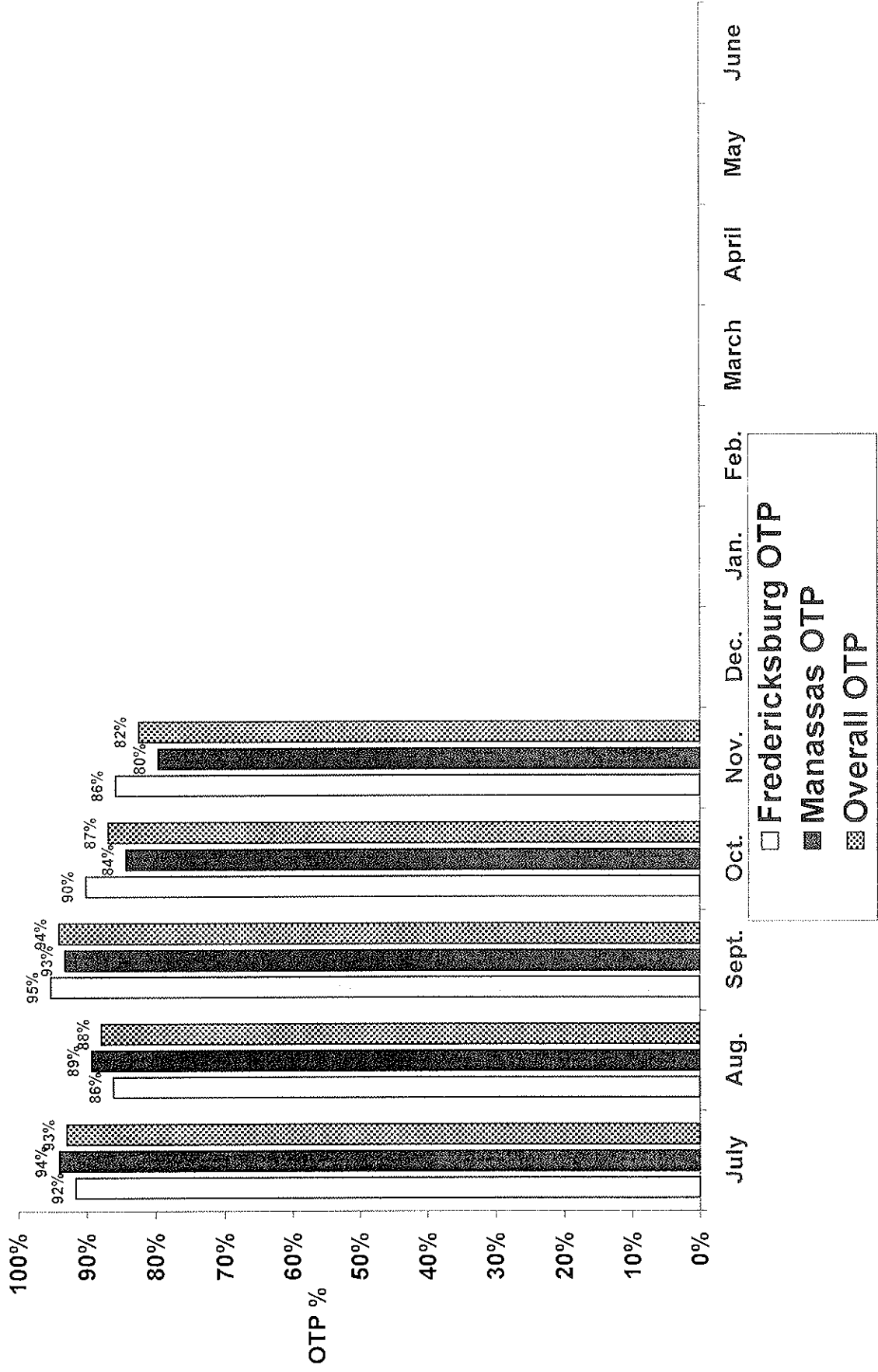
Monthly Ridership Changes: FY 2009 v. FY 2010

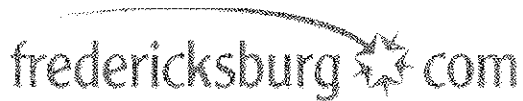
Current Month	MANASSAS			FREDERICKSBURG				
	Cumulative FY2009	Cumulative FY2010	% change	Cumulative FY2009	Cumulative FY2010	% change	Current Total	% change
July	154,066	163,100	5.9%	184,525	179,830	-2.5%	342,930	1.3%
August	298,659	317,944	6.5%	359,154	351,580	-2.1%	669,524	1.8%
September	456,054	479,425	5.1%	542,275	528,890	-2.5%	1,008,315	1.0%
October	620,865	646,968	4.2%	730,116	707,230	-3.1%	1,354,198	0.2%
November	746,905	795,248	6.5%	875,201	861,321	-1.6%	1,656,569	2.1%
December	883,468			1,035,994				
January	1,021,679			1,192,914				
February	1,165,667			1,352,042				
March	1,328,811			1,527,273				
April	1,492,195			1,707,585				
May	1,640,938			1,867,882				
June	1,808,366			2,049,280				

*Ridership figures are shown in passenger trips. Includes Amtrak cross honor train riders.

Average On-Time Performance

FY-2010





Print this Page

[Return to story](#)

Delay nearly derails VRE vote

November 26, 2009 2:25 am

By DAN TELVOCK

Spotsylvania County Supervisor Benjamin Pitts said he didn't know while on vacation that a monumental vote to finalize membership to Virginia Railway Express was scheduled for Tuesday.

He expected to be home well before the 6 p.m. meeting, but he did not account for possible airport delays.

"I was planning on being back in the county by 3 p.m.," said Pitts, who was leaving Fort Lauderdale on a flight to Richmond. The Board of Supervisors meeting convened at 6 p.m.

Pitts' plane faced numerous delays, and by the time he landed in Richmond, the Board of Supervisors meeting was under way.

Meanwhile, the three pro-VRE supervisors at the meeting were frantically waiting for Pitts' arrival.

His vote was necessary to certify the county's VRE membership because the seven-member Board of Supervisors already has three members who oppose VRE membership.

A 3-3 tie vote would mean that VRE membership would not happen. The timing of the vote was important because the agreement the county has with VRE states that supervisors had to pass this resolution by Nov. 30. Tuesday's meeting was the last one for this month.

Supervisor Jerry Logan, who voted to join VRE, said supporters planned to thwart a tie vote by leaving the room. If there isn't a quorum, the county board cannot vote.

"It was unorthodox, but rather than have VRE simply evaporate and be gone, we were thinking about everything we legally could do to preserve [the membership]," Logan said. "We were biting our fingernails."

Minutes before the VRE vote, Pitts entered the Board of Supervisors chambers in a short-sleeve Hawaiian shirt.

He was smiling--and slightly embarrassed. He later said that while driving home, he received calls from county staff telling him about the VRE vote. Instead of going home, Pitts went directly to the meeting.

Supervisors voted 4-3 to adopt a resolution that makes the county a member of the Potomac and Rappahannock Transportation Commission and VRE.

"I understand there were some tense board members there," Pitts said yesterday. "I am glad it worked out the way it did."

Supervisors Emmitt Marshall, T.C. Waddy and Gary Jackson cast the "no" votes.

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December 8, 2009

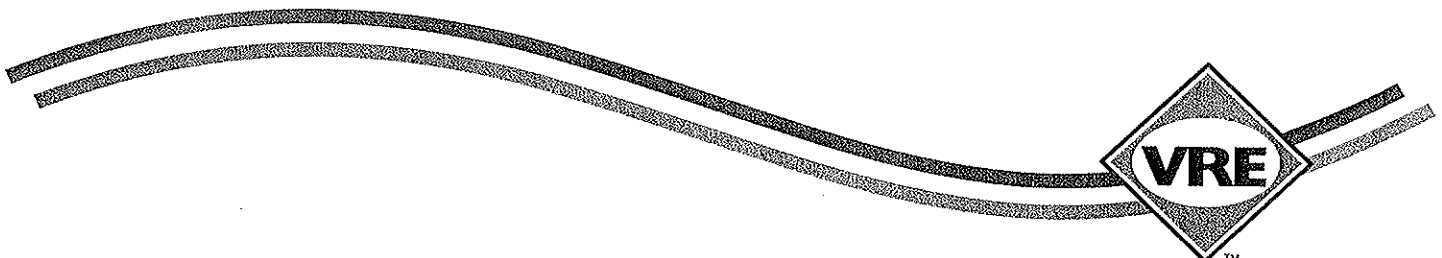
The Honorable Charles Colgan
Senate of Virginia
10677 Aviation Lane
Manassas, VA 20110-2701

Dear Senator Colgan:

Thank you for your November 23rd letter regarding the continued demand for parking at the VRE Broad Run Station. Prior to addressing your concerns, let me say "yes", you are correct, that over-crowding at the Broad Run station remains a critical concern of mine since the facility is routinely well over 100% capacity. With the legislative session coming upon us perhaps this is the time to address what potential long-term remedies might exist.

Prior to outlining the Broad Run situation, let me first offer my appreciation and thanks, on behalf of the VRE Operations Board and the entire VRE organization, for your past support of VRE. For many years now, you have been a friend and, to some extent, a guardian of VRE's interests in Richmond. For instance, when we struggled to find the necessary funding to purchase the new railcars, you took the lead in helping secure money in the state budget. Additionally, over the years you have offered and supported critical legislative initiatives for VRE that has permitted us to better serve Northern Virginia commuters.

With respect to Broad Run, since 2001 we have taken every initiative to increase the size of this facility. Expansions in 2001, 2004 and 2005 have increased the overall capacity from 300 spaces to 885 paved spaces today. While we have nearly tripled parking capacity at the station, as you correctly pointed out, almost 200 more VRE riders are parking along the station access road and on Piper Lane.



The Honorable Charles Colgan
December 8, 2009
Page 2

I have had recent discussions with Prince William County about expanding capacity further at this facility by building a parking deck on the site that would not interfere with operations at the adjacent Manassas Regional Airport (given the height restrictions imposed by the FAA). Plans are underway to investigate options to expand the number of parking spaces at the Broad Run Station that could add up to 1,000 additional parking spaces to the lot. VRE has obtained approximately \$2.4 million in regional CMAQ funding to initiate environmental analysis and preliminary engineering for the parking expansion. That work is anticipated to begin in early 2010.

As it stands today, we have not identified funding beyond these initial CMAQ funds to advance the parking expansion to final design. The estimated cost for the final engineering design is approximately \$1 million. The project cost to construct this structure is estimated to be \$21 million and is supported by Prince William County and the VRE Operations Board. Any assistance you can provide in identifying available funds to continue to move the project forward is greatly appreciated.

I would like the opportunity to meet with you before the start of the next General Assembly session and provide additional information regarding VRE system needs and plans to address them.

Sincerely yours,



Dale Zehner
Chief Executive Officer

cc: The Honorable Chris Zimmerman, VRE Operations Board Chairman
Al Harf, PRTC Executive Director
Rick Taube, NVTC Executive Director

Item #3B

Approval of FY 2011 VRE Capital and Operating Budget and Revisions to the FY 2010 Budget

The VRE Operations Board recommends approval of Resolution #2136. This resolution approves VRE's FY 2011 capital and operating budget as well as revisions to VRE's FY 2010 budget.

Under the approved resolution, for FY 2011, VRE would continue to operate 30 trains each workday with projected average daily ridership of 16,200. There would be no fare increase. The total jurisdictional subsidy would be reduced to \$16.1 million, down \$0.3 million from FY 2010.

With passage by NVTC of Resolution #2136 (and similar action by PRTC) VRE's FY 2011 budget would be forwarded to participating and contributing jurisdictions for their consideration under the terms of the VRE Master Agreement.



RESOLUTION #2136

SUBJECT: FY 2011 VRE Budget and FY 2010 Budget Revisions.

WHEREAS: The VRE Master Agreement requires that the commissions be presented with a fiscal year budget for their consideration at their respective January meetings prior to the commencement of the subject fiscal year;

WHEREAS: The VRE Operations Board has recommended a FY 2011 budget reviewed by the jurisdictional chief administrative officers task force in cooperation with VRE staff; and

WHEREAS: The VRE Operations Board has recommended revisions to the FY 2010 budget.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission approves the revised FY 2010 and proposed FY 2011 VRE Operating and Capital Budgets recommended by the VRE Operations Board and authorizes staff to forward the FY 2011 budget to the local jurisdictions for inclusion in their budgets in accordance with the Master Agreement.

BE IT FURTHER RESOLVED that NVTC also authorizes the executive directors of both PRTC and NVTC to submit to the Transportation Planning Board of the National Capital Region and to the Federal Transit Administration or other federal agencies, the appropriate Transit Improvement Program and grant applications for FY 2010 and FY 2011.

BE IT FURTHER RESOLVED that NVTC also authorizes its executive director to submit to the commonwealth the approved budget as part of the FY 2011 VRE state aid grant applications.

Approved this 7th day of January, 2010.

Chairman

Secretary-Treasurer



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Virginia Railway Express Proposed FY 2011 Budget

December 18, 2009



Overview

- Budget guidelines
- Budget assumptions
- Recommended budget
- Ridership
- Subsidy levels
- Service changes
- State funding
- Working capital

Operations Board Guidelines

- Decrease total subsidy from FY 2010 level
- Maintain current fare levels
- Restore the Insurance Trust Fund to \$10M
- Utilize fuel hedging to stabilize fuel costs
- Priority project – replace aging locomotives
- Restore VRE's level of working capital
- Avoid service reductions

FY 2011 Budget Assumptions

- Average daily ridership of 16,200 – a 4.0% increase
- Continue 30 trains; convert 312 to revenue service
- No fare increase
- Continue funding capital improvements
- Jurisdictional subsidy of \$16.4 million (down \$306,659 from FY 2010)
- Change mid-day storage configuration in DC
- Restore Insurance Trust Fund by July 2011
- Fuel estimated at \$2.70/gallon or \$4.5 million

FY 2010/FY 2011 Budget Comparison

<i>Description</i>	<i>FY 2010</i>	<i>FY 2011</i>	<i>Difference</i>
Fare Revenue	26,917,683	28,100,000	1,182,317
Local Subsidy	16,376,968	16,070,309	(306,659)
State/Federal/Other	35,791,459	47,686,212	11,894,753
Total	79,086,110	91,856,521	12,770,411
Operating Expenses	33,379,666	35,813,644	2,433,978
Mobilization	2,000,000	-	(2,000,000)
Debt Payments	13,582,380	13,599,978	17,598
Capital Program	9,242,000	20,349,000	11,107,000
Access Fees	9,766,950	12,020,000	2,253,050
Fuel	4,667,205	4,474,498	(192,707)
Contingency/Reserve	1,842,909	1,574,401	(268,508)
Insurance	4,605,000	4,025,000	(580,000)
Total	79,086,110	91,856,521	12,770,411

FY 2011 Operating and Capital Expense Budget

Capital Program	\$	20,349,000	22.2%
Operating Contractor		17,972,929	19.6%
Bond and Debt Payments		13,599,978	14.8%
Access Fees		12,020,000	13.1%
Fuel		4,474,498	4.9%
Insurance		4,025,000	4.4%
Operations Group		3,927,710	4.3%
Equipment Operations		3,868,000	4.2%
Amtrak		3,021,000	3.3%
Facilities Maintenance		2,588,500	2.8%
Other		6,009,906	6.5%
Total	\$	91,856,521	100.0%

Ridership Changes

	Oct 08 Survey	Oct 09 Survey	
Jurisdiction	FY 2010 Riders	FY 2011 Riders	Change in Riders in %
Fairfax	1,773	2,000	227 12.8%
Prince William County	2,751	3,011	260 9.5%
Manassas	410	439	29 7.1%
Manassas Park	252	268	16 6.3%
Stafford	1,540	1,467	(73) -4.7%
Spotsylvania	943	848	(95) -10.1%
Fredericksburg	301	262	(39) -13.0%
Other	1,685	1,593	(92) -5.5%
Total	9,655	9,888	233

Ridership up 3.8%

Jurisdictional Subsidy Reduced

- Steps taken to reduce subsidy:
 - \$1M in federal funds for equipment maintenance
 - \$1.25M in federal funds for debt service on 50 railcars
 - No subsidy required for match of \$10M in earmarks
 - \$400K for one-time contribution to Insurance Trust Fund in FY 2010

Jurisdictional Subsidy

Jurisdiction	FY 2010 Subsidy	FY 2011 Projected	Net Inc/(Dec)*	% Change
Fairfax County	\$ 4,995,535	\$ 4,906,693	\$ (88,842)	-1.8%
Prince William County	6,173,028	6,384,660	211,632	3.4%
Manassas	883,443	871,611	(11,832)	-1.3%
Manassas Park	537,496	544,763	7,267	1.4%
Stafford County	2,971,727	2,634,002	(337,725)	-11.4%
Fredericksburg	508,503	405,980	(102,523)	-20.2%
Alexandria	124,737	130,974	6,237	5.0%
Arlington	182,499	191,624	9,125	5.0%
Total Subsidy	\$ 16,376,968	\$ 16,070,309	\$ (306,659)	

*Includes fourth and final year of governance phase-in

Spotsylvania Subsidy Deferral

	Feb 15, 2009	100%	50%	
	FY 2010	FY 2011 (est)	FY 2012 (est)	Total
Fairfax County	(135,000)	(324,000)	(162,000)	(621,000)
Fredericksburg	(23,000)	(43,000)	(22,000)	(88,000)
Manassas	(32,000)	(71,000)	(36,000)	(139,000)
Manassas Park	(20,000)	(43,000)	(22,000)	(85,000)
Prince William County	(213,000)	(488,000)	(244,000)	(945,000)
Stafford County	(120,000)	(238,000)	(119,000)	(477,000)
Spotsylvania	543,000	1,207,000	605,000	2,355,000

Credit will be provided to jurisdictions in FY 2013

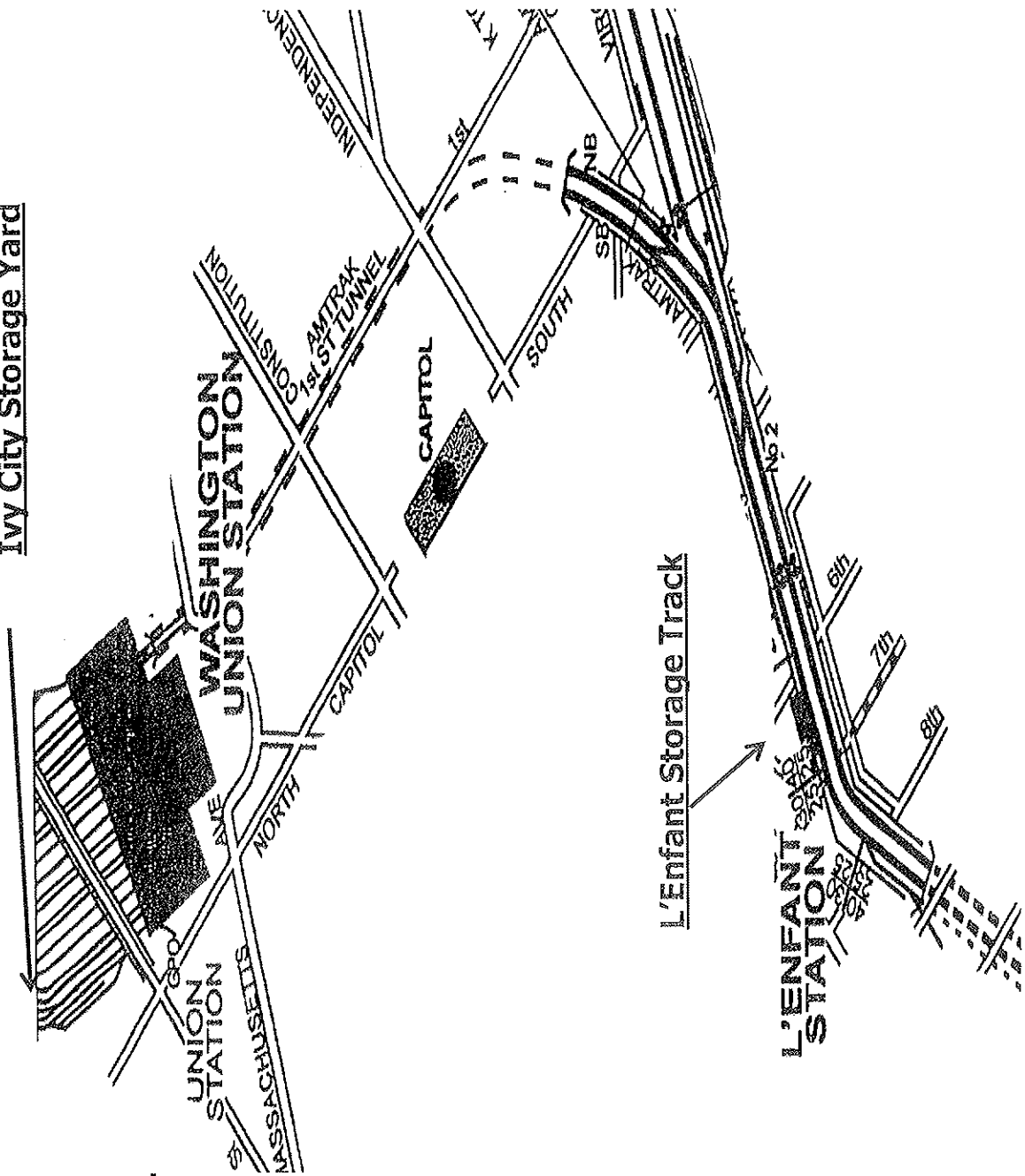
Recommended Service Changes

- Fredericksburg 312 is turnback, non-revenue train
- Must eliminate to operate state train from Richmond
- Recommend converting to express train - \$386K
 - 5:00am departure from Fredericksburg
 - Express from Fredericksburg, Leeland, and Brooke
- Reduces total trip time by 20 minutes
- Should increase ridership from southern stations
- Provides additional seats for PWC and Fairfax on train 300 (next train)

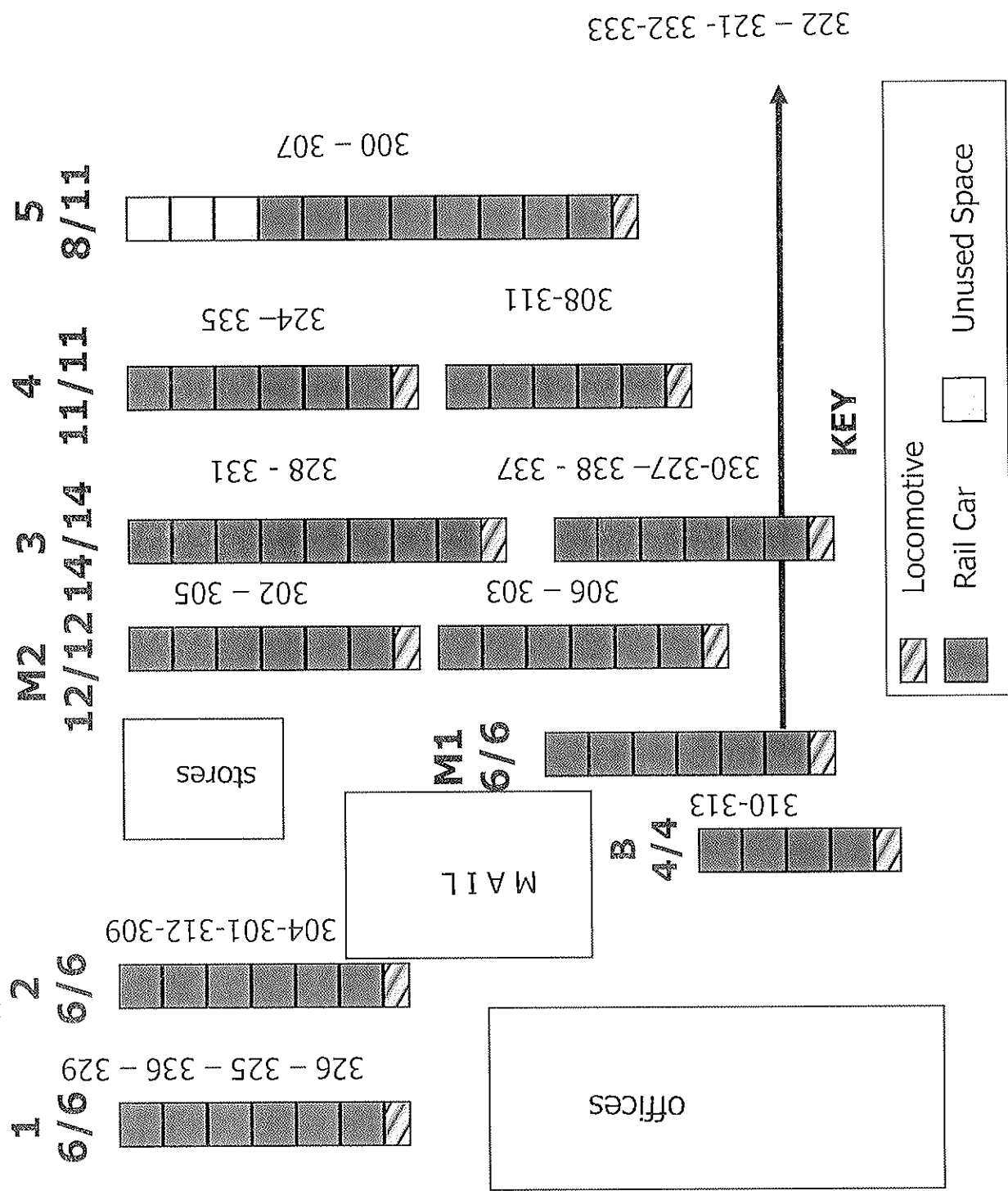
Recommended Storage Changes

- Store two trains at L'Enfant storage track-\$136K
 - Provides two emergency evacuation trains
 - Allows additional mid-day storage in Ivy City
- Store nine additional coaches in Ivy City
 - Lengthens train 329/326/308/311 - \$110K
- Train and storage changes will add:
 - Seats – +790
 - Riders – budgeted +160 in first year

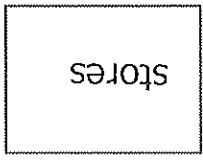
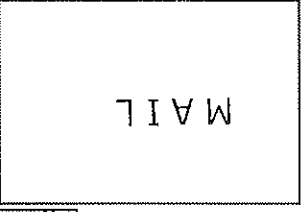
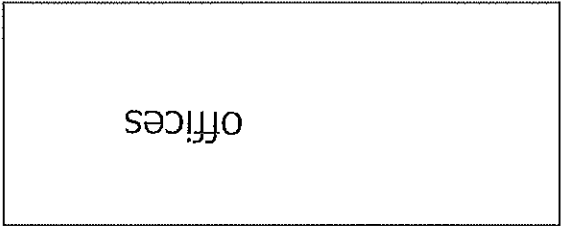
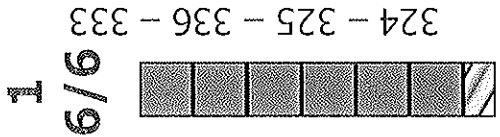
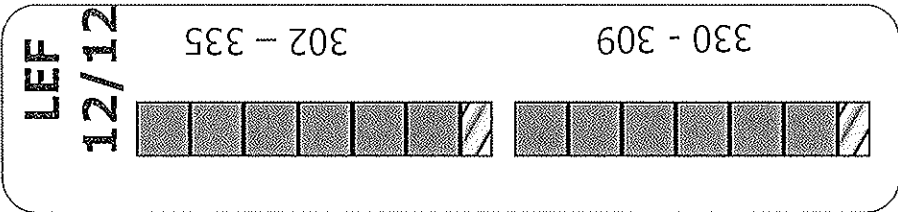
Ivy City Storage Yard



**VRE Mid-Day Storage Yard
December 2009 (Ivy City Only)**



**VRE Mid-Day Storage Yard
July 2010 (Ivy City and L'Enfant)**



M1
6/6

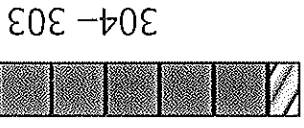


M2

12/12

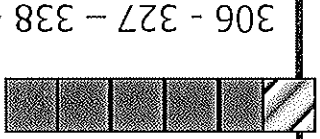
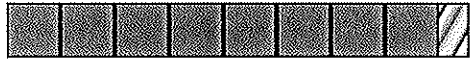


Express - 305



3

14/14



4

8/11



5

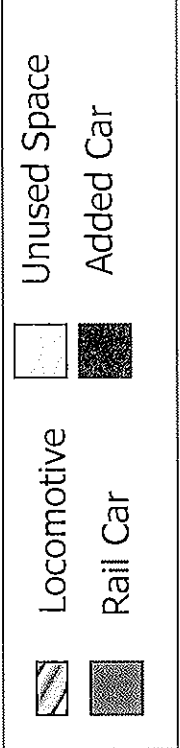
8/11



300 - 307

322 - 321 - 332 - 313

KEY





State Operating Funding

- FY 2009 Operating Grant
 - \$10.1M award in May 2008
 - \$9.1M revised award in December 2008
- FY 2010 Operating Grant
 - \$8.6M award in May 2009
 - \$8.2M revised award in November 2009
- FY 2011 Operating Grant Budget
 - \$7.8M projected by State (\$8M prior to 12/11/09)
 - \$7.7M projected by staff

History of Decreasing Values

State Capital Funding

- FY 2010 Capital Grant Match
 - \$3.5M in December 2008 projected by State (17%)
 - \$7.2M in May 2009 awarded by State (78%)
 - \$7.1M in November 2009 revised by State (73%)
- FY 2011 Capital Grant Match
 - \$7.4M recommended by State (50%)
 - \$6.2M recommended by staff (35%)

History of High Volatility



Keolis Contract

- Savings of approximately \$735K compared to prior contractual agreements
- Previous estimate of \$1M changed based on
 - Layover facility - \$160K
 - Vehicle leasing - \$26K
 - Maintenance - \$80K

Working Capital Status

- VRE's working capital at historic low
 - \$8.5M in FY 2005
 - \$3.8M in FY 2008
 - \$7.4M in FY 2009
 - Estimated at \$8.5M at end of FY 2010
 - Equals 12% of operating costs or 1½ months of ongoing costs
 - \$3.6M of the \$8.5M encumbered for local match

Working Capital Recommendation

- GFOA recommends unrestricted fund balance of two months of operating funds
- Survey of other commuter rail goals
 - Tri-Rail, Florida – six months of operating funds and separate capital reserve
 - CalTrain – San Francisco – 10% as an operating reserve and 7% as a capital reserve
 - Trinity (TRE) – Texas – two months of operating expenses with separate capital reserve for future projects
- Recommend:
 - Floor of \$8.5M with goal of two months of operating costs
 - Separate capital reserve - \$2.2M

CAO Recommendations

1. Recommend that VRE commence Fredericksburg express train service in July 2010
 - Concur
2. Recommend that advertising initiative concentrate on Fredericksburg area with a portion of the \$260,000 used for market research
 - Partially concur
 - Staff recommends marketing *campaign* concentrated in the Fredericksburg area if needed

CAO Recommendations – Cont'd

3. Recommend VRE accept DRPT recommendation of a 50% capital match ratio for FY 2011
 - Do not concur
 - Due to current economic climate, State projections have been decreasing – anticipate they will continue to decrease
 - Currently budgeted a 35% match ratio

CAO Recommendations – Cont'd

4. Recommend FY 2011 state budget operating assistance 9.8% lower than the amount awarded in June 2009 (\$7.8M)
 - Do not concur
 - State recommendations have historically been reduced during the fiscal year
 - Most recent guidance (12/11/09) for a budget reduction of 9.8% (\$7.8M)
 - VRE currently includes a reduction of 11% (\$7.7M)
 - Most prudent course of action

High Level of Volatility

Area	Change	Effect
Ridership	+/- 5%	+/- \$1.4M
Fuel	+/- 5% (\$.13)	+/- \$225K
Insurance	+/- 5%	+/- \$201K
State Operating	+/- 5%	+/- \$433K
State Capital	+/- 5%	+/- \$391K

FY 2010 Credit to Jurisdictions

- If ridership increases continue - anticipate credit to jurisdictions at end of FY 2010
- Assumes we can sustain
 - Working capital at \$8.5M level
 - Capital reserve at \$2.2M for locomotives
- Assumes FY 2011 uncertainties mitigated
 - State funding levels, insurance, fuel prices, Amtrak access agreement and ridership levels assured
- Announce credit in September – would reduce subsidy payment for January 2011



Next Steps

- Commissions refer VRE budget to jurisdictions on January 7th
- VRE monitors FY 2010 budget for potential FY 2011 credit to jurisdictions



End of Presentation

Questions?

AGENDA ITEM 8-E
ACTION ITEM

TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: DECEMBER 18, 2009

**SUBJECT: REFERRAL OF THE REVISED FY 2010 AND RECOMMENDED
FY 2011 VRE OPERATING AND CAPITAL BUDGET OPTIONS
TO THE COMMISSIONS AND LOCALITIES**

RECOMMENDATION:

The VRE Operations Board is being asked to adopt the revised FY 2010 VRE Operations and Capital Budget and the recommended FY 2011 VRE Operating and Capital Budget and refer them to the Commissions for their consideration and subsequent referral to the jurisdictions for their formal review and adoption.

BACKGROUND:

In accordance with the VRE Master Agreement, which outlines the process for annual budget approval, the preliminary FY 2011 VRE Operating and Capital Budget was submitted for review at the August VRE Operations Board meeting. Since that time, it has been discussed at numerous meetings of the CAO Task Force. The CAO Task Force met on December 11th to present their final recommendations and discuss VRE responses to those recommendations.

DISCUSSION:

The major assumptions in the FY 2011 budget are as follows:

- Jurisdictional subsidy is reduced to \$16,070,309, a decrease of \$306,659 compared to the FY 2010 level.
- Projection of an average daily ridership of 16,200 passengers.

- Continuation of the 30-train operation, with the conversion of train 312 to revenue service.
- Projected fare revenue of \$28,100,000, with no fare increase.
- Capital matching funds from the State of 35% of the non-federal share, compared to 73% in FY 2010, the latest reduced amount.
- State operating funds of \$7.7 million, compared to \$8.2 million in FY 2010, which is the latest reduced amount. The original adopted budget for FY 2010 was \$9.1 million.
- Fuel estimated at \$2.70/gallon for a total cost of \$4.5 million.
- Federal formula funds are used for \$1.0 million of equipment maintenance costs and \$1.25 million of debt service costs for the 50 railcars which was programmed for state and local support only in prior years.

The capital budget includes the following system capital initiatives for FY 2011:
(local match is funded)

- Facilities infrastructure - \$100,000
- Broad Run maintenance facility - \$728,000
- Fare collection upgrade - \$400,000
- Additional Railcars - \$250,000
- Rolling stock modifications - \$1,019,000
- Capital Projects Contingency - \$158,000
- Mid-day storage - \$1,709,000
- Capital fleet expansion - locomotives - \$6,090,000

Approved earmarks for FY 2011 (requires no local match):

- Broad Run parking deck - \$2,920,000
- Brooke and Leeland parking - \$1,600,000
- Lorton platform projects - \$1,250,000
- Additional locomotive funding (bonus obligation) - \$4,125,000

Material expenditure line item changes are noted below; adjustments are in comparison to the FY 2010 adopted budget.

- Insurance expense decrease of \$580,000 as a result of a reduction in the need for deposits to the Insurance Trust Fund.
- Funding of \$200,000 for one marketing campaign. All campaigns were suspended in December 2008 and no campaigns are budgeted for FY 2010.
- Fuel is projected at a slight decrease of \$193,000 due to the use of wayside power which reduces fuel consumption.

- Repairs and Maintenance – Railcars/Locomotives/Facilities increased by \$495,000, primarily due to the phase-in of required 4-year periodic maintenance (called COT&S) for the new Gallery cars as they reach specific vehicle mileage targets.
- Taking into consideration the annual indexing of costs from year to year, contract costs for operations and maintenance in FY 2011 are lower than the same services in FY 2010 by \$735,000.

The budget also includes a six-year financial forecast for the period FY 2010 through FY 2016. A six-year forecast was prepared that includes a 4% fare increase and a 4% subsidy increase in years FY 2012 – FY 2016.

REVISED FY 2010 CAPITAL AND OPERATING BUDGET

The FY 2010 budget has been revised to reflect current projections for revenue and expenses. The major changes are as follows:

- The State operating grant is decreased by \$902,000 to reflect the two rounds of state operating budget cuts.
- State capital grants are increased by \$3.7 million to reflect a higher match rate than originally budgeted.
- VRE's federal formula grant was higher than budget by \$607,000 to reflect a higher federal formula allocation award plus \$49,000 for additional Amtrak access fees
- Amtrak increased by \$461,000 due to higher than budgeted expenditures
- CIP expenditures are increased by \$760,000 to reflect the higher federal formula allocation.
- Equipment operations are increased by \$200,000 to accommodate increased locomotive maintenance costs.
- Various expenses categories are increased by \$204,000 to reflect actual expenditure levels, primarily for vendor commissions and access fees.
- Use of \$400,000 of Mafersa proceeds is removed from the operating budget; these funds were used to balance the FY 2011 budget when the state estimated a 17% capital match rate in December 2008.
- The contribution to restore the balance in the insurance trust fund is increased by \$400,000 to reduce the need for contributions in FY 2011.
- A reserve of \$1.0 million is provided to match future state or federal earmarks for the purchase of locomotives.

TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD
FROM: DALE ZEHNER
DATE: DECEMBER 18, 2009
RE: REFERRAL OF THE REVISED FY 2010 AND RECOMMENDED
2011 VRE OPERATING AND CAPITAL BUDGET TO THE
COMMISSIONS AND LOCALITIES

RESOLUTION
8E-12-2009
OF THE
VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD

WHEREAS, the VRE Master Agreement requires that the Commissions be presented with a fiscal year budget for their consideration at their respective January meetings prior to the commencement of the subject fiscal year; and,

WHEREAS, the VRE Chief Executive Officer has provided the VRE Operations Board with the FY 2011 Operating and Capital Budget within the guidelines developed in concert with the jurisdictional chief administrative officers; and,

WHEREAS, staff recommends a budget built on an average daily ridership of 16,200 and 30 trains with the conversion of train #312 to revenue service; and,

WHEREAS, service termination at L'Enfant will be brought back to the Operations Board as a policy decision and the leasing of vehicles for contract operations will be reconsidered.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby recommend that the Commissions adopt the revised FY 2010 and recommended FY 2011 VRE Operating and Capital Budget and forward the FY 2011 budget to the local jurisdictions for inclusion in their budgets and appropriations in accordance with the Master Agreement; and,

BE IT FURTHER RESOLVED THAT, the VRE Operations Board does also recommend that the Executive Directors of both PRTC and NVTC submit to the Transportation Planning Board of the National Capital Region and to the Federal Transit Administration or other federal agencies, the appropriate Transit Improvement Program and grant applications for FY 2010 and FY 2011; and,

BE IT FURTHER RESOLVED THAT, the VRE Operations Board additionally recommends that the Executive Director of NVTC be authorized to submit to the Commonwealth the approved budget as part of the FY 2011 state aid grant applications.

VIRGINIA RAILWAY EXPRESS
RECOMMENDED BUDGET
FOR FISCAL YEAR 2011
AND
REVISED BUDGET
FOR FISCAL YEAR 2010

DECEMBER 20, 2009

TABLE OF CONTENTS

RECOMMENDED FY 2011 BUDGET

Mission Statement	3
Fiscal Year 2011 Goals	3
Fiscal Year Performance Measures	3
Fiscal Year 2011 Budget Assumptions	4
Local Subsidy Calculation from Oct 2009 Survey	6
Source and Use Statement	7
FY 2011 Budget Worksheet	8
Proposed Capital Improvement Program FY 2011 – FY 2016	10
Six-year Financial Forecast Assumptions	21
Six-year Financial Forecast Worksheet	22

REVISED FY 2010 BUDGET

Revised FY 2010 Budget Assumptions	24
Fiscal Year 2010 Revised Budget Worksheet	26

MISSION STATEMENT

The Virginia Railway Express, a joint project of the Northern Virginia Transportation Commission and the Potomac and Rappahannock Transportation Commission, will provide safe, cost-effective, accessible, customer-responsive, reliable rail passenger service as an integral part of a balanced, intermodal regional transportation system.

GOALS FOR FISCAL YEAR 2011

- Achieve at least a 55 percent operating ratio (cost recovery).
- Operate trains on time at least 92 percent of time.
- Achieve at least 16,200 average daily ridership.

PERFORMANCE MEASURES FOR FISCAL YEAR 2011

MEASURE	PERFORMANCE MEASURE	TARGET
Safety	Injuries to Passengers	0
On-Time Performance	Percent On-time Each Month	92%
Average Daily Seat Occupancy	Utilization of Available Seating	95%
Operating Ratio	Ratio of Fare Income to Operating Costs	55%
Ridership Growth	Minimum Growth over Prior Year	2%

BUDGET ASSUMPTIONS FOR FISCAL YEAR 2011

Major Assumptions/Issues in FY 2011 Budget:

1. Subsidy level of \$16,070,309, a **decrease** of \$306,659 from the FY 2010 amount. Operations Board requested total jurisdictional subsidy be level or lower than the FY 2010 subsidy.
2. State funding for capital and operating are below FY 2010 amounts. The state operating is budgeted at a 11% reduction of the original FY 2010 state award (a reduction from \$8.7M to \$7.7M. The state capital match is budgeted at 35%, a reduction from the FY 2010 award of 77%.
3. Overall budget increase due mainly to additional federal earmarks in the amount of \$9.9M. Earmarks had no effect on the local subsidy.
4. Average daily ridership of 16,200 assumes a 30 revenue train operation
5. No fare increase proposed. Fare revenue is budgeted at \$28.1M.
6. VRE will continue to be responsible for access fees and mid-day storage at the Ivy City yard.
7. This is the first year of the Keolis contract. The budget is based on contract amounts and projected costs.
8. Fuel costs continue to be volatile. Projected costs are in the amount of \$4.5M, based on a cost per gallon of \$2.70. Lower fuel usage is expected due to the implementation of wayside power.
9. Use of preventive maintenance funds in the amount of \$1M.

Sources by Jurisdiction (\$ in thousands)

Jurisdiction	FY 2010	FY 2011	Net	Percent
Fairfax County	\$ 4,995,535	\$ 4,906,693	\$ (88,842)	-1.8%
Fredericksburg	508,503	405,980	(102,523)	-20.2%
Manassas	883,443	871,611	(11,832)	-1.3%
Manassas Park	537,496	544,763	7,267	1.4%
Prince William County	6,173,028	6,384,660	211,632	3.4%
Stafford County	2,971,727	2,634,002	(337,725)	-11.4%
Alexandria	124,737	130,974	6,237	5.0%
Arlington	182,499	191,624	9,125	5.0%
Total	\$ 16,376,968	\$ 16,070,309	\$ (306,659)	

Source and Use of Funds

Fare Increase		0%
Subsidy Decrease	\$	306,659
Number of Trains		30
Number of Passengers		16,200
Sources		
Fare Revenue	\$	28,100,000
Local Subsidy		16,070,309
State Operating Grant		7,702,562
State Capital Grant used for Operations		3,997,984
State Capital Grant used for Capital Programs		2,174,530
Federal Capital Funding (SSTP)		9,616,000
Federal Capital Grant used for Operations		7,078,686
Federal Capital Grant used for Capital Programs		16,279,200
Other Income		837,250
Total Sources	\$	91,856,521
Uses		
Operating Expenses	\$	52,308,142
Debt Service		13,599,978
Federal Capital Program		20,349,000
Insurance, Operating Reserve, and Other		5,599,401
Total Uses	\$	91,856,521

Six-Year Financial Plan

The final FY 2011 budget recommendation includes a six-year financial plan as required by the Master Agreement. The six-year financial plan was developed in conjunction with the VRE Phase II Strategic Plan and reviewed with CAO Budget Task Force. The VRE capital planning process is informed by the results of the Phase II Strategic Plan, which was approved by the Operations Board in May of 2004. Subsequently, planning assumptions through 2025 that are outlined in the Strategic Plan are the foundation of the CIP. The CIP is fiscally constrained and the program of projects is based on reasonably assumed funding only. Parking projects are assumed to be the responsibility of the jurisdiction, with VRE support and assistance, and are therefore not funded in the CIP. Potential earmarks are not shown in this document until after they are fully allocated by the funding agency.

Virginia Railway Express Allocation Data
 October 7, 2009 Survey - Proposed FY 2011 Budget
 No Subsidy Increase

12/1/09 S&U

<u>Jurisdictions</u>	[Col 1]	[Col 2]	[Col 3]	[Col 4]	[Col 5]	[Col 6]	
	Population 2008 Update	Population %	Contributors' Potential Share of Net Costs %	Contributors' Potential Share of Net Costs \$	Contributors' Maximum Share of Net Costs	5% Increase	
Contributors:							
Alexandria	137,947	7.1198%	0.7120%	\$275,398		\$130,974	
Arlington	206,822	10.6746%	1.0675%	\$412,900		\$191,624	
Contributors' Total	344,769	17.7945%					
	[Col 7]	[Col 8]	[Col 9]	[Col 10]	[Col 11]	[Col 12]	
Participants:	Population 2008 Update	Population %	Participants' Normalized % Population	October Survey Participants' AM Ridership	100% Weight - Participants' Ridership %	Participants' Aggregate % of Costs	
Fairfax County	1,017,318	52.51%	63.87%	2,000	26.85%	26.85%	
Fredericksburg	22,544	1.16%	1.42%	262	3.52%	3.52%	
Manassas	36,225	1.87%	2.27%	439	5.90%	5.90%	
Manassas Park	14,050	0.73%	0.88%	268	3.59%	3.59%	
Prince William County	378,912	19.56%	23.79%	3,011	40.43%	40.43%	
Stafford County	123,690	6.38%	7.77%	1,467	19.70%	19.70%	
Participants' Total	1,592,739	82.21%	100.00%	7,448	100.00%	100.00%	
Population Total	1,937,508	100.00%					
<u>Costs</u>	[Col 12] (repeated) Participants' Aggregate %	[Col 13] Gross Costs \$	[Col 14] State Aid Interest & Misc Income \$	[Col 15] "System" Fare Revenue \$	[Col 16] Net Costs \$	[Col 17] Contributors' Payments Lesser of Col 6 or 4	[Col 18] Participants' Net Costs \$
Alexandria						\$130,974	
Arlington						\$191,624	
Fairfax County	26.85%	\$24,668,063	\$12,806,129	\$1,474,293			\$10,301,007
Fredericksburg	3.52%	\$3,235,160	\$1,679,495	\$193,350			\$1,350,954
Manassas	5.90%	\$5,419,803	\$2,813,626	\$323,916			\$2,263,227
Manassas Park	3.59%	\$3,300,691	\$1,713,514	\$197,267			\$1,378,318
Prince William County	40.43%	\$37,136,537	\$19,278,988	\$2,219,474			\$15,507,652
Stafford County	19.70%	\$18,096,266	\$9,394,460	\$1,081,528			\$7,556,725
Total	100.00%	\$91,856,521	\$47,686,212	\$5,489,827	\$38,680,481	\$322,598	\$38,357,883
<u>Subsidy Calculation</u>	[Col 19]	[Col 20]	[Col 18] (repeated) Participants' Net Costs \$	[Col 21] Proposed FY 2011 Budget Based on 10/07/09 Survey	[Col 22] Actual FY2010 Subsidy	[Col 23] Net Change \$	[Col 24] Net Change %
Alexandria				\$130,974	\$124,737	\$6,237	5.00%
Arlington				\$191,624	\$182,499	\$9,125	5.00%
Fairfax County	23.858%	\$5,394,314	\$10,301,007	\$4,906,693	\$4,995,534	(\$88,841)	-1.78%
Fredericksburg	4.179%	\$944,974	\$1,350,954	\$405,980	\$508,503	(\$102,523)	-20.16%
Manassas	6.155%	\$1,391,616	\$2,263,227	\$871,611	\$883,443	(\$11,832)	-1.34%
Manassas Park	3.687%	\$833,555	\$1,378,318	\$544,763	\$537,496	\$7,267	1.35%
Prince William County	40.349%	\$9,122,992	\$15,507,652	\$6,384,660	\$6,173,028	\$211,632	3.43%
Stafford County	21.772%	\$4,922,723	\$7,556,725	\$2,634,002	\$2,971,727	(\$337,725)	-11.36%
Total	100.0000%	\$22,610,173	\$38,357,883	\$16,070,309	\$16,376,968	(\$306,659)	-1.87%
<u>Fares</u>	[Col 25]						
Participants Residents' "System-wide"	22,610,173 5,489,827						
FY 2008 Total	28,100,000						

FY11 VRE - Source and Use Budget Worksheet

LEVEL OF SERVICE FOR FY 2011: 30 trains

16,200 average daily riders

Access Leases 12,020,000
 Recaptialization
 Adtl funding needed 12,020,000

USES OF FUNDS	SOURCES OF FUNDS										TOTAL
	FARE INCOME	INTEREST	EQUIP RENT AND MISC	LOCAL SUBSIDY	OTHER SOURCES	STATE OPERATING CAPITAL	STATE SSTP	FEDERAL		EARMARK/ OTHER	
Operating Expenses	28,100,000	150,000	151,000	4,725,840	7,702,562	149,940	9,616,000	1,713,600			52,308,142
Non-Operating Expenses:											
Insurance Reserve	4,025,000			4,025,000							4,025,000
Operating Reserve/Contingency	1,574,401			1,574,401							1,574,401
Debt Service (1995 & 1998)	6,765,621			3,387,022		3,378,599					6,765,621
Mobilization Costs	0			0		0					0
Debt Service (Gallery IV) (11 Cabcars)	1,891,337			251,076		135,195		1,545,086			1,931,357
Debt Svc (Gallery IV-C) (10 rail cars)	1,050,000			136,500		73,500		840,000			1,050,000
Office Loan	78,000			78,000		0					78,000
Other (Bad Debt/Admin)	50,000			50,000		0					50,000
Debt Svc (Gallery IV-B) (50 rail cars)	1,225,000			159,250		85,750		980,000			1,225,000
Debt Svc (Gallery IV-B) (50 rail cars)	2,500,000			325,000		175,000		2,000,000			2,500,000
Non-Operating Summary	19,199,379	0	0	9,986,349	0	3,848,044	0	5,365,086	0	0	19,199,379
Total Expenses (Subtotal)	71,507,521	150,000	151,000	14,711,289	7,702,562	3,997,984	9,616,000	7,078,686	0	0	71,507,521
Capital Projects:											
Facilities Infrastructure	100,000			13,000		7,000		80,000			100,000
Broad Run Maintenance	728,000			50,960		50,960		587,400			728,000
Fare Collection Upgrade	400,000			32,000		28,000		320,000			400,000
Rail Cars 2011	250,000			32,500		17,500		200,000			250,000
Rolling Stock Mods	1,019,000			132,470		71,330		815,200			1,019,000
Capital Project Contingency	158,000			20,540		11,060		126,400			158,000
Capital Fleet Expansion - Locomotive	6,090,000			0		0		0			0
Mid-day Storage	1,709,000			791,700		426,200		4,872,000			6,090,000
Capital Project Summary	10,454,000	0	0	1,259,020	0	731,780	0	3,363,200	0	0	10,454,000
Earmarks/Capital:											
Broad Run Parking Deck	1,420,000			0		284,000		1,136,000			1,420,000
Brookside Parking	800,000			0		160,000		640,000			800,000
Leeland Parking	800,000			0		160,000		640,000			800,000
Adtl Funding Loton Platform	1,500,000			0		300,000		1,200,000			1,500,000
Adtl Funding Broad Run Parking	1,000,000			0		200,000		800,000			1,000,000
Adtl Leas Funding (Bonus Oblig)	4,125,000			0		556,250		3,300,000			4,125,000
Loton Second Platform	250,000			0		50,000		200,000			250,000
Earmark Summary	9,895,000	0	0	536,250	0	1,442,750	0	7,916,000	0	0	9,895,000
TOTAL	91,856,521	150,000	151,000	16,070,310	536,250	6,172,814	9,616,000	23,357,886	0	0	91,856,521

FY10 subsidy surplus (deficit) 16,376,969
 306,639

Soft Capital Projects	Program	Funding	Federal Amt	State Amt
Debt Service 11 Cabcars	1,331,337	53075309	1,545,086	135,195
Access Leas Funding	12,020,000	SSTP	9,616,000	
Debt Service 10 Railcars	1,050,000	53075309	840,000	73,500
Debt Service 50 Railcars	2,500,000	53075309	2,000,000	175,000
Debt Service 50 Railcars	1,225,000	53075309	980,000	85,750
Locomotive Leas		53075309		
Rippon Leas		53075309		
Grant & Project Management	400,000	53075309	320,000	28,000
Grant & Project Management	319,000	53075309	255,200	22,330
Scheidt/Sachan	123,000	53075309	98,400	8,610
Preventive Maintenance	1,000,000	53075309	800,000	70,000
Construction Management	100,000	53075309	80,000	7,000
Security Enhancements	100,000	53075309	80,000	7,000
Signage Enhancements	100,000	53075309	80,000	7,000
Debt Service (1993 & 1998)				
Fredericksburg P. Leas		53075309		3,378,599
Subtotal	26,868,337		16,279,200	3,897,984
Capital Projects/Earmarks	20,349,200		16,279,200	2,174,530
Federal Cap Program	41,217,357		32,973,886	6,172,514

Federal Reimbursement rate	80%
State Match Reimb rate MTF Cap	34%
State Match Reimb rate MT Cap	35%
State Earmark Match rate	20%

Calculated Operating Reserve:
 33% 17,261,687

VRE Fiscal Year 2011 Proposed Program Budget

	FY 2009 Amended	FY 2009 Actual	FY 2010 Budget	FY 2011 Proposed
Revenue:				
VRE - Non-Departmental				
Fare Revenue	24,300,000	25,694,794	26,917,683	28,100,000
Miscellaneous Revenue	151,500	339,929	151,500	151,000
Appropriation from Reserve				
Jurisdictional Revenue	17,275,500	17,275,500	16,376,968	16,070,309
Other Revenue	173,000	-	-	-
Proceeds from Mafersa Sale			400,000	536,250
Federal Operating Grants	13,439,197	12,784,064	15,015,446	16,694,686
State Operating/Non-Operating Grants	13,178,917	13,536,554	12,169,655	11,700,546
Federal Capital Grants	8,268,793	14,648,460	7,393,600	16,279,200
State Capital Grants	3,177,003	12,189,289	431,258	2,174,530
Interest Income	210,000	406,854	230,000	150,000
Total Revenue	80,173,910	96,875,444	79,086,110	91,856,521
Expenditures:				
VRE - Non-Departmental				
Liability Insurance	4,400,000	4,349,493	5,095,000	4,025,000
Operating Reserve/Contingency	1,027,694	439,748	1,842,909	1,574,401
Other	-	-	2,000,000	-
VRE-Financing-Administration Fees	-	-	-	-
Total VRE - Non-Departmental	5,427,694	4,789,241	8,937,909	5,599,401
Executive Mgmt and Planning				
Salaries/Fringes	599,938	561,284	605,324	599,835
Travel/Training/Employee Expenses	16,000	17,243	7,500	9,500
Board Member Expenses	1,500	1,800	1,500	3,000
Legal/Audit	125,000	91,176	75,000	75,000
Consulting/Professional/Other	71,500	46,827	70,500	54,000
Total Executive Mgmt and Planning	813,938	718,330	759,824	741,335
Administration				
Salaries/Fringes	340,830	369,407	349,829	349,314
Travel/Training/Employee Expenses	8,000	3,910	7,000	10,000
Communication/Other	243,250	160,504	238,000	224,000
Office Administration Expenses	81,000	52,303	96,500	96,500
Total Administration	673,080	586,124	691,329	679,814
Public Affairs/Marketing				
Salaries/Fringes	276,224	275,180	278,956	279,120
Travel/Training/Employee Expenses	6,000	11,039	5,500	9,550
Production/Media/Promotion/Other	395,000	439,783	185,000	446,725
Special Events/Other	10,000	800	7,500	8,500
Total Public Affairs/Marketing	687,224	726,802	476,956	743,895
Customer Service				
Salaries/Fringes	493,342	528,940	518,619	521,271
Travel/Training/Employee Expenses	21,000	16,520	12,000	12,000
Printing/Admin/Other	858,700	655,958	935,000	978,500
Total Customer Service	1,373,042	1,201,418	1,465,619	1,511,771
Budget and Finance				
Salaries/Fringes	602,652	626,151	631,025	632,981
Travel/Training/Employee Expenses	28,000	34,426	16,000	16,000
Audit/Maint Service Agreements	105,000	92,921	105,000	105,000
Retail Sales/TLC Commissions	475,000	724,496	620,000	681,000
Bank Discounts/Other	206,000	250,930	226,000	268,000
Total Budget and Finance	1,416,652	1,728,924	1,598,025	1,702,981
Communication and Info Tech				
Salaries/Fringes	212,601	214,928	191,720	191,835
Travel/Training/Employee Expenses	87,000	18,345	18,500	18,500
Computer Equipment/Software	200,000	155,730	210,000	210,000
Communications	300,000	334,817	385,000	400,000
Repairs and Maintenance - Fare Collection/Trip One	30,000	7,004	30,000	20,000
Total Communication and Info Tech	829,601	730,824	835,220	840,335

VRE Fiscal Year 2011 Proposed Program Budget

	FY 2009 Amended	FY 2009 Actual	FY 2010 Budget	FY 2011 Proposed
Construction and Cap Proj				
Salaries/Fringes	682,966	533,134	548,206	542,504
Travel/Training/Employee Expenses	32,000	28,748	14,500	26,000
Other Professional Services/Other Expenses	150,000	128,995	132,500	130,000
Total Construction and Cap Proj	864,966	690,877	695,206	698,504
Facilities Maintenance/Operations & Safety				
Salaries/Fringes	289,599	229,192	241,777	233,356
Travel/Training/Employee Expenses	7,500	4,165	5,200	8,450
Vehicle/Office/Other Professional Service	32,000	68,260	96,500	94,500
Station Electricity/Utilities/Taxes	642,500	588,007	609,000	599,000
Materials and Supplies - Stations	100,000	36,218	100,000	20,000
Repairs and Maintenance - Stations/Parking/Yards	2,000,000	1,497,079	1,800,000	1,950,000
Station/Yard Security	370,000	290,904	250,000	260,000
Total Facilities Maintenance	3,441,599	2,713,825	3,102,477	3,165,306
Purchasing and Contract Admin				
Salaries/Fringes	261,206	265,101	261,012	265,146
Travel/Training/Employee Expenses	7,000	1,892	2,600	2,600
Total Purch and Contract Admin	268,206	266,993	263,612	267,746
Equipment Operations				
Salaries/Fringes	244,171	385,308	377,803	378,029
Travel/Training/Employee Expenses	26,500	12,104	11,750	13,000
Consulting/Admin/Warehouse Management	200,000	107,490	110,000	120,000
Equipment/Warehouse Leases	200,000	155,498	210,000	210,000
Utilities	475,000	724,827	619,500	780,000
Diesel Fuel	5,895,000	5,663,740	4,667,205	4,474,498
Materials and Supplies - Equipment/Yards				
Repairs and Maintenance - Rolling Stock	2,035,000	2,473,254	2,250,000	2,745,000
Car Cleaning	375,000	275,918	350,000	-
Total Equipment Operations	9,450,671	9,798,139	8,596,268	8,720,526
PRTC				
Professional Services	160,000	127,178	152,000	152,000
Total PRTC	160,000	127,178	152,000	152,000
NVTC				
Professional Services	70,000	70,000	70,000	70,000
Total NVTC	70,000	70,000	70,000	70,000
Keolis				
Contract Operations and Maintenance				17,972,929
Total Keolis				17,972,929
Amtrak				
Contract Operations, Maintenance & Access	22,325,000	22,206,428	22,008,345	8,121,000
Total Amtrak	22,325,000	22,206,428	22,008,345	8,121,000
Norfolk Southern				
Access Fees	1,795,000	1,817,532	1,890,000	1,965,000
Contract Operations and Maintenance	500,000	476,633	510,000	535,000
Total Norfolk Southern	2,295,000	2,294,165	2,400,000	2,500,000
CSXT				
Access Fees	3,580,000	3,448,436	3,708,950	3,900,000
Contract Operations and Maintenance	490,000	463,251	500,000	520,000
Total CSXT	4,070,000	3,911,687	4,208,950	4,420,000
CIP Expenditures				
CIP Expenditures	12,519,996	-	9,242,000	20,349,000
Total CIP Expenditures	12,519,996	-	9,242,000	20,349,000
CIP VRE - Non-Departmental				
Debt Service	13,487,241	12,558,367	13,582,380	13,599,978
Depreciation/Amortization	-	-	-	-
Total CIP VRE - Non-Departmental	13,487,241	12,558,367	13,582,380	13,599,978
Total Expenditures	80,173,910	65,119,322	79,086,110	91,856,521
Net				

CAPITAL IMPROVEMENTS PROGRAM

FISCAL YEAR 2011

VIRGINIA RAILWAY EXPRESS

December 2009

Introduction

The FY 2011 Virginia Railway Express (VRE) Capital Improvement Program (CIP) is an integrated set of projects and programs that will improve passenger safety, operational efficiency, and expand capacity. The capital improvements described on the following pages are designed to attract more riders through greater reliability, faster operating speeds and improved station access. In addition to project descriptions, this document also provides information on agency cooperation and programming criteria. Projects are included in the CIP as funded and partially funded.

The VRE capital planning process is informed by the results of the Phase II Strategic Plan, which was approved by the Operations Board in May of 2004. Subsequently, planning assumptions through 2025 that are outlined in the Strategic Plan are the foundation of the CIP. As the Strategic Plan is now several years old, information is updated where possible (i.e. through fleet planning).

The CIP is fiscally constrained and the program of projects is based on reasonably assumed funding only. Parking projects are assumed to be the responsibility of the jurisdiction, with VRE support and assistance, and are therefore not funded in the CIP. Potential earmarks are not shown in this document until after they are fully allocated by the funding agency.

VRE CIP Policy Statement

Policy Statement: The VRE Capital Improvement Program is designed to maintain VRE passenger equipment and facilities in a state of good repair and to accommodate growth within adopted service and safety standards. Federal grants are the principal source of funds for the VRE CIP. Therefore, policies and practices are designed to maximize federal financial participation in VRE capital programs.

Programming Process

Project Identification: When considering projects for inclusion in the VRE CIP, a series of programming criteria is used to help organize the process. In order of importance, these criteria include:

- ❖ Provide full funding for adopted CIP projects mandated by legislation.
- ❖ Provide full funding for adopted CIP projects required by agreements with railroads, localities, or related entities.
- ❖ Identify and fund projects that maintain facilities and rolling stock in a state of good repair.

- ❖ Identify and fund projects that advance the VRE mission of increased riders while maintaining safety and reliability standards.
- ❖ Identify and fund projects that improve operational efficiency and costs.

CIP Programming: Within the CIP program, the highest priority projects are programmed for the early years whenever possible. Improvements that will be made by the railroads have been scheduled according to staff's understanding of when railroad forces will be available and mobilized.

Board/Commission Approval: Once the program of projects has been developed, it is forwarded as part of the budget to the Operations Board. With their approval, the package goes to the Commissions for final authorization. The VRE budget process begins in the summer, with approval by the Operations Board in December and Commissions in January.

CIP Document Organization

The CIP text provides information on construction projects planned for FY 2011 – FY 2016 based primarily on the Phase II Strategic Plan. These project descriptions include a summary regarding budget, funding and schedule.

Administrative and/or on-going system projects are grouped together at the end of the document. The CIP is fiscally constrained and the program of projects is based on reasonably assumed funding only. Parking projects are assumed to be the responsibility of the jurisdiction, with VRE support and assistance, and are therefore not funded in the CIP. Potential earmarks are not shown in this document until after they are fully allocated by the funding agency.

Project: Broad Run Parking Expansion

Description: VRE and Prince William County have received CMAQ funding to pursue construction of a parking facility at Broad Run. Efforts will focus not only on a garage but also construction of a small surface lot.

Current Phase:

- conceptual preliminary planning environmental
 design/eng. procurement construction

Schedule: TBD

Budget:

- Total estimated cost: TBD
- Total CIP budget: \$2.4 million
- Annual Operating Cost: to be estimated once design has been completed.

Funding Source: Funding is currently made up of CMAQ grants.

Project: Brooke and Leeland Parking Expansions

Description: VRE and Stafford County have received CMAQ funding to pursue construction of parking facilities at both the Leeland and Brooke stations.

Current Phase:

- conceptual preliminary planning environmental
 design/eng. procurement construction

Schedule: The Leeland parking expansion is currently in the environmental phase, with completion expected during the first quarter of 2010. The parking expansion is expected to generate 200 spaces.

The Brooke parking expansion is currently in the environmental phase, with completion expected during the first quarter of 2010. Property acquisition is required and will commence once the environmental work is complete. The parking expansion is expected to generate 200 spaces.

Budget:

- Total estimated cost: Leeland - \$2.6 million and Brooke - \$3.1 million
- Total CIP budget: \$3.3 million
- Annual Operating Cost: to be estimated once design has been completed.

Funding Source: Funding is currently made up of CMAQ grants.

Project: Capital Fleet Expansion – Purchase Locomotives

Description: As VRE’s locomotives age and reach the end of their useful life, efforts are underway to procure additional locomotives. Twenty new locomotives are needed to replace the existing fleet.

Current Phase:

- conceptual preliminary planning environmental
 design/eng. procurement construction

Schedule: In January of 2008, a contract was awarded to Motive Power for the manufacture of two locomotives, with an option to purchase 18 additional units. To date, the purchase of fifteen units has been authorized by the Operations Board. Units are expected for delivery beginning in 2010.

Budget:

- Total estimated cost: \$85.8 million

- Total CIP budget: \$60.1 million
- Annual Operating Cost: operating costs anticipated to decrease as these new vehicles will be replacing old locomotives.

Funding Source: Funding is currently made up of state earmarks, federal earmarks, federal formula funds and state/local matching funds.

Project: Fare Collection III

Description: VRE's current fare collection system was installed in 2002. As the lead time for a new fare collection system is several years, preliminary work is scheduled to begin this year.

Current Phase:

- | | | |
|---|---|--|
| <input type="checkbox"/> conceptual | <input type="checkbox"/> preliminary planning | <input type="checkbox"/> environmental |
| <input checked="" type="checkbox"/> design/eng. | <input type="checkbox"/> procurement | <input type="checkbox"/> construction |

Schedule: TBD

Budget:

- Total estimated cost: TBD
- Total CIP budget: \$2.75 million
- Annual Operating Cost: to be estimated once system design has been initiated.

Funding Source: Funding is currently made up of federal formula funds.

Project: Heavy Maintenance and Repair Facility

Description: Currently, VRE can perform equipment maintenance and running repairs at both the Crossroads and Broad Run yards. In the near future, VRE will also need to perform heavy repairs, including the replacement of traction motors and wheels, rather than have equipment sent off site for the work.

Current Phase:

- | | | |
|--|---|--|
| <input checked="" type="checkbox"/> conceptual | <input type="checkbox"/> preliminary planning | <input type="checkbox"/> environmental |
| <input type="checkbox"/> design/eng. | <input type="checkbox"/> procurement | <input type="checkbox"/> construction |

Schedule: TBD

Budget:

- Total estimated cost: \$50 million
- Total CIP budget: \$12.1 million
- Annual Operating cost: to be estimated once limits of facility design have been determined.

Funding Source: Funding is made up of VRE federal formula funds.

Project: Lorton Platform Project

Description: VRE and Fairfax County have received CMAQ funding to pursue construction of a platform extension and second platform at the Lorton VRE station. This project will not only expand capacity on the platform, but also improve operational efficiency.

Current Phase:

- conceptual preliminary planning environmental
 design/eng. procurement construction

Schedule: TBD

Budget:

- Total estimated cost: TBD
- Total CIP budget: \$1.7 million
- Annual Operating Cost: to be estimated once design has been initiated.

Funding Source: Funding is currently made up of CMAQ funding.

Project: Mid-day Storage

Description: VRE is pursuing opportunities to increase mid-day rolling stock storage in Washington, D.C. adjacent to Washington Union Terminal, or even further to the north. Several locations are currently being considered.

Current Phase:

- conceptual preliminary planning environmental
 design/eng. procurement construction

Schedule: TBD

Budget:

- Total estimated cost: \$40 million
- Total CIP budget: \$18.6 million
- Annual Operating cost: to be estimated once limits of facility design have been determined.

Funding Source: Funding is made up of VRE federal formula funds.

Project: Railcar Purchase 2011

Description: This project will procure thirty new railcars to replace the thirty existing Gallery cars currently in operation.

Current Phase:

- conceptual preliminary planning environmental
 design/eng. procurement construction

Schedule: TBD

Budget:

- Total estimated cost: TBD
- Total CIP budget: \$1.7 million
- Annual Operating cost: to be estimated once construction bids have been received.

Funding Source: Funding is made up of VRE federal formula funds.

Administrative, System, and Reoccurring Projects

1. **Capital Project Contingency** – funding is allocated to capital projects on an as needed basis due to circumstances such as unforeseen site conditions. Funding is allocated among projects following discussion with the CIP Committee. ***Annual allocation in FY 2011 is \$158,000.***
2. **Construction Management** – funding is used to provide construction management services that require more time than available through VRE staff. Specific needs can include on-site management of construction projects or assistance with specific environmental or historical elements. ***Annual allocation in FY 2011 is \$100,000.***
3. **Enhancement Grant** - grantees must certify that at least 1% of funding received each fiscal year is being used for transit enhancement projects. For FY 2011, VRE's primary use of this funding is pedestrian improvements, electronic customer communications and station and equipment signage. ***Annual allocation in FY 2011 is \$100,000.***
4. **Facilities Infrastructure Renewal** - as VRE ages, some of the original facilities are in need of repairs and/or maintenance. Affecting each station, this project ranges from minor repairs to facility rehabilitation. Projects completed this past fiscal year include grade crossings, station painting, and windscreen installation. ***Annual allocation in FY 2011 is \$100,000.***
5. **Fare Collection II** – the new fare collection system was implemented in August of 2002. This ongoing expense includes technical support and maintenance. ***Annual payment in FY 2011 is \$123,000.***
6. **Fredericksburg Lease** - this project funds remaining ongoing lease payments to independent parking lots leased by VRE for passenger use. ***Annual payment in FY 2011 is \$0 as previous year funding is being used.***
7. **Grant and Project Management** – funding allocated to this project supports grant administration as well as project management related to the capital program. ***Annual allocation in FY 2011 is \$719,000.***
8. **Preventive Maintenance** – this project allows VRE to use federal funding for maintenance costs paid to VRE's equipment maintenance contractor. FTA allows this expenditure when grantees own both the facility and the equipment but contract for actual maintenance services. ***Annual allocation in FY 2011 is \$1,000,000.***

9. Rippon Lease – a one year extension to this parking lot lease was approved by the Operations Board in February of 2009. This lease provides 320 parking spaces. **Annual payment in FY 2011 is \$0 as previous year funding is being used.**

10. Rolling Stock Modifications - project scope includes technical fieldwork that improves passenger travel and crew working conditions. Tasks may also include responding to requests for minor upgrades and safety mandates from the Federal Railroad Administration (FRA). Funding is allocated on an annual basis. **Annual allocation in FY 2011 is \$1,019,000.**

11. Security Enhancements - grantees must certify that at least 1% of funding received each fiscal year is being used for transit security projects. VRE's primary use of this funding is the Systems Safety consultant. The remaining allocation is used for security infrastructure projects. **Annual allocation in FY 2011 is \$100,000.**

12. Sumitomo Acquisition (50 Car Option) – this project makes annual debt payments on the 50 bi-level Sumitomo cab cars VRE purchased in 2006. The CIP programs an annual payment which represents the cost of financing this equipment over 25 years. **Annual payment in FY 2011 is \$3,725,000.**

13. Sumitomo Acquisition (11 Cab Cars) – this project makes annual debt payments on the 11 bi-level Sumitomo railcars VRE purchased in 2006. The CIP programs an annual payment which represents the cost of financing this equipment over 25 years. **Annual payment in FY 2011 is \$1,932,000.**

14. Sumitomo Acquisition (10 Car Order) – this project makes annual debt payments on the 10 bi-level Sumitomo railcars VRE purchased in 2008 to replace the Kawasaki railcars sold to Maryland. The CIP programs an annual payment which represents the cost of financing this equipment over 25 years. **Annual payment in FY 2011 is \$1,050,000.**

15. Track Lease/Improvements - currently scheduled and proposed increases in commuter rail service have demonstrated the need for capitalized access. These improvements could include long-term leases, capital improvements and increased maintenance on the railroad tracks, stations, and terminals. This project occurs on an annual basis. **Annual payment in FY 2011 is \$12,020,000.**

Unfunded Potential Projects

As VRE's ridership continues to grow, capital needs have begun to outpace available resources. As a result, not all capital projects can be fully funded using just federal formula funds. While efforts continue to be made to seek funding from other sources, a list of unfunded projects can be found on the Six Year Financial Forecast.

VIRGINIA RAILWAY EXPRESS ASSUMPTIONS FOR SIX YEAR FINANCIAL FORECAST

1. Operating ratio maintained at 55% or higher
2. Level of Service
 - a. 30 trains for FY 2011
 - b. 32 trains for FY 2012
 - i. Fredericksburg line train
 - c. 32 trains for FY 2013
 - d. 34 trains for FY 2014
 - i. Manassas line train
 - e. 34 trains for FY 2015
 - f. 34 trains for FY 2016
3. Operating Costs
 - a. Increase in base costs varies by year, based on annual ridership increase
 - b. Keolis, fuel, track leases and debt service tracked separately
4. Fare Revenue
 - a. Increased 4% FY 2012 – FY2016
5. Other Revenue:
 - a. Interest income increases at 0% per year
 - b. Other income increases 0% per year
6. Grant Income:
 - a. Access lease funding (SSTP) equal to 80% of access lease expenses – assumes Commonwealth to fund access lease cost for all added trains
 - b. Federal capital program is shown as in six year CIP
 - c. State operating based on grant increases at 3% per year
 - d. State capital grant matched at 35%
 - e. No provision for earmarks with the exception of FY 2011
7. Local Subsidy:
 - a. Increased 4% FY 2012 – FY 2016

FY11 Six Year Financial Forecast

Description	FY10	FY11	FY12	FY13	FY14	FY15	FY16	Comments
Operating								
Number of Trains	30	30	32	32	34	34	34	
Manassas Line	16	16	16	16	18	18	18	
Fredericksburg Line	14	14	16	16	16	16	16	
Average Daily Ridership	15,600	16,200	16,700	17,034	17,545	17,896	18,254	
Average Fare Price	6.87	6.91	7.19	7.47	7.77	8.08	8.41	4% FY12 - FY16
Potential Operating Ratio	72%	70%	70%	72%	73%	76%	78%	
Use of Funds for Operations								
Net Operating Expenses	14,039,321	32,792,644	33,804,763	34,480,868	35,515,243	36,225,751	36,950,427	Based on annual revenue increase
Reserves (Operating/Insurance/Mobilization)	8,937,909	5,599,401	5,198,817	4,312,898	5,363,817	4,800,815	5,209,055	Insurance payments per schedule
Amtrak/Keolis (4)	18,850,345	3,021,000	4,193,425	4,011,162	5,280,442	5,141,660	5,347,326	
Fuel (3)	4,657,205	4,474,498	5,165,112	5,475,019	6,084,898	6,449,992	6,836,991	
Track Lease Expense (2)	9,766,950	12,020,000	13,080,652	13,603,878	14,520,082	15,100,885	15,704,921	
Debt Service	13,532,380	13,549,978	13,767,828	13,766,288	13,766,013	13,766,688	6,859,357	
Other (Bad Debt/Admin)	50,000	50,000	50,000	50,000	50,000	50,000	50,000	
Total Operating Costs	69,844,110	71,507,521	73,260,595	75,700,104	80,580,495	81,535,791	76,958,077	
Sources of Funds For Operations								
Fare Revenue	26,917,683	28,100,000	30,005,952	31,830,313	34,086,593	36,169,868	38,369,164	2% Annual ridership increase
Interest Income	230,000	150,000	150,000	150,000	150,000	150,000	150,000	
Other Income	151,500	151,000	151,500	151,500	151,500	151,500	151,500	
Other Revenue	400,000	-	-	-	-	-	-	
State Operating Grant	9,063,805	7,702,562	7,933,639	8,171,648	8,416,797	8,669,301	8,929,380	Based on 3% rate increase
State Capital Grant	3,105,850	3,997,984	3,235,659	3,235,121	3,235,025	3,235,261	3,235,261	
Federal Grants:								
Access Lease Funding - SSSTP	7,813,560	9,616,000	10,464,522	10,883,102	11,616,068	12,080,708	12,563,937	Based on 80% of track lease
Federal Operating Funds (Debt service & loans)	4,265,086	5,365,086	4,445,086	4,445,086	4,445,086	4,445,086	4,445,086	
Other Federal Revenues	2,936,800	1,713,600	1,799,280	1,859,244	1,983,706	2,082,892	2,187,036	Increased base cost 5% per year
Total Operating Revenues	54,884,284	56,796,232	58,185,637	60,756,014	64,094,772	66,984,615	67,613,797	
Surplus/(Deficit) for Operations	(14,959,826)	(14,711,289)	(17,074,958)	(14,944,089)	(16,485,723)	(14,551,175)	(9,344,280)	
Local Subsidy	16,376,988	16,070,309	16,713,121	17,361,646	18,076,912	18,799,988	19,551,988	4% FY12 - FY16
Net subsidy available for capital match	1,417,142	1,359,020	(361,837)	2,437,557	1,591,189	4,248,813	10,207,708	
Use of Funds for Capital Program (1)								
Capital Cost Base Program	9,242,000	20,349,000	11,500,000	11,636,000	11,760,000	11,915,000	12,072,000	Increased base cost 1% per year
Total Capital Program Costs	9,242,000	20,349,000	11,500,000	11,636,000	11,760,000	11,915,000	12,072,000	
Sources of Funds for Capital Program								
Federal Grants:								
Federal funding - 80% of base program	7,393,600	16,279,200	9,200,000	9,308,800	9,408,000	9,532,000	9,657,600	80%
Matching Funds	431,258	2,174,530	805,000	814,520	823,200	834,050	845,040	
State Capital Grants - non-federal costs								
Local/Other Funds	1,417,142	1,359,020	(361,837)	2,437,557	1,591,189	4,248,813	10,207,708	
Net local subsidy available for capital match	9,242,000	20,349,000	9,643,163	12,560,877	11,822,389	14,614,863	20,710,348	
Total Sources of Funding for Capital Program	0	(0)	1,856,837	(924,877)	(62,389)	(2,699,663)	(8,638,348)	
Add'l funds required to fund Operations and Capital:	0	(0)	1,856,837	(924,877)	(62,389)	(2,699,663)	(8,638,348)	
Additional required for operations/base program	0	(0)	1,856,837	931,960	869,571	(1,830,292)	(10,468,640)	
Cumulative Total to Fully Fund Ops and Cap								

(1) Note: "Capital Program" does not include leases, debt service, administrative costs and other operating costs.
(2) Increase based on 4% per year + add'l track lease costs per train per line
(3) Increase based on additional trains + 6%
(4) Increase based on 4% (AAR) plus additional engineers/train crew + one-time costs of \$350k in FY12 & FY14

(PF) = Partially Funded

PROJECT DESCRIPTION	FY10 FY11 Budget	FY11 FY12 Budget	FY12 FY13 Budget	FY13 FY14 Budget	FY14 FY15 Budget	FY15 FY16 Budget	Funding Source
NS and CSX Track and Signal Improvements							
Administration/Studies/Training							
Fare Collection Upgrade	400,000	400,000	400,000	400,000	400,000	400,000	5309
VRE Passenger Facilities							
Capital Project Contingency							
	58,000	100,000	100,000	100,000	100,000	100,000	5307
	100,000	100,000	100,000	100,000	100,000	100,000	5309
Facilities Infrastructure Renewal							
Facilities Infrastructure Renewal	100,000	150,000	200,000	150,000	100,000	100,000	5309
Broad Run Parking Deck	1,420,000						CMAQ (including match)
	1,000,000						CMAQ
Brooke Parking	800,000						CMAQ
Leeland Parking	800,000						CMAQ
Lorton Second Platform	1,500,000						CMAQ
	250,000						CMAQ
VRE Yard Improvements							
Heavy Maintenance and Repair Facility (PF)	435,000	401,000	750,000	2,423,000	2,897,000	5,618,000	5307
	293,000	706,000	319,000	2,119,000	1,849,000	2,831,000	5309
Mid-Day Storage							
Engineering Analysis	555,000	1,648,000	2,556,000	3,163,000	2,759,000	109,000	VTA 2000
	1,154,000	1,220,000	1,013,000	1,986,000	2,341,000	1,395,000	5309
Rolling Stock							
Capital Fleet Expansion - Locomotives	2,933,000	1,830,000	2,693,000				5309
	3,157,000	3,726,000	2,236,000				5307
Additional Locomotive Funding (Bonus Obligation)	4,125,000						5309
Railcar Purchase 2011	250,000	200,000	250,000	300,000	350,000	400,000	5309
Rolling Stock Mods	1,019,000	1,019,000	1,019,000	1,019,000	1,019,000	1,019,000	5307
5303 Total							
5307 Total	5,224,000	6,894,000	6,661,000	6,705,000	6,775,000	6,846,000	
5309 Total	9,355,000	4,606,000	4,975,000	5,055,000	5,140,000	5,226,000	
SSTP							
Bonus Obligation STP							
RSTP/CMAQ	5,770,000	-	-	-	-	-	
VTA 2000							
VDRPT							
EARMARKS/OTHER							
GRAND TOTAL	20,349,000	11,500,000	11,636,000	11,760,000	11,915,000	12,072,000	

difference

Total MTF Capital Projects	19,949,000	11,100,000	11,236,000	11,360,000	11,515,000	11,672,000	
Total Federal Match	15,959,200	8,880,000	8,988,800	9,088,000	9,212,000	9,337,600	
State Matching MTF Capital	1,396,430	777,000	786,520	795,200	806,050	817,040	35%
Total MT & TTF Capital Projects	400,000	400,000	400,000	400,000	400,000	400,000	
Total Federal Match	320,000	320,000	320,000	320,000	320,000	320,000	
State Matching MT & TTF Capital	28,000	28,000	28,000	28,000	28,000	28,000	35%
Total Projects	20,349,000	11,500,000	11,636,000	11,760,000	11,915,000	12,072,000	
Difference							
Total State Capital Match	1,424,430	805,000	814,520	823,200	834,050	845,040	

Note 1: Future project estimates are in today's dollar.

Note 2: Future years assume a 1% increase in federal formula dollars based on average ridership projections in the strategic plan.

Note 3: Earmarks are not shown in the CIP until after fully allocated.

VIRGINIA RAILWAY EXPRESS

REVISED

FISCAL YEAR 2010

BUDGET

DECEMBER 18, 2009

REVISED BUDGET ASSUMPTIONS FOR FY 2010

General Assumptions:

- Continues 30-train operation
- Operating Revenue
 - State operating grant decreased by \$902,000
 - No change to projected fare revenue
 - Use of the Mafersa funds no longer required
- Expenses
 - Insurance trust fund deposit increased by \$400,000 to relieve the FY 2011 Budget
 - Amtrak increased by \$461,000 due to higher than budgeted expenditures
 - Retail Sales Commissions increased by \$130,000 to more accurately reflect actual costs
 - Equipment operations are increased by \$200,000 to accommodate increased locomotive maintenance costs.
 - Various other adjustments to the budget in the amount of \$74,000
 - CIP expenditures are increased by \$760,000 to reflect the higher federal formula allocation
- Grant Funds
 - State capital grants are increased by \$3.7 million to reflect additional state funding for a higher match rate
 - VRE's federal formula grant was higher than budget by \$607,000 to reflect a higher federal formula allocation award plus \$49,000 for additional Amtrak access fees
- Contribution to Reserves
 - The revisions provide for an increase of \$1.0 million to the capital reserve to match future state or federal earmarks for the purchase of locomotives.

VRE Fiscal Year 2010 Proposed Amended Budget

	<u>FY 2010 Adopted</u>	<u>FY 2010 Amended</u>	<u>Change</u>
Revenue:			
VRE - Non-Departmental			
Fare Revenue	26,917,683	26,917,683	-
Miscellaneous Revenue	151,500	151,500	-
Jurisdictional Revenue	16,376,968	16,376,968	-
Other Jurisdictional Revenue	-	-	-
Proceeds from Mafersa Sale	400,000	-	(400,000)
Federal Operating Grants	15,015,446	15,015,446	-
State Operating Grants	12,169,655	11,267,746	(901,909)
Federal Capital Grants	7,393,600	8,049,811	656,211
State Capital Grants	431,258	4,101,266	3,670,008
Interest Income	230,000	230,000	-
Total Revenue	<u>79,086,110</u>	<u>82,110,420</u>	<u>3,024,310</u>
Expenditures:			
VRE - Non-Departmental			
Liability Insurance	4,605,000	5,005,000	400,000
Operating Reserve/Contingency	1,842,909	1,842,909	-
Capital Reserve	-	1,000,000	1,000,000
Mobilization	2,000,000	2,000,000	-
VRE-Financing-Administration Fees	-	-	-
Total VRE - Non-Departmental	<u>8,447,909</u>	<u>10,308,739</u>	<u>1,400,000</u>
Executive Mgmt and Planning			
Salaries/Fringes	605,324	605,324	-
Travel/Training/Employee Expenses	7,500	7,500	-
Board Member Expenses	1,500	1,500	-
Legal/Audit	75,000	75,000	-
Consulting/Professional/Other	70,500	70,500	-
Total Executive Mgmt and Planning	<u>759,824</u>	<u>759,824</u>	<u>-</u>
Administration			
Salaries/Fringes	349,829	349,829	-
Travel/Training/Employee Expenses	7,000	7,000	-
Communication/Other	238,000	238,000	-
Office Administration Expenses	96,500	96,500	-
Total Administration	<u>691,329</u>	<u>691,329</u>	<u>-</u>
Public Affairs/Marketing			
Salaries/Fringes	278,956	278,956	-
Travel/Training/Employee Expenses	5,500	5,500	-
Production/Media/Promotion/Other	185,000	185,000	-
Special Events/Other	7,500	7,500	-
Total Public Affairs/Marketing	<u>476,956</u>	<u>476,956</u>	<u>-</u>

VRE Fiscal Year 2010 Proposed Amended Budget

	FY 2010 Adopted	FY 2010 Amended	Change
Customer Service			
Salaries/Fringes	518,619	518,619	-
Travel/Training/Employee Expenses	12,000	12,000	-
Printing/Admin/Other	935,000	935,000	-
Total Customer Service	1,465,619	1,465,619	-
Budget and Finance			
Salaries/Fringes	631,025	631,025	-
Travel/Training/Employee Expenses	16,000	16,000	-
Audit/Maint Service Agreements	105,000	105,000	-
Retail Sales/TLC Commissions	620,000	750,000	130,000
Bank Discounts/Other	226,000	226,000	-
Total Budget and Finance	1,598,025	1,728,025	130,000
Communication and Info Tech			
Salaries/Fringes	191,720	191,720	-
Travel/Training/Employee Expenses	18,500	18,500	-
Computer Equipment/Software	210,000	210,000	-
Communications	385,000	385,000	-
Repairs and Maintenance - Fare Collection/Trip One	30,000	30,000	-
Total Communication and Info Tech	835,220	835,220	-
Construction and Cap Proj			
Salaries/Fringes	548,206	548,206	-
Travel/Training/Employee Expenses	14,500	14,500	-
Other Professional Services/Other Expenses	132,500	132,500	-
Total Construction and Cap Proj	695,206	695,206	-
Facilities Maintenance/Operations & Safety			
Salaries/Fringes	241,777	241,777	-
Travel/Training/Employee Expenses	5,200	5,200	-
Vehicle/Office/Other Professional Service	96,500	96,500	-
Station Electricity/Utilities/Taxes	609,000	609,000	-
Materials and Supplies - Stations	100,000	100,000	-
Repairs and Maintenance - Stations/Parking/Yards	1,800,000	1,800,000	-
Station/Yard Security	250,000	250,000	-
Total Facilities Maintenance	3,102,477	3,102,477	-
Purchasing and Contract Admin			
Salaries/Fringes	261,012	261,012	-
Travel/Training/Employee Expenses	2,600	2,600	-
Total Purch and Contract Admin	263,612	263,612	-
Equipment Operations			
Salaries/Fringes	377,803	391,020	13,217
Travel/Training/Employee Expenses	11,750	11,750	-
Consulting/Admin/Warehouse Management	110,000	110,000	-
Equipment/Warehouse Leases	210,000	210,000	-
Utilities	619,500	619,500	-
Diesel Fuel	4,667,205	4,667,205	-
Materials and Supplies - Equipment/Yards	-	-	-
Repairs and Maintenance - Rolling Stock	2,250,000	2,450,000	200,000
Car Cleaning	350,000	350,000	-
Total Equipment Operations	8,596,258	8,809,475	213,217

VRE Fiscal Year 2010 Proposed Amended Budget

	<u>FY 2010 Adopted</u>	<u>FY 2010 Amended</u>	<u>Change</u>
PRTC			
Professional Services	152,000	152,000	-
Total PRTC	<u>152,000</u>	<u>152,000</u>	<u>-</u>
NVTC			
Professional Services	70,000	70,000	-
Total NVTC	<u>70,000</u>	<u>70,000</u>	<u>-</u>
Amtrak			
Contract Operations and Maintenance *	19,340,345	19,801,175	460,830
Total Amtrak	<u>19,340,345</u>	<u>19,340,345</u>	<u>460,830</u>
Amtrak Access Fees			
Access Fees	3,158,000	3,218,910	60,910
Total Amtrak Access Fees	<u>3,158,000</u>	<u>3,218,910</u>	<u>60,910</u>
Norfolk Southern			
Access Fees	1,890,000	1,890,000	-
Contract Operations and Maintenance	510,000	510,000	-
Total Norfolk Southern	<u>2,400,000</u>	<u>2,400,000</u>	<u>-</u>
CSXT			
Access Fees	3,708,950	3,708,950	-
Contract Operations and Maintenance	500,000	500,000	-
Total CSXT	<u>4,208,950</u>	<u>4,208,950</u>	<u>-</u>
CIP Expenditures			
CIP Expenditures	9,242,000	10,001,354	759,354
Total CIP Expenditures	<u>9,242,000</u>	<u>10,001,354</u>	<u>759,354</u>
CIP VRE - Non-Departmental			
Debt Service	13,582,380	13,582,380	-
Depreciation/Amortization	-	-	-
Total CIP VRE - Non-Departmental	<u>13,582,380</u>	<u>13,582,380</u>	<u>-</u>
Total Expenditures	<u>79,086,110</u>	<u>82,110,420</u>	<u>3,024,310</u>

(0)

*\$490k transferred in FY10 from FELA to Amtrak

*CAO Task Force
Review/Recommendations/
Concerns FY 11 VRE
Preliminary Budget as of 11-
25-2009*

December 11, 2009

FY 11 VRE Budget

- Total Budget (Operating/Non-Operating/Capital) \$91,687,681 an increase of \$12,601,571 or 15.9% over the FY 10 adopted amount of \$79,086,110
 - ◆ FY 11 Operating Budget (excludes non-operating costs such as debt service, insurance, operating reserve and capital items) totals \$52,182,142 an increase of \$4,858,321 or 10.3% over the FY 10 adopted amount of \$47,323,821
 - Maintains 30 train schedule with the following programmatic changes:
 - ◆ Converts a reverse flow non-revenue afternoon train on Fredericksburg line to an early morning express train
 - Part of an agreement between VRE and DRPT to operate state sponsored service from Richmond
 - Train will originate in Fredericksburg with stops at Leeland and Brooke in Stafford County
 - Cost -- \$386K for new train crew -- funded by additional system fare revenue
-
-

FY 11 VRE Budget

- ◆ Terminates/Originates 4 trains at L'Enfant Station to free up mid-day storage
 - Cost \$136K for labor and materials for maintenance during mid-day layover
- ◆ Lengthens Manassas train 329
 - Train is at 124% of capacity (mid-week average) as of October 2009
 - Will require one additional conductor
 - Cost \$110K
- ◆ Reinstates full service between Xmas and New Years (limited "S" service was budgeted in FY 10) – Cost \$50K

FY 11 VRE Budget – State Revenues

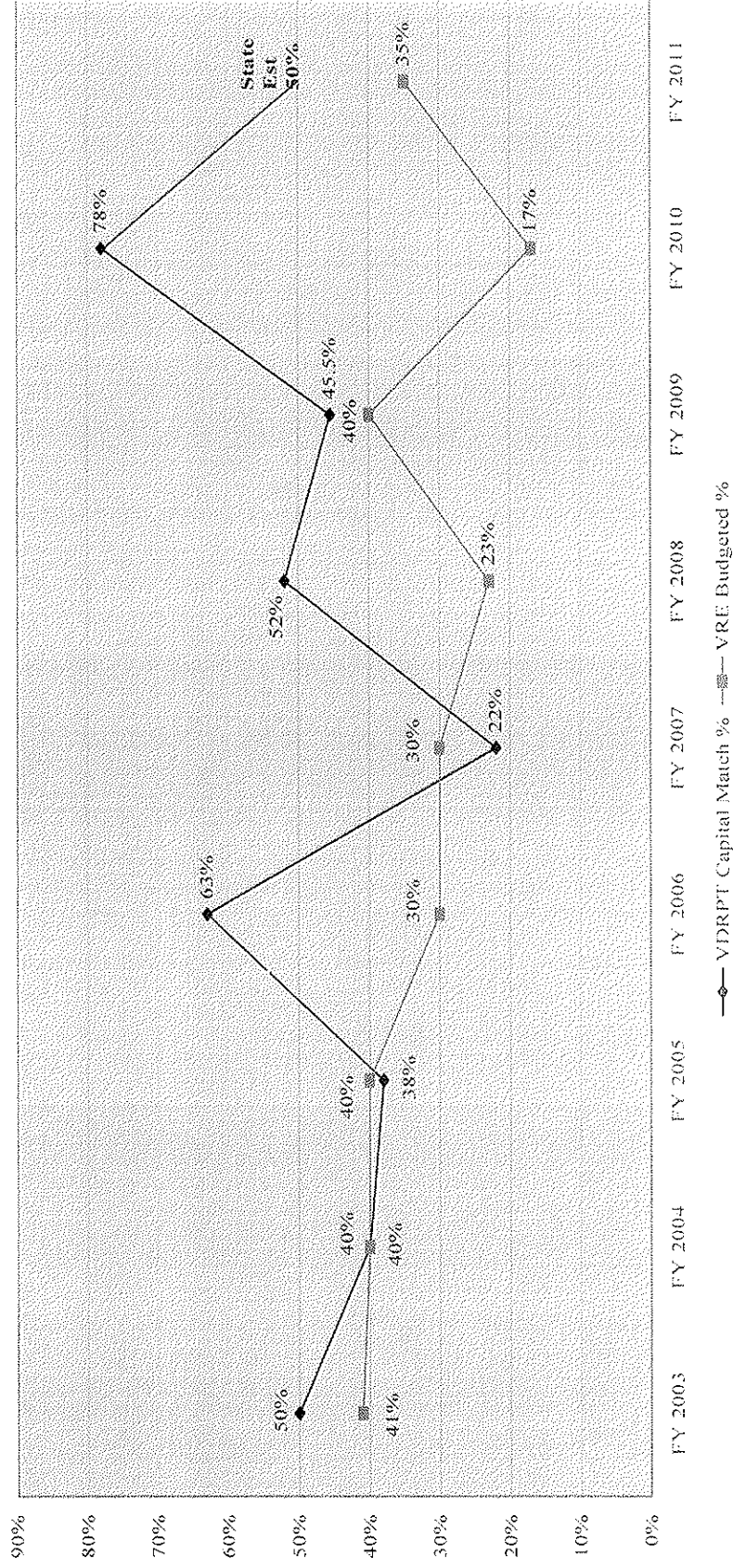
- The State capital match percentage can have a major impact on jurisdictional subsidy due to the federal funding that VRE receives for capital projects and the significant amount of debt service VRE carries
- In December 2008 State recommended budgeting 17% as its share of the non-federal portion of capital and debt service for FY 10.
- In June 2009 the State FY 10 adopted share of the non-federal portion of capital and debt service was increased from 17% to 78% primarily due to the receipt of **one time** federal stimulus funds in the Spring of 2009.
- The difference between a 17% and 78% state capital match ratio in FY 10 was \$3.7 million in additional state revenue to VRE

FY 11 VRE Budget – State Revenues

- DRPT Finance has indicated in response to e-mail queries that a 50% state capital match of the non-federal share for budgeting in FY 11 would be a safe assumption
- VRE has budgeted a state capital match percentage of 35% in FY 11
- Difference between 35% and 50% state capital match in local subsidy is \$1,172,625 or \$78,175 for each 1% difference
- Historically - DRPT's guidance has been conservative with local transit properties far more often than not ending up with more state assistance rather than less

FY 11 VRE Budget - Cap Match %

VDRPT/VRE Capital Match Funding Percentage



FY 11 VRE Budget - Advertising

- Media Advertising Initiative – Cost \$260,000
- Transit Research Board studies conclude that:
 - ◆ Traveler response to transit information and promotion varies widely both in the extent and duration of ridership gains
 - ◆ Results are influenced by the utility and quality of the transit service product being marketed, by external circumstances and by the type of promotion
- All types of transit information and promotion activities help raise awareness of public transportation services but increases in ridership are most likely to occur within specific populations as the result of targeted programs, especially individualized efforts designed on the basis of market research findings

FY 11 VRE Budget – Fuel Tax Rev

- Total PRTC jurisdictional fuel tax revenue estimates have increased by \$29 million from \$80.3 million in the FY 10 – FY 14 five year plan to \$109.8 million in FY 11- FY 15 five year plan
- ◆ While this is good news the total revenue is still short of the FY 09 – FY 13 five year plan total of \$115.3 million
- Current PRTC FY 10 fuel tax estimates (Nov 09) have improved by \$4.3 million from \$14.4 million to \$18.8 million over the FY 10 adopted
- Effective January 1, 2010 motor vehicles fuel tax will change from a 2% retail sales tax to a 2.1% tax collected by distributors of motor fuels
- ◆ Revenue estimates assume neutrality

FY 11 VRE Budget – Fuel Tax Rev

Updated Projections (with NYMEX pricing as of 11/18/09)

Price per Gallon	FY10	FY11	FY12	FY13	FY14	FY15	Total
	2.69525	2.914	2.971	3.042	3.072	3.116	
Prince William	11,518,258	12,614,985	13,016,084	13,500,391	13,851,668	14,288,915	64,501,386
Stafford	3,627,546	3,972,948	4,099,270	4,251,797	4,362,427	4,500,133	20,313,988
Manassas	1,425,443	1,561,168	1,610,807	1,670,742	1,714,214	1,768,326	7,982,374
Manassas Park	878,208	961,828	992,410	1,029,336	1,056,119	1,089,457	4,917,902
Fredericksburg	1,355,864	1,484,964	1,532,179	1,589,189	1,630,539	1,682,010	7,592,734
	18,805,319	20,595,893	21,250,750	22,041,455	22,614,967	23,328,841	105,308,383

Projections Used in FY10 Management's Preferred Budget (with NYMEX pricing as of 1/12/09)

Price per Gallon	FY10	FY11	FY12	FY13	FY14	Total
	2.068	2.228	2.325	2.405	2.455	
Prince William	8,740,486	9,313,148	9,708,895	10,193,609	10,582,428	48,538,566
Stafford	2,967,020	3,161,415	3,295,753	3,460,293	3,592,281	16,476,762
Manassas	1,092,199	1,163,758	1,213,210	1,273,779	1,322,366	6,065,312
Manassas Park	629,280	670,510	699,002	733,899	761,893	3,494,584
Fredericksburg	1,037,228	1,105,185	1,152,148	1,209,669	1,255,809	5,760,039
	14,466,213	15,414,016	16,069,008	16,871,249	17,514,777	80,335,263

Date: 12/23/2009

CAO Task Force Recommendations

- Recommend that VRE commence Fredericksburg express train service in July 2010
 - ◆ Part of an agreement with DRPT state sponsored service from Richmond scheduled to begin in May 2010
 - ◆ Additional \$386K cost for engine crew offset by increase \$1.2 million increase in system passenger revenues
 - ◆ FY 11 average daily ridership estimate of 16,200 (without a fare increase) appears to be achievable at this time

CAO Task Force Recommendations

- Recommend that advertising initiative concentrate on Fredericksburg area with a portion of the \$260,000 used for market research.

CAO Task Force Recommendations

- Recommend that VRE accept DRPT recommendation to budget a 50% state capital match ratio in FY 11
- Recommend that VRE budget state operating assistance 7% lower than the amount awarded in June 2009 in FY 11. This would be consistent with guidance given by DRPT at the November 2009 CTB meeting
- ◆ Would match assumptions use by PRTC in development of their FY 11 operating budget
- ◆ Local subsidy savings would be approximately \$1.2 million in state capital match and \$346K in operating assistance for a total of \$1.5 million

CAO Task Force Recommendations

□ \$1.5 million in additional state revenue reduces jurisdictional subsidy from \$16,070,309 (VRE Proposed) to \$14,551,240

	Proposed FY 2011 Budget Based on 10/07/09 Survey	Actual FY2010 Subsidy	Net Change \$	Net Change %
Alexandria	\$130,974	\$124,737	\$6,237	5.00%
Arlington	\$191,624	\$182,499	\$9,125	5.00%
Fairfax County	\$4,498,747	\$4,995,534	(\$496,786)	-9.94%
Fredericksburg	\$352,479	\$508,503	(\$156,025)	-30.68%
Manassas	\$781,982	\$883,443	(\$101,461)	-11.48%
Manassas Park	\$490,178	\$537,496	(\$47,318)	-8.80%
Prince William County	\$5,770,518	\$6,173,028	(\$402,510)	-6.52%
Stafford County	\$2,334,737	\$2,971,727	(\$636,990)	-21.44%
Total	\$14,551,240	\$16,376,968	(\$1,825,728)	-11.15%

CAO Task Force Concern

- VRE member jurisdictions are under considerable financial stress:
 - ◆ Prince William County:
 - There is no possibility of General Fund support for transit now or in the immediate future
 - While fuel tax revenue yields have stabilized they do not provide sufficient revenue to maintain existing operations for bus or rail combined over the next 5 years
 - Recurring fuel tax revenues provide only 81% of required subsidy in FY 11 for bus and rail with the remaining 19% made up from other one time revenue sources

Extend CSXT's Operating Agreement

The VRE Operations Board recommends approval of Resolution #2137. This resolution extends the current operating agreement with CSXT through July 31, 2010 on the same terms while negotiations on a revised agreement continue. The current extension expires on January 31, 2010.



RESOLUTION #2137

SUBJECT: Extend CSXT's Operating Agreement.

WHEREAS: The commissions currently have an amended operating/access agreement with CSXT relating to VRE operations in the Fredericksburg to Washington corridor, with said agreement ending on January 31, 2010;

WHEREAS: Staff is currently engaged in ongoing discussions with CSXT concerning a new agreement and does not anticipate conclusion of these discussions prior to the expiration of the amended operating/access agreement;

WHEREAS: A proposal to extend the existing agreement to July 31, 2010, without any changes, is expected from CSXT;

WHEREAS: The purpose of this extension is to allow time to negotiate and resolve the outstanding liability issues relating to a new agreement; and

WHEREAS: Necessary funding has been incorporated into the FY 2010 and FY 2011 VRE budgets to allow VRE to continue its operations over CSXT tracks via this contract extension.

NOW, THEREFORE, BE IT RESOLVED THAT the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to execute an extension of the existing amended operating/access agreement with CSXT to July 31, 2010.

Approved this 7th day of January, 2010

Chairman

Secretary-Treasurer



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AGENDA ITEM 8-A
ACTION ITEM

TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: DECEMBER 20, 2009

SUBJECT: AUTHORIZATION TO EXTEND AMENDED OPERATING/ACCESS AGREEMENT WITH CSXT

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Chief Executive Officer to execute an extension of the existing Amended Operating/Access Agreement with CSXT to July 31, 2010.

BACKGROUND:

The VRE has an Operating/Access Agreement with CSXT related to VRE operations in the Fredericksburg to Washington corridor. That agreement, entered into in 1994, has been amended and extended several times, most recently this past June, with an agreed upon extension to January 31, 2010. A further extension is being requested at this time to provide sufficient time to complete negotiation of a new agreement.

Since December 2005, numerous negotiation sessions have been held with CSXT representatives on the terms of a new, long-term agreement. Preliminary agreement was achieved in a number of areas to include:

- Term of the agreement
- Change in method of calculating the annual escalation
- Incentive agreement for improved on time performance
- Additional CSXT supervision in the VRE operating territory
- Approval of infrastructure improvements at VRE facilities

Progress has slowed, however, due to a failure to reach an agreement on the level of liability coverage. CSXT continues to insist on including a higher level of liability and terrorism coverage in the new agreement. Although we were able to cap commuter rail liability at the state level, the legislation does not provide protection from gross negligence claims or claims of third parties, i.e. nonpassengers. Therefore, CSXT and Norfolk Southern continue to press for higher liability insurance coverage. Currently, VRE has \$250 million in coverage. An extension of the current agreement is needed while this issue is resolved.

FISCAL IMPACT:

Funding for the CSX track access fee has been included in the FY 2010 and FY 2011 budgets, including an escalation of 4%.

Item #3D

Extend Norfolk Southern's Operating Agreement.

The VRE Operations Board recommends approval of Resolution #2138. This resolution extends the current operating agreement with Norfolk Southern through July 31, 2010 on the same terms while negotiations on a revised agreement continue. The current extension expires on January 31, 2010.



RESOLUTION #2138

SUBJECT: Extend Norfolk Southern's Operating Agreement.

WHEREAS: The commissions currently have an amended operating/access agreement with Norfolk Southern relating to VRE operations in the Manassas to Washington corridor, with said agreement ending on January 31, 2010;

WHEREAS: Staff is currently engaged in ongoing discussions with Norfolk Southern concerning a new agreement and does not anticipate conclusion of these discussions prior to the expiration of the amended operating/access agreement;

WHEREAS: A proposal to extend the existing agreement to July 31, 2010, without any changes, is expected from Norfolk Southern;

WHEREAS: The purpose of this extension is to allow time to negotiate and resolve the outstanding liability issues relating to a new agreement; and

WHEREAS: Necessary funding has been incorporated into the FY 2010 and FY 2011 VRE budgets to allow VRE to continue its operations over Norfolk Southern tracks via this contract extension.

NOW, THEREFORE, BE IT RESOLVED THAT the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to execute an extension of the existing amended operating/access agreement with Norfolk Southern to July 31, 2010.

Approved this 7th day of January, 2010.

Chairman



NVTC

Northern Virginia Transportation Commission

NVTC

Secretary-Treasurer



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AGENDA ITEM 8-B
ACTION ITEM

TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: DECEMBER 19, 2009

SUBJECT: AUTHORIZATION TO EXTEND AMENDED OPERATING/ACCESS AGREEMENT WITH NORFOLK SOUTHERN

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Chief Executive Officer to execute an extension of the existing Amended Operating/Access Agreement with Norfolk Southern to July 31, 2010.

BACKGROUND:

VRE has an Operating/Access Agreement with Norfolk Southern (NS) relating to VRE operations in the Manassas to Washington corridor. That agreement, entered into in 1999, has been amended and extended several times, most recently this past June, with an agreed upon extension to January 31, 2010. A further extension is being requested at this time to provide sufficient time to complete negotiations of a new agreement.

Following detailed negotiation sessions with Norfolk Southern representatives, an agreement in principle was reached on all contract items with the exception of liability coverage. The Operations Board and Commissions approved these terms at their June and July, 2005 meetings respectively, and authorized execution of a new agreement that conformed to each of those items.

Subsequent to the Commissions' action, however, it became clear that an agreement on the level of liability coverage could not be reached and the contract could not be executed. Norfolk Southern insists on including \$500 million in liability and terrorism coverage in the new agreement. Currently, VRE has \$250 million in coverage. An extension of the current agreement is needed while staff continues to attempt to resolve the insurance issue.

FISCAL IMPACT:

Funding for the Norfolk Southern track access fee has been included in the FY 2010 and FY 2011 budgets, including an escalation of 4%.



AGENDA ITEM #4

MEMORANDUM

TO: Chairman Zimmerman and NVTC Commissioners
FROM: Rick Taube
DATE: December 31, 2009
SUBJECT: Election of NVTC Officers for 2010 and Oath of Office.

NVTC's executive committee, serving as a nominating committee, has recommended the following slate of officers for NVTC for 2010.

Chairman: Hon. Catherine Hudgins
Vice-Chairman: Hon. William Eulle
Secretary-Treasurer: Hon. Mary Hynes

The commission should vote to select its 2010 officers. Chairman Zimmerman will administer the following oath to the new officers:

I do solemnly swear that I will support the Constitution of the United States and the Commonwealth of Virginia and that I will faithfully discharge all the duties incumbent upon me as an officer of the Northern Virginia Transportation Commission, according to the best of my ability.

The newly elected chairman will present a gift to Chairman Zimmerman.





AGENDA ITEM #5

MEMORANDUM

TO: Chairman Zimmerman and NVTC Commissioners
FROM: Rick Taube
DATE: December 31, 2009
SUBJECT: Selection of NVTC Representatives to Boards and Committees.

The new NVTC chairman will announce NVTC nominations for the WMATA, VRE and VTA boards to be acted upon by the commission. Some of these actions may be contingent on subsequent action by local boards and councils as their nominees may not be known by January 7th. The chairman will also announce his or her committee assignments.

Incumbents and vacancies are listed below:

WMATA Board

Principals

Hon. Catherine Hudgins
Hon. Chris Zimmerman

Alternates

Hon. Jeffrey McKay
Hon. William Euille

VRE Board

Principals

Hon. Sharon Bulova
Hon. Patrick Herrity
Hon. Chris Zimmerman
Hon. Paul Smedberg

Alternates

Hon. Jeff McKay
Hon. Jay Fisette
-- vacant --



Virginia Transit Association Board of Directors

Principals

Hon. Chris Zimmerman
Hon. William Euille

Alternates

Hon. Mary Margaret Whipple
Richard K. Taube

NVTC Legislative Committee

Hon. William Euille (Chairman)
Hon. Dave Albo (House of Delegates)
Hon. Mary Margaret Whipple (Senate)
Hon. Catherine Hudgins
Hon. Mary Hynes
Hon. Jeff Greenfield
Hon. Daniel Maller
Hon. Kelly Burk

NVTC Executive Committee

Hon. Catherine Hudgins, Chairman (nominated)
Hon. William Euille, Vice Chairman (nominated)
Hon. Mary Hynes, Secretary-Treasurer (nominated)
Hon. Mary Margaret Whipple, General Assembly
Hon. Chris Zimmerman, (Immediate Past Chairman)



AGENDA ITEM #6

MEMORANDUM

TO: Chairman Zimmerman and NVTC Commissioners
FROM: Rick Taube
DATE: December 31, 2009
SUBJECT: Designation of NVTC Signatories and Pension Trustees

After NVTC's new Secretary-Treasurer is elected, NVTC should adopt the attached resolution #2139. The resolution will establish that the new officer is eligible to sign NVTC documents (including financial transactions) and to serve as a trustee of NVTC's Employees' Pension Trust.



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RESOLUTION #2139

SUBJECT: Designation of NVTC Signatories and Pension Trustees.

WHEREAS: The Honorable _____ has been elected Secretary-Treasurer of NVTC for 2010; 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. _____
Richard K. Taube
Scott C. Kalkwarf
Coletia Quarles

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

Approved this 7th day of January, 2010.

Chairman

Secretary-Treasurer





AGENDA ITEM #7

MEMORANDUM

TO: Chairman Euille and NVTC Commissioners

FROM: Rick Taube

DATE: December 31, 2009

SUBJECT: Public Hearing on and Approval of NVTC's 2010 Work Program and Schedule.

The attached draft work program and schedule have been posted on NVTC's website for a month for review by the public. Local staff discussed the work program in November and December. NVTC staff will provide a brief review of 2009 accomplishments and plans for 2010 prior to a public hearing.

Following the public hearing, the commission is asked to approve the 2010 work program and schedule with whatever revisions are appropriate based on the public's input.





NVTC 2010 WORK PROGRAM
List of Products/Projects

<u>Goal #</u>	<u>Products/Projects</u>
1. Policy and Advocacy	<ul style="list-style-type: none">-GIS maps of General Assembly districts showing transit routes and state transit funding shortfalls.-Annual state and federal legislative agenda.-Annual Virginia Transit Association legislative agenda.-Provide subscription legislative tracking service to NVTC/PRTC jurisdictions/agencies.-Post November, 2009 legislative tour of Northern Virginia transit and transit-oriented development.-CTB pre-allocation testimony.
2. Funding	<ul style="list-style-type: none">-Maintain PowerPoint presentations on the "Case for Increased Funding of Public Transit in Northern Virginia," "How Transit is Organized in Northern Virginia," and the "VRE Chronology."-Reports to MAC and NVTC on reconciliation of Department of Taxation's motor fuel tax collections (\$40 million annually.)-On-line guidebook on sources of funding for transit projects.
3. Coordination	<ul style="list-style-type: none">-Manage consultants and auditors for collection and filing of National Transit Database reports (yields at least \$5 million for WMATA annually).-Manage and promote regional e-schedule project.-Analyze and report on bicycle access to transit.



4. Grants/Contracts/Trust Funds

- Maintain and update NVTC's subsidy allocation model (up to \$200 million distributed annually).
- Apply on behalf of NVTC jurisdictions, WMATA and VRE for state grants (eligibility of up to \$300 million).
- Manage jurisdiction trust fund accounts (average over \$100 million).
- Prepare financial statements for fiscal year independent audits of NVTC and NVTA.
- Manage NVTA's transportation plan update (TransAction 2040 Update @ \$1 million).
- Maintain proper federal certifications and sub-recipient agreements.
- Manage Alexandria's federal grant-funded city wide bus technology project and grant funds (\$750,000), and manage federal grant funds for Alexandria's share of the Potomac Yard project and Eisenhower Valley transit improvements (\$5 million).
- Manage Arlington's federal grant funds for Potomac Yard (\$1 million).
- Manage federal grant funds for Fairfax County's projects for Metro Matters buses (\$1.6 million).
- Manage federal grant funds of \$1 million for Falls Church's intermodal transit center.
- Negotiate new multi-year NVTC office lease (current lease expires December 31, 2010).

5. WMATA and VRE

- Appoint WMATA and VRE Board members.
- Responsible for VRE assets co-owned with PRTC of \$301 million.
- Co-sponsor public forums to examine WMATA's budgets.
- Work with regional partners to complete the successor multi-year capital funding agreement to Metro Matters.

6. Coordinate Regional Efforts

-Maintain transit performance on-line database.

-Using GIS tools, develop a report on per-capita transit ridership in areas actually served by transit.

-Direct annual mode share corridor studies and reports with VDOT and MWCOG.

-Help direct a cooperative regional consulting study to design a Vanpool Incentive Program to promote more vanpools and significantly increase earnings from federal formula assistance.

7. Public Outreach

-Maintain, improve and promote NVTC's website as the primary source of transit performance data for the region.

-Direct public outreach for NVRTA's regional transportation plan update (TransAction 2040).



NVTC'S 2009 ACCOMPLISHMENTS AND 2010 GOALS, OBJECTIVES, WORK PROGRAM AND MEETING SCHEDULE

WHAT'S NEW FOR 2010?

1



To serve the public by providing a forum for elected officials to achieve an effective regional transportation network. Focusing primarily on transit, NVTC will develop strategies, identify funding sources, advocate for additional funding, prioritize allocations, oversee transit systems such as VRE and WMATA, measure and report transit performance and pursue new transit programs. NVTC will work to improve mobility, reduce traffic congestion, protect the environment and stimulate the regional economy by increasing transit and ridesharing use.

2



GOALS AND OBJECTIVES



1. **Develop policy and advocate favorable legislation:** Increase transit ridership, obtain adequate funding and coordinate priorities.
2. **Seek and advocate funding:** Stable and reliable transit funding from federal, state and private sources.
3. **Coordinate transit service:** Understandable fares, convenient schedules, good customer service, efficient performance.
4. **Manage grants, contracts and trust funds:** Allocate costs equitably, ensure compliance and invert safely and effectively.
5. **Provide oversight for WMATA and VRE:** Reduce costs and control local subsidy growth, improve service quality, facilitate regional cooperation.
6. **Support coordinated regional efforts:** Improve air quality, conserve energy, integrate land use and transportation, promote telework.
7. **Deliver public information, marketing and customer service:** Inform transit customers, taxpayers, elected officials and the media, identify NVTC as the primary "data agency" for transit in Northern Virginia.

3



2009 MAJOR ACCOMPLISHMENTS



Legislative Advocacy:

Prepared VTA and NVTC legislative agendas. Met with candidates and their staffs to advocate transit funding.

New Funding:

Two new federal grants obtained for Fairfax County and Alexandria totaling about \$2 million.

Reconciled gas tax collections totaling \$38.7 million, up from \$37.8 million in FY 2007.

4



2009 MAJOR ACCOMPLISHMENTS

Coordinate Transit Service:

Played a significant role in planning and coordinating regional transit service on Inauguration Day.

Manage Grants/Contracts/Trust Funds:

Achieved flawless audit for NVTC (NVTA audit is pending).

Managed trust fund assets of \$54 million per financial management employee at an administrative cost of less than \$0.003 per \$1 of assets.

Oversight of WMATA and VRE:

Finally received authorization for \$150 million annually in new federal funding for WMATA and worked to achieve acceptable Compact amendment language.

Helped achieve expansion of VRE territory to include Spotsylvania County. **5**



2009 MAJOR ACCOMPLISHMENTS

Regional Coordination:

Represented transit's interests in DRPT's study of transit and operational improvements on the I-95/395 HOT Lanes assuming \$195 million of new funding.

Coordinated comments on DRPT's plans (ITS, transit, TDM, multi-modal and VTrans 2035) and many new processes (asset management database, maintenance of effort, Master Agreement, performance and compliance reviews, etc.)

Completed screenline mode share study outside the Beltway in the I-66 corridor and publicized results.

Initiated a multi-regional effort to develop a Vanpool Incentive Program, organized a technical committee, drafted scope of work for design and identified funds for the design study. **6**



2009 MAJOR ACCOMPLISHMENTS



Public Information:

Continued to serve as Public Information office for NVTA and maintain NVTA website and its "virtual office."

Received 3.25 million requests for e-schedules in the first 11 months of 2009, up 16% from 2.8 million in the same period of 2007.

Prepared over 30 media releases, set up over 75 TV and radio interviews, and worked with reporters on over 200 articles to support transit funding.

7



2010 MEETING SCHEDULE



- First Thursday of each month (except February and August).
- No meeting in August.
- February 11th meeting in Richmond on Local Government Day at 5:30 p.m. in General Assembly Building jointly with NVTA [Note special meeting date due to VACO/VML change].

8



2010 WORK PROGRAM



Administrative Budget:

\$1.2 million (unchanged from FY 2009)

Includes \$310,000 local contributions (unchanged since FY 2002)

Eight employees (six full-time)

Work program activities:

58 specific actions for FY 2010 organized by goal.

9



NEW FOR 2010 WORK PROGRAM



Legislative Advocacy:

GIS maps of legislative districts showing transit routes and state transit shortfalls.

Tour of Northern Virginia transit and transit-oriented development for legislators.

New Funding:

Focus on the transition to new 2.1% motor fuels tax to ensure accurate allocations to NVTC's jurisdictions of over \$35 million in expected annual proceeds and appropriate auditing by the Virginia Department of Taxation.

10



NEW FOR 2010 **WORK PROGRAM**



Coordinate Transit Service:

Assist in setting up regional databases and parts inventories for SmarTrip fareboxes and assist WMATA in debugging Nextfare 5 software, implementing pass products and Autoload, and selecting firms to provide bank-card fare payment.

Manage Grants/Contracts/Trust Funds:

Obtain and monitor agreements with NVTC's state and federal grant sub-recipients to comply with grant agency mandates.

Complete Alexandria's \$750,000 bus arrival project and seek to integrate it with WMATA's regional database and/or RITIS.

11



NEW FOR 2010 **WORK PROGRAM**



Manage Grants/Contracts/Trust Funds:

Complete Request for Proposals, procure consultant and manage \$1 million TransAction 2040 plan update for NVTA.

Negotiate new multi-year NVTC office lease.

12



NEW FOR 2010 **WORK PROGRAM**



Oversight of WMATA and VRE:

Help resolve WMATA's anticipated FY 2011 budget shortfall. Sponsor public forums.

Resolve with WMATA's partners Virginia's share of \$150 million annually to match new federal funds.

Work with regional partners to complete the successor multi-year capital funding agreement to Metro Matters.

13



NEW FOR 2010 **WORK PROGRAM**



Coordinated Regional Efforts:

Help direct a design study for a new Vanpool Incentive Program and if the design is successful, identify funding for implementation in order to increase vanpooling and federal formula assistance for WMATA.

Complete a mode share study of the Dulles Corridor with VDOT and MWCOG.

Serve on the board of directors of ITSVA, provide forums for ITS transit professionals and work to broaden RITIS (Regionally Integrated Transportation Information System) to include real-time transit performance data in addition to highways.

14



NEW FOR 2010 **WORK PROGRAM**



Public Outreach:

Lead public outreach for NVTA's TransAction 2040 plan update.

Emphasize NVTC's federal Title VI outreach.

15



MAJOR ONGOING ACTIVITIES **FOR 2010**



Legislative Advocacy:

Annual state and federal NVTC legislative agenda.

Annual VTA legislative agenda.

CTB pre-allocation testimony.

Funding:

Maintain educational PowerPoint presentations on "How Transit is Organized in Northern Virginia" and "The Case for Increased Funding of Public Transportation in Northern Virginia."

16



MAJOR ONGOING ACTIVITIES **FOR 2010**

Coordinate Transit Service:

Manage consultants and auditors for collection of data and submission of NTD reports yielding up to \$6 million annually for WMATA over and above NVTC's costs.

Grants/Contracts/Trust Funds:

Maintain NVTC subsidy allocation model (up to \$200 million distributed annually.)

Apply for up to \$300 million of state assistance annually.

Manage jurisdiction trust fund accounts with balances averaging over \$100 million.

17



MAJOR ONGOING ACTIVITIES **FOR 2010**

WMATA and VRE:

Appoint board members.

Co-own VRE assets of \$301 million.

Protect NVTC's jurisdictions' interests as new members of VRE and service expansion are considered.

Coordinated Regional Efforts:

Maintain NVTC's transit performance database on-line and work continuously with DRPT and transit providers to verify accuracy and publicize results.

Coordinate transit studies in major corridors and publicize results.

18



MAJOR ONGOING ACTIVITIES **FOR 2010**

Public Outreach:

Maintain, improve and promote NVTC's website as the primary source of transit information in the region.

Maintain e-schedules for transit customers using NVTC's consultants.



NVTC'S 2010 GOALS, OBJECTIVES AND WORK PROGRAM

--DRAFT: December 31, 2009--



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2010 NVTC Meeting Schedule

[Meetings start at 8:00 P.M.]

<u>MONTH</u>	<u>DATE</u>	<u>AGENDA</u>
January	7	Elect officers. Select WMATA and VRE Board members, VTA representatives and NVTC Legislative Committee members. Conduct a public hearing and approve 2010 goals, schedule and work program. Approve FY 2011 VRE budget. Approve NVTC FY 2011 budget.
February	11*	Review progress on state and federal legislative agenda. Approve NVTC and VRE state grant applications.
March	4	Review progress on state and federal legislative agenda.
April	1	Review progress on WMATA budget for FY 2011. Review completed 2010 General Assembly session.
May	6	Approve comments on WMATA FY 2010 budget.
June	3	Focus on regional transit performance.
July	1	Review mid-year progress on NVTC work program. Approve DRPT contracts for NVTC and VRE FY 2011 grants.
August		No Meeting.
September	2	Forward preliminary NVTC FY 2012 budget to local jurisdictions.
October	7	Review quarterly progress on NVTC's work program. Approve CTB pre-allocation testimony.
November	4	Approve FY 2010 NVTC and VRE audits.
December	2	Select NVTC Nominating Committee for 2011 officers. Approve legislative agenda for 2011. Review progress on 2010 work program and release draft 2011 work program for public review and comment.

*February meeting with NVTA in the General Assembly building in Richmond starting at 5:30 p.m.

NVTC EXECUTIVE COMMITTEE
2010 MEETING SCHEDULE

[All meetings 7:30 - 8:00 P.M. prior to NVTC meetings in the small conference room.]

<u>MONTH</u>	<u>DATE</u>	<u>SUBJECT</u>
January	7	Legislative items.
February	11	No meeting.
March	4	Review General Assembly session.
April	1	Review quarterly progress on work program.
May	6	Review NVTC policies on topical transit issues.
June	3	Examine VRE performance.
July	1	Mid-year review of progress on workplan. Meet with auditors to preview FY 2010 audit.
August		No meeting.
September	2	Preliminary NVTC FY 2012 budget. Executive director performance review.
October	7	Review quarterly progress on work program.
November	4	FY 2010 NVTC and VRE audits.
December	2	Select NVTC Nominating Committee for 2011 officers. Consider 2011 legislative agenda. Review progress on 2010 work program and preview 2011 work program.

NVTC MANAGEMENT ADVISORY COMMITTEE
2010 MEETING SCHEDULE

[All meetings begin at NVTC at 1:30 P.M. on the third Tuesday of each month. At each meeting the agenda and suggested material for the upcoming NVTC board meeting are reviewed.]

<u>MONTH</u>	<u>DATE</u>	<u>SUBJECT</u>
January	19	FY 2011 state grant application; NVTC administrative budget for FY 2011; NVTC legislative agenda.
February	16	Progress on legislative agenda.
March	16	Review of legislative accomplishments; WMATA FY 2011 budget issues.
April	20	To be determined.
May	18	To be determined.
June	15	Mid-year progress review on NVTC work program; authorize funding of scope of work for NTD data collection; authorize funding of scope of work for e-schedules maintenance and promotion.
July		No meeting.
August	17	NVTC preliminary administrative budget for FY 2012.
September	21	Review draft CTB pre-allocation testimony.
October	19	NVTC audit for FY 2010.
November	16	Draft NVTC legislative agenda for 2011; first draft 2011 NVTC work program.
December	21	Proposed 2011 work program; VRE and NVTC budgets for FY 2012.

NVTC MISSION STATEMENT

To serve the public by providing a forum for elected officials to achieve an effective regional transportation network. Focusing primarily on transit, NVTC will develop strategies, identify funding sources, advocate for additional funding, prioritize allocations, oversee transit systems such as VRE and WMATA, measure and report transit performance and pursue new transit programs. NVTC will work to improve mobility, reduce traffic congestion, protect the environment and stimulate the regional economy by increasing transit and ridesharing use.

GOALS AND ACTIONS FOR 2010

1. DEVELOP POLICY AND ADVOCATE FAVORABLE LEGISLATION

Goal: Devise and implement legislative strategies based on sound policy analysis to increase transit ridership, obtain adequate funding, and coordinate priorities with members and other agencies.

Actions:

1. With the support of local staff, identify transit issues that require policy decisions and assemble data and perform policy analyses to facilitate those decisions (e.g. fare integration, development of new technology, service expansion, customer safety and system security). Work with local legislative liaisons to develop strategies for improved transit funding and to educate General Assembly members about Northern Virginia's transit needs. Update and distribute tools such as GIS maps of General Assembly districts to illustrate transit service availability and funding needs.
2. Adopt a state and federal legislative agenda and work with local jurisdictions, Virginia Transit Association (VTA) and other groups, as appropriate, to implement the agenda and the supporting NVTC policies. Work with delegations in Richmond and in Washington D.C. as needed to promote NVTC's approved agendas. Emphasize a greater role for transit in authorizing the next six years of federal funding programs. Conduct NVTC's February meeting on Local Government Day at the General Assembly in Richmond, jointly with the Northern Virginia Transportation Authority. Obtain reduced rate for on-line legislative monitoring service and share access with member jurisdictions. Provide legislative alerts to commissioners and local staff during the session. Focus on transit funding.
3. Participate on the American Public Transportation Association's (APTA) legislative and commuter rail committees to define and implement a federal legislative strategy as part of a broad, nationwide pro-transit coalition. Provide special assistance to areas contemplating new commuter rail service.
4. Participate on VTA's executive, legislative and ad hoc committees to help define and implement an effective state legislative strategy for the transit industry and strengthen VTA as an organization and keep it responsive to Northern Virginia's concerns. Co-chair VTA events, chair VTA's Legislative Committee, encourage NVTC board members to serve as VTA officers and assist transit systems in special legislative promotions with NVTC's public outreach and web-design expertise.
5. Prepare written testimony and appear at the CTB's annual pre-allocation hearings on public transit funding priorities and at the Transportation Planning Board (TPB) and other hearings as appropriate. Advocate NVTC's policies including balanced transportation and stable and reliable funding.

2. SEEK AND ADVOCATE FUNDING

Goal: Identify and implement cooperative strategies with member governments to gain additional transit revenues and work to obtain adequate, dedicated, stable and reliable financial support from the federal government and the commonwealth and the private sector.

Actions:

1. Identify and seek to implement stable, reliable, permanent and dedicated funding sources for operating and capital expenses for WMATA, VRE and local transit systems. Help coordinate regional efforts and prepare analysis tools, brochures and editorials to promote such funding. Safeguard the current sources of transit funding available to NVTC's local governments.
2. Produce financial projections and analyze alternative funding mechanisms to bridge the growing gap between transit operating and capital needs versus available financial resources. Actively participate in regional and statewide efforts to define public transit needs and identify funding sources, such as corridor studies, TPB's vision plan and constrained financial plan update, VTrans 2035 and Northern Virginia's TransAction 2040 transportation plan update. Analyze funding proposals produced by those studies and identify policy issues for consideration by the commission. Maintain up to date PowerPoint presentations on "The Case for Increased Funding of Public Transportation in Northern Virginia," "How Public Transportation is Organized in Northern Virginia," and the "VRE Chronology" to help educate elected officials, the media and the public.
3. Organize improved information sharing between local governments and the Virginia Department of Taxation and more effective auditing to facilitate efficient collection of NVTC's 2.1 percent motor fuels tax and increased knowledge of taxpayer responsibility on the part of motor fuels distributors. Provide office space for an administrative employee of the Department to assist in monitoring compliance. Employ database and spreadsheet models to identify unanticipated discrepancies for particular tax payers and jurisdictions. Monitor the required reconciliation of motor fuels tax collections by jurisdiction. Brief NVTC's MAC group regularly on processes, issues, and solutions.
4. Serve as the central point of contact for Northern Virginia transit system financial information. Periodically update NVTC's guidebook on sources of funding for transit projects. Identify and obtain funding for new transit projects that are recommended by NVTC's jurisdictions.

3. COORDINATE TRANSIT SERVICE

Goal: Work with all public and private transit providers to coordinate all transit service within Northern Virginia, with emphasis on understandable fares, convenient schedules, proper information, good customer service, efficient performance and access by disabled persons. Help to clarify roles of respective agencies and governments to avoid overlaps or gaps in jurisdiction. Work to improve the safe and orderly movement of people and goods, primarily by encouraging greater use of integrated public transit and ridesharing systems. Involve the public in identifying problems and solutions. Use NVTC's Management Advisory Committee as a forum to work out cooperative solutions and keep local governments fully informed. Emphasize better bicycle and pedestrian access to transit facilities and services.

Actions:

1. Work with local governments to coordinate collection and dissemination of performance data for FTA's National Transit Database reports. Collect performance data and maintain a shared database that uses NTD and other sources. Encourage transit systems to use the data to improve efficiency. Publish the data on NVTC's website. Help Northern Virginia's transit systems comply with DRPT's performance data requirements. Ensure that the data are consistent, timely and accurate. Develop accurate performance data on per capita transit ridership for those areas actually served by transit. Use GIS to identify populations within range of transit routes. Develop a methodology and share with DRPT for statewide use.
2. Manage consultants to continue NTD data collection for all of Northern Virginia's transit systems and oversee collective funding of this work that brings at least \$5 million annually of federal revenues to this region.
3. Assist WMATA and Northern Virginia's transit systems in utilizing SmarTrip fareboxes and implementing efficient regional fare collection databases and parts inventories. Work with NVTC's transit systems to continue to debug Nextfare 5 software and implement SmarTrip passes and Autoload. Serve on WMATA selection committees to identify potential bank card-based fare collection systems.
4. Continue an ongoing project to provide free electronic transit schedules to persons using personal digital assistants and pocket computers. Ensure that transit schedules are kept current, work to expand to the entire metropolitan region and report regularly on performance. Develop an annual operational and promotional budget for funding by the local jurisdictions and manage the agreed upon marketing campaign, including interior bus and bus shelter display ads and website promotions.

5. Support regional pedestrian safety initiatives and encourage bicycle and pedestrian use. Publicize and seek to expand "bike on rail and bus" opportunities. Encourage all agencies to incorporate bike and pedestrian access at major transit centers and transfer locations. Assist VDOT in ensuring that the recommendations from its Northern Virginia Regional Bikeway and Trail Network study that focus on connections to transit are implemented. Support initiatives of such groups as the National Center for Bicycling and Walking and its Walkable Communities Workshops. Refine NVTC's ongoing research to determine transit systems' policies for bicycles on-board buses and railcars. Examine transit system websites and offer suggestions for better display of bike policies and procedures. Determine the extent to which bikes are used on each transit system and work with NVTC's jurisdictions to devise ways to use the results of this ongoing research to increase bicycle access to transit.
6. Serve on regional task forces examining options for improved transit, such as WMATA's Regional Mobility Panel, the Pike Transit initiative and Falls Church's reevaluation of GEORGE bus service.

4. MANAGE GRANTS, CONTRACTS AND TRUST FUNDS

Goal: Facilitate the fair and equitable allocation of costs among governments, persons using transportation services and facilities and others who benefit. Manage grants fairly and effectively, according to state and federal laws and NVTC's policies. Invest trust fund assets prudently to maximize returns consistent with safety.

Actions:

1. Use NVTC's subsidy allocation model to incorporate the most recent WMATA and local budget information on transit costs, revenues and subsidies. Using NVTC's adopted allocation formula, determine each local government's share of NVTC assistance. Use their percentages to apportion shares of local contributions to NVTC's administrative budget. Maintain detailed spreadsheets to calculate NVTC's formula. Provide early estimates each year to assist local governments in budget planning.
2. Prepare and submit NVTC and VRE state grant applications (approximately \$275 million) due on February 1, 2010, using DRPT's automated OLGA system.
3. Manage state grants to prepare proper billings and obtain timely reimbursements. Participate with VRE and NVTC jurisdictions in quarterly project status review meetings. Work with grantor agencies and grantees to achieve the maximum feasible flexibility in using the funds in order to meet expiration deadlines with no loss of funds.
4. Manage jurisdiction trust funds (average over \$100 million). Prepare timely and accurate quarterly cash flow forecasts of transit assistance sources and uses for NVTC's local jurisdictions. Assist local jurisdictions in spending promptly the proceeds of state bond issues.
5. Prepare financial reports for NVTC's annual audit. Manage a multi-year audit services contract. Accomplish an unqualified auditors' opinion and provide to the appropriate regulatory agencies. Anticipate concerns of outside auditors and work to alleviate in advance any such concerns. Develop and implement appropriate responses to any concerns of auditors contained in management letters.
6. Respond to DRPT's new audit initiatives and grant policies and work with NVTC's jurisdictions to fine-tune the new procedures, if necessary, so they work to the advantage of all parties. Encourage DRPT to provide timely opportunities to comment on Master Agreement amendments and other policy changes.
7. Maintain up-to-date compilations of state and federal grant regulations. Ensure staff is adequately trained in grant and project management and alerted to any changes in regulations. Maintain current procurement documents to facilitate prompt release of authorized requests for proposals and invitations for bids. Obtain agreements with sub-recipients to ensure compliance. Submit annual

certifications and maintain access to TEAM to ensure continued eligibility for FTA grants.

8. Manage federal funds on behalf of Alexandria for demonstrations of new bus technologies. Procure consulting assistance and manage projects for the city, including a real-time bus arrival information system (\$750,000). Work to integrate this system with WMATA's regional database and/or the Regionally Integrated Transportation Information System (RITIS).
9. As requested, work with Alexandria and Arlington to apply for federal funds for BRT service improvements in the Crystal City/Potomac Yard corridor, for subsequent citywide transit improvements in Alexandria, and for access improvements in Rosslyn. Work with Fairfax County to obtain federal grant funding for Metrobuses. Work with Falls Church to obtain federal grants for an intermodal transit center and if asked, a transit study of Route 7. Currently NVTC has obtained and is billing federal grants for about \$7.5 million of jurisdictional projects.
10. Manage NVTA's regional transportation plan update (TransAction 2040) with an anticipated contract value of over \$1 million.
11. If asked by participating jurisdictions, serve as project manager for regional streetcar/light rail projects and assist jurisdictions in considering new and expanded projects (e.g. Route 7 transit alternatives with federal earmarks).
12. Provide accounting services to NVTA without charge and manage any required NVTA audits. Also maintain financial records, obtain any needed insurance and notify regulatory agencies.
13. Negotiate a new multi-year NVTC office lease. The current lease expires December 31, 2010.
14. Investigate expended NVTC insurance coverage, including directors, errors and omissions policies.

5. PROVIDE OVERSIGHT FOR WMATA AND VRE

Goal: Exercise leadership on issues pertaining to oversight of the WMATA and VRE systems, particularly budget and finance, to reduce costs and control the growth of local subsidies and fares while improving service quality. Effectively manage ongoing transit services for which NVTC is responsible and develop efficient management structures that facilitate regional cooperation and support.

Actions:

1. In January, appoint Virginia's two principal and two alternate members of the WMATA Board of Directors. Provide staff support to WMATA Board members. As needed, facilitate caucuses of Virginia's Board members and their staffs to develop consensus positions prior to committee and board meetings. Keep NVTC commissioners informed of pending WMATA Board decisions of regional significance. Invite WMATA'S General Manager periodically to brief the entire NVTC Board on important issues.
2. Monitor the development of WMATA's budget. Provide recommendations to local jurisdictions and the WMATA Board, as appropriate. Co-sponsor public forums with WMATA.
3. Participate actively on WMATA's Jurisdictional Coordinating Committee. Work to ensure the completion of the successor multi-year capital funding agreement to Metro Matters.
4. Assist local and state officials in determining Virginia's appropriate share of matching funds for \$1.5 billion of dedicated federal funding authorized by Congress for WMATA.
5. Continue to assist Loudoun County as it transitions to full participation in WMATA upon completion of the Dulles Rail project.
6. As co-owner of VRE (with assets of \$301 million, outstanding debt issued by NVTC of \$34 million and annual operating/capital budgets of over \$60 million) appoint NVTC's principal and alternate members of the VRE Operations Board, maintain close communications with PRTC and VRE staff, coordinate presentation of action items to the VRE Board and commissions, and monitor ongoing operations for consistency with the Master Agreement and approved budgets, customer service quality and NVTC jurisdictions' interests.
7. Support the VRE team as it negotiates with DRPT, CSXT, Norfolk Southern and Amtrak to agree on multi-year access and operations contracts and to clarify and accomplish rail service priorities in the Richmond-Washington, DC corridor.
8. Support annual VRE customer service surveys each spring and ridership surveys each October, by providing zip code verification.

6. COORDINATE REGIONAL EFFORTS

Goal: Support coordinated regional efforts to improve air quality, conserve energy, boost the economy, respond to emergencies and integrate land use and transportation. Pursue new transit opportunities and actively support telework.

Actions:

1. Direct a cooperative regional consulting study to design a new Vanpool Incentive Program to increase vanpooling and qualify the region for significantly increased federal transit formula assistance. Work to obtain funding to implement the program when the design is approved.
2. Work to establish NVTC as the chief advocate of Intelligent Transportation Systems (ITS) investments for transit, by conducting low-cost demonstrations, evaluating the results, and more actively encouraging all of NVTC's transit providers to adopt similar (interoperable) technologies. Examples include: web-based automated bus stop information signs; on-board bus stop enunciators; passenger counters; automated maintenance devices; variable pricing of roads and parking; parking capacity electronic message signs; and alternative fuel technologies. Promote joint procurements for uniformity and cost saving and develop effective contract language to encourage non-proprietary technology. Help educate board members and the public. Work with VTA and ITSVA to provide forums for transit technology professionals, serve on the board of directors of ITSVA, and work to broaden RITIS to include real-time transit performance data in addition to highways.
3. Develop information from research on this and other regions to help NVTA, WMATA and other transit organizations define lower-cost strategies for meeting congestion challenges in the short term using such mechanisms as exclusive transit lanes, bus rapid transit, priority lanes, queue jumping, jitneys, route-deviation transit, vanpools and real-time information devices. Publicize the results and work to achieve public acceptance. Work with the local jurisdictions to initiate appropriate demonstrations of these mechanisms.
4. Participate on technical committees assisting in planning, preliminary engineering and environmental analysis for transit in the Dulles Corridor and other locations such as the Capital Beltway and I-95/395 as requested by WMATA, VDOT, DRPT and/or local jurisdictions.
5. From various published forecasts, plans and corridor studies, assemble mode split and other data to provide a convenient source of comprehensive transit market performance data. Use the data to encourage efficient transit management, expanded transit ridership and greater public awareness. Use newly available statistically significant traffic counts by MWCOG/TPB of persons traveling in Northern Virginia's major corridors. Advocate continued funding for these corridor traffic counts. Make this information available in user-friendly

formats on NVTC's website. Work to expand the counts and mode share calculations.

6. Actively promote telework initiatives and encourage the commonwealth to take the lead with its own employees and the private sector.
7. Assist transit systems, VDOT, DRPT, TPB, MWCOG and others in developing and testing coordinated regional emergency response plans. Focus on developing a unified transit position to facilitate these plans. Update a series of transit emergency response plans, focusing on key station areas in Northern Virginia, Maryland and D.C. via the Regional Bus Operators Group meeting at WMATA. Considerations include bus re-routing, traffic signalization, signs, and communications. Monitor MWCOG's RESF 1 process for responses to severe emergencies and assist in developing MWCOG's Regional Transportation Coordination Plan for incidents of less severity.
8. Examine public-private HOT lane proposals for the Beltway, I-95 and elsewhere and work to ensure adequate transit access and the use of toll revenues to help support transit operations. Actively participate on DRPT Transit Advisory Committees to articulate transit concerns and resolve any issues. Take the lead in assertively presenting a coordinated transit plan that protects the interests of transit systems and their customers.
9. Assist Transportation Management Associations and Transportation Demand Management agencies (ridesharing, telework). Serve on boards of directors and competitive selection panels as requested.
10. Continue to publicize the results of the Phase 1 and Phase 2 NVTC senior mobility studies. Work with transit systems to test and implement the recommendations.
11. Cooperate with DRPT to promote NVTC's MARTHA project that developed and tested low-cost software using cell-phones mounted on buses to locate vehicles and allow customers to receive real-time arrival information. Provide the results for use at smaller transit systems around the commonwealth using open source software protocols.

7. DELIVER PUBLIC INFORMATION, MARKETING AND CUSTOMER SERVICE

Goal: Reach out to transit customers and the general public, listen to customer concerns and implement improvements to boost regional transit ridership.

Actions:

1. Serve as the central point of contact for the news media, interest groups and the general public for transit issues in Northern Virginia, making referrals to other transit agencies and local governments when appropriate. Initiate contacts with media representatives via calls and visits. Provide NVTC's reports, analyses and policies with easy to understand explanations of their content and significance. Help transit systems and elected officials prepare to respond effectively to media and other public inquiries during emergencies and at other times by sponsoring seminars on best practices. Establish media opportunities for NVTC board members to promote NVTC's mission.
2. Assist NVTA's public outreach mission, actively maintain NVTA's "virtual office" and website, and lead public outreach for NVTA's regional transportation plan update (TransAction 2040).
3. Provide the following resources, primarily on NVTC's website, to the public utilizing enhanced graphics and GIS-mapping:
 - a. Maintain and improve NVTC's website, to focus on informing the public about opportunities to be involved in regional transit and ridesharing planning;
 - b. Distribute NVTC's brochure, reports and agendas to encourage more public involvement, again emphasizing easy-to-use web-based applications;
 - c. Publish electronically an annual NVTC Handbook to provide a detailed description of the commission's history, mission and accomplishments, including the commission's workprogram, policies and by-laws;
 - d. Link to other regional transit databases to provide information about regional transit services to better inform the public;
 - e. Maintain a transit system performance database;
 - f. Monitor NVTC and NVTA website performance with monthly and quarterly compilations of user statistics.
4. Survey WMATA, VRE and local jurisdictions to compile innovative marketing activities, host coordination meetings, facilitate transit topics for the Marketing and Outreach Specialists Consortium and the Northern Virginia Public Information Officers and report at least annually to the commission and jurisdictions. Assist APTA in local marketing and public information activities. Help plan VTA conferences.

5. Continue technical support for transit stores and Transportation Management Associations (e.g., serve on Boards of Directors and consultant selection committees). Assist with logo design, marketing, consultant selection, performance evaluation, fare collection, web design and customer service issues. Compile and post on NVTC's website a list of transit stores and TMA's in the region.
6. Look for opportunities to partner in order to stage events and promotions that will emphasize the effectiveness of transit and ridesharing and the need for additional transit funding (e.g. Greater Washington Board of Trade, Google.) Reach out to "electronic hitchhiking" firms (e.g. NuRide) and car-sharing organizations (e.g. Zip Car) for joint promotion opportunities.
7. After the 2010 General Assembly session, conduct periodic tours of transit systems and transit-oriented development for legislators and senior state officials, with the cooperation of NVTC's transit systems and local legislative liaisons.
8. Assist Northern Virginia's transit systems in monitoring progress on 511 traveler information telephone systems.
9. Implement NVTC's federal Title VI program with active outreach to immigrants, simplified messages and NVTC/NVTA website accommodations.
10. Coordinate meetings with visiting delegations of transit system board members and other elected officials to describe this region's success with transit coordination, transit-oriented development and innovative transit finance.



AGENDA ITEM #8

TO: Chairman Zimmerman and NVTC Commissioners
FROM: Rick Taube and Scott Kalkwarf
DATE: December 31, 2009
SUBJECT: FY 2011 NVTC Administrative Budget

The commission is asked to adopt the attached budget. The same budget has been reviewed as recently as mid-December by local staff and by the commission in September, 2009.

Again for FY 2011, total local contributions are held constant at \$310,000, with individual local shares based on shares of state grants and regional gas taxes received from NVTC. The last time the total local contributions were increased was FY2002.

NVTC ended FY 2009 with an unappropriated surplus of almost \$60,000 and those funds are being used to help fund this proposed FY 2011 budget.

Unprecedented financial pressures are being experienced by NVTC's state and local funding partners. Most, if not all, of these jurisdictions are not including any salary increases for employees (merit or cost of living) in their FY 2011 budgets. Accordingly, NVTC's budget freezes staff salaries for the second consecutive year. Also, total expenditures are held constant again.





PRELIMINARY BUDGET

**FISCAL YEAR
2011**

(July 1, 2010 – June 30, 2011)

--September 3, 2009 --

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
 BUDGETED FISCAL YEAR 2011 REVENUE
 (Preliminary)

	FY 2009 <u>Actual</u>	Approved Budget FY 2010	Preliminary Budget FY 2011	FY 2011-2010 Budget Increase (Decrease)	Percentage Change
1 Commonwealth of Virginia	\$ 723,380	\$ 749,380	\$ 773,080	\$ 23,700	3.2%
2 Alexandria	37,875	38,513	35,105	(3,409)	-8.9%
3 Arlington	60,728	62,573	62,152	(421)	-0.7%
4 City of Fairfax	7,209	6,765	5,822	(943)	-13.9%
5 Fairfax County	177,574	179,609	186,288	6,679	3.7%
6 Falls Church	3,608	3,042	2,595	(447)	-14.7%
7 Loudoun	23,007	19,497	18,038	(1,459)	-7.5%
Total Local Jurisdictions	<u>310,001</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)	1,033,381	1,059,380	1,083,080	23,700	2.2%
9 Interest Earned	8,194	10,000	10,000	-	0.0%
10 Project Chargebacks (Note 2)	70,000	70,000	70,000	-	0.0%
11 Project Grant Billings	2,912	-	-	-	0.0%
12 Appropriated Surplus (Note 3)	39,562	82,500	58,800	(23,700)	-28.7%
Total Revenue	<u>\$ 1,154,049</u>	<u>\$ 1,221,880</u>	<u>\$ 1,221,880</u>	<u>\$ -</u>	<u>0.0%</u>

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SCHEDULE OF FISCAL YEAR 2010 EXPENDITURES
(Preliminary)

	FY 2009 Actual	Approved Budget FY 2010	Preliminary Budget FY 2011	FY11 - FY10 Budget Increase (Decrease)	Percentage Change
<u>Personnel Costs</u>					
1 Salaries	\$ 714,878	\$ 734,500	\$ 737,900	3,400	0.5%
2 Intern	-	-	-	-	N/A
3 Temporary Employee Services	-	-	-	-	N/A
Total Personnel Costs	714,878	734,500	737,900	3,400	0.5%
<u>Benefits</u>					
<u>Employer's Contributions</u>					
4 FICA	48,771	51,800	52,400	600	1.2%
5 Group Health Insurance	50,702	70,400	80,200	9,800	13.9%
6 Retirement	57,627	69,500	73,700	4,200	6.0%
7 Workmans & Unemployment Compensation	1,751	3,400	2,950	(450)	-13.2%
8 Life Insurance	3,522	4,150	4,300	150	3.6%
9 Long Term Disability Insurance	3,013	4,100	3,950	(150)	-3.7%
Total Benefit Costs	165,386	203,350	217,500	14,150	7.0%
<u>Administrative Costs</u>					
10 Commissioners Per Diem	15,850	17,450	16,850	(600)	-3.4%
<u>Rents:</u>					
11 Office Rent	187,780	191,880	182,180	(9,700)	-5.1%
12 Parking / Metrochek	9,344	11,900	11,200	(700)	-5.9%
<u>Insurance:</u>					
13 Public Official Bonds	4,029	4,100	4,100	-	0.0%
14 Liability and Property	2,600	2,200	2,300	100	4.5%
<u>Travel:</u>					
15 Conference Registration	4,805	7,800	6,300	(1,500)	-19.2%
16 Non-Local & Conference Travel	235	-	-	-	N/A
17 Local Meetings & Related Expenses	1,267	2,500	2,000	(500)	-20.0%
18 Training & Professional Development	3,233	5,000	4,000	(1,000)	-20.0%
19	70	300	300	-	0.0%
<u>Communication:</u>					
20 Postage	9,123	10,350	10,200	(150)	-1.4%
21 Telephone - LD	3,698	4,000	4,000	-	0.0%
22 Telephone - Local	1,088	1,300	1,300	-	0.0%
23	4,337	5,050	4,900	(150)	-3.0%
<u>Publications & Supplies</u>					
24 Office Supplies	13,245	13,600	13,500	(100)	-0.7%
25 Duplication and Paper	2,418	3,500	3,000	(500)	-14.3%
26 Public Information	10,252	9,600	10,000	400	4.2%
27	575	500	500	-	0.0%
<u>Operations:</u>					
28 Furniture and Equipment (Capital)	15,263	8,000	8,000	-	0.0%
29 Repairs and Maintenance	8,358	-	-	-	N/A
30 Computer Operations	-	1,000	1,000	-	0.0%
31	6,905	7,000	7,000	-	0.0%
<u>Other General and Administrative</u>					
32 Subscriptions	6,190	5,250	5,350	100	1.9%
33 Memberships	169	-	-	-	N/A
34 Fees and Miscellaneous	1,169	1,300	1,300	-	0.0%
35 Advertising (Personnel/Procurement)	3,493	2,950	2,950	-	0.0%
36	1,359	1,000	1,100	100	10.0%
Total Administrative Costs	256,285	258,430	246,480	(11,950)	-4.6%
<u>Contracting Services</u>					
37 Auditing	17,500	25,600	20,000	(5,600)	-21.9%
38 Consultants - Technical	-	-	-	-	N/A
39 Legal	-	-	-	-	N/A
Total Contract Services	17,500	25,600	20,000	(5,600)	-21.9%
Total Operating Program	\$1,154,049	\$ 1,221,880	\$ 1,221,880	\$ -	0.0%

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
Explanatory Notes to Fiscal Year 2011 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 11 budget is based on the FY 10 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 11 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 budgeted for fiscal years 2010 and 2011 do not include merit or cost of living adjustments for existing staff. The FY 11 budget includes the actual employee salaries as of June 30, 2009.

5. Temporary Employee Services

This item has been eliminated with the FY 10 budget. The item was originally established to provide additional staff support if required due to project demands or staff turnover.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
Explanatory Notes to Fiscal Year 2011 Budget

6. Group Health Insurance

NVTC's health insurance group rates increased over 25% for each of the most recent two annual policy periods ending April 30, 2009. This is in sharp contrast to the modest rate increases NVTC has experienced over the previous three policy periods. The FY 11 budget is based on the current actual rates with a minimal provision for increasing rates. Staff has investigated alternative health insurance plans and has not identified any more cost effective plans.

7. Retirement

The budgeted amount of employer pension contributions for the target benefit pension plan is based on actuarial formulas using the existing staff and the budgeted salary levels for FY11. Because the formulas take into account factors in addition to payroll costs, such as years to retirement and investment return, changes in budgeted contributions do not necessarily change directly with budgeted payroll.

8. Commissioners' Per Diem

The FY 11 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, with a minimal contingency for increased attendance.

9. Office Rent

The administrative office lease expires December 31, 2010. With the assistance of a tenant's agent, staff is presently exploring future leasing options. Rent expense included in the FY11 budget for the first six months is based upon the fixed costs of the present lease, with a provision for increases in common area expenses due to rising costs. For the remaining six months, rent is based on an estimate of the final negotiated monthly cost, offset by an allowance for reduced first year rent.

10. Conference Registration

This item has been eliminated with the FY 10 budget. Expenses charged to this item typically included the annual VTA and APTA conferences and a locally sponsored annual governmental accounting conference.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
Explanatory Notes to Fiscal Year 2011 Budget

11. Non-local and Conference Travel

This item has been reduced to reflect the elimination of conferences in the budget.

12. 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. In prior budgets, this item is based on an average of previous year actual costs with an allowance for an increase in the number and cost of meetings. Effective with the FY 10 budget, the allowance has been eliminated and costs held below the average.

13. Training and Professional Development

Actual expenditures fluctuate with the changing needs of staff. However, effective with the FY 10 budget, this item has been reduced to include only the minimum costs for required staff training in financial management.

14. Postage

This item is based on prior years actual costs, and is unchanged from the FY 10 budget which assumes a reduction in the volume of mailings with increased reliance on electronic communications.

15. Telephone

The provision for additional staff cell and data services for senior management has been eliminated effective with the FY 10 budget.

16. Office Supplies

The FY 11 budget for this item is below the average of prior years' actual costs.

17. Duplication and Paper

Duplication costs are budgeted based upon a five-year lease and maintenance contract entered into during FY 06. The duplication expenses of paper and staples, which are not included in the contract, have been budgeted based upon estimated usage levels and rising costs.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
Explanatory Notes to Fiscal Year 2011 Budget

18. Public Information

In prior budgets this category was available to provide funding for larger public outreach projects, including meetings, media events, educational seminars, legislator tours, brochures and other communication tools. Except for the annual legislative tracking costs (Lobbyist-in-a-Box), funding for this budget category has been eliminated effective with the FY 10 budget. Incidental and limited costs for public outreach, such as copying, printing and supplies will be charged to those respective accounts.

19. Furniture and Equipment

This budget category provides for the replacement and acquisition of office furniture and equipment, including computer hardware. The FY 08 and FY 09 budgets include the expected cost of replacing the present phone system, which was originally anticipated to take place during FY 09. These costs have been reflected in the FY 08 and FY09 actual amounts for this category. Effective with the FY 10 budget, the furniture and equipment replacement line has been eliminated. Emergency capital replacements will be charged against amounts reserved for the telephone system replacement, and telephone replacement will be further deferred.

20. Computer Operating Expense

Computer operating expenses include outside network consulting and services, software upgrades and supplies, web hosting fees, and a provision for disaster recovery efforts. The FY 11 budget maintains this category at the FY 10 level, which cut the software upgrades and provision for disaster recovery in half from the FY 09 budget. Third party network support was also been greatly reduced.

21. Advertising (Personnel/Procurement)

The FY 11 budget includes a provision for personnel and procurement advertising. An average of prior years costs was used to develop the budgeted amount as this category fluctuates from year to year.

22. Auditing

NVTC entered into a three-year contract for auditing services beginning with the audit of FY 08. Due to a significant change in required auditing procedures, NVTC's audit fees increased approximately 14% over the previous contract. The budget is based on this contract, which includes the cost of the bi-annual pension plan audit in FY 10.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
Explanatory Notes to Fiscal Year 2011 Budget

23. Consultants – Technical

An allowance for non-grant funded technical assistance has been included in prior year budgets. Effective with the FY 10 budget, this allowance has been eliminated.

24. Legal

An allowance for legal costs has been included in prior year budgets. Effective with the FY 10 budget, this allowance has been eliminated. NVTC will rely entirely on donated legal services from its jurisdictions.



AGENDA ITEM #9

TO: Chairman Zimmerman and NVTC Commissioners

FROM: Rick Taube

DATE: December 31, 2009

SUBJECT: Authorize Award of a Contract and Related Actions for Design of the Vanpool Incentive Program

Two proposals were submitted in response to the Request for Proposals issued by FAMPO for the joint NVTC/FAMPO regional initiative to design a Vanpool Incentive Program. The program should increase vanpooling and generate additional federal transit formula funds.

The selection team may be ready to recommend award of the contract. The commission is asked to authorize its executive director to execute a contract with the recommended firm jointly with FAMPO, and to issue the notice to proceed. This action should be contingent on successful completion and execution of several related agreements for funding and managing the project.

Those additional agreements include:

- Grant agreements totaling \$200,000. FAMPO is providing \$100,000 of CMAQ funding from its region, while NVTC will utilize \$100,000 of CMAQ funds from NVTA. There may also be the need for an agreement between FAMPO and NVTC regarding the order of billing of the two grants.
- DRPT has agreed to provide a project manager. There may be need for NVTC to execute an agreement or Memorandum of Understanding with DRPT and FAMPO for this purpose.

The commission is asked to authorize its executive director to execute all of the above agreements and MOU's as necessary to accomplish the successful initiation of the design study, after consultation with legal counsel.





AGENDA ITEM #10

TO: Chairman Zimmerman and NVTC Commissioners
FROM: Rick Taube
DATE: December 31, 2009
SUBJECT: Status of Transition to the 2.1% NVTC/PRTC Motor Fuels Tax

On January 1, 2010, distributors of motor fuels sold to retailers in the NVTC/PRTC districts will begin to pay a 2.1 percent tax and retailers will no longer collect a two percent tax on the retail pump price.

Since early in 2009 NVTC and PRTC staff have contacted and met with officials of the Virginia Department of Taxation (TAX) to discuss plans for the transition. NVTC staff coordinated comments on a set of draft regulations circulated by TAX.

There were three main issues identified in NVTC's (and PRTC's) staff comments:

1. Will significant motor fuel escape taxation under the transition rules proposed by TAX?
2. If the tax is not assessed on the actual sales price to retailers, but rather on a "cost price" paid by distributors (excluding transportation costs and certain administrative items), will that significantly reduce the yield to NVTC/PRTC?
3. How will TAX inform and audit taxpayers during the transition?

In late November, 2009, TAX released its final Guidelines and began to contact tax payers to notify them of the new rules. NVTC and PRTC objected to one part of the Guidelines (item #2 above) and wrote Commissioner Bowen to request a change. We understand that Senator Saslaw, after being briefed on this issue, also contacted TAX to ask for a change in the Guidelines consistent with NVTC/PRTC's request.

In the meantime, NVTC staff has received many phone calls from distributors asking for information about the new procedures. These questions are being referred to TAX.

Staff will describe any new developments and discuss with commissioners whether further action, including legislation, may be necessary.





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December 3, 2009

Commissioner Janie E. Bowen
Virginia Department of Taxation
P.O. Box 27185
Richmond, Virginia 23261-7185

Dear Commissioner Bowen:

As you know, SB 1532 (Acts of Assembly 2009, Chapter 532) revised the method of assessing the motor fuels tax in the Northern Virginia and Potomac and Rappahannock Transportation Districts. We are writing to respectfully request that you revise sections of your department's Guidelines and Rules for the Motor Fuel Sales Tax (hereinafter referred to as "the Guidelines"). Specifically, we ask that you revise your definition of "sales price" to remove the exclusion of separately stated transportation and delivery charges and several other charges related to finance and credit. This will make your definition of sales price and cost price consistent.

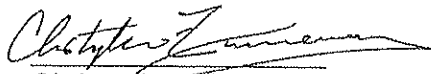
Over the past several months, the staff of our two commissions and our member jurisdictions have repeatedly questioned the definition proposed by your staff. After the Guidelines were issued, your staff advised that the Virginia Code required the use of your department's proposed definition of sales price but, in the attached email from Mark Haskins (dated December 3, 2009), it is acknowledged that the Code does not apply in this case, and the stated justification for employing the current definition is a concern that a different definition of sales price would cause "confusion in the industry."

While it is entirely understandable that TAX would want to avoid creating confusion in its rule-making efforts, the achievement of this aim must not compromise what our commissions fashion as the paramount aim -- insuring that all tax revenue the General Assembly intended in legislating the Code change is collected. If the Guidelines are left unchanged, it will surely result in a significant reduction of tax revenue to our commissions. As the attached example indicates, NVTC and PRTC stand to lose up to \$1 million annually. Especially during these trying times, the commissions require every possible dollar of revenue to support public transit, because those transit systems provide access to jobs and will help propel the Commonwealth back to financial health.

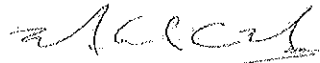
We regret that our request must be made so close to the deadline for implementation of the Guidelines but, as you know, we only were given an opportunity to review the final rules in the past week and had no way of knowing the Guidelines did not incorporate our earlier suggestions on this subject.

Feel free to contact either of us or our respective executive directors, Rick Taube of NVTC and Al Harf of PRTC, with any questions. We are looking forward to a favorable and timely response prior to the January 1st implementation date and the subsequent start of the General Assembly session.

Sincerely,



Christopher Zimmerman
Chairman, NVTC



Michael C. May
Chairman, PRTC

cc: Senator Richard Saslaw
Mark Haskins

Deconstructing TAX's Definitions of "Cost Price" and "Sales Price"

(\$/gallon of gasoline)

Provider:	Jobber	Distributor		
	Sells	Receives="Cost Price"	Sells	"Sales Price"
Fuel	\$1.50	\$1.50	\$1.50	\$1.50
Transportation	.03	.03	.06	.03
Credit/Other	.01	.01	.02	.01
State/Fed. Taxes	.36	.36	.36	.36
Markup/Admin. fees	.10	.10	.20	.20
Subtotal	2.00	2.00	2.14	2.10
NVTC/PRTC 2.1% tax	-	-	.045	.044
Grand Total			\$2.185	\$2.144

Note 1: To determine the distributor's "sales price," TAX guidelines exclude additional transportation costs and credit if separately stated. Thus, the "sales price" for taxation is lower than the actual selling price to the unaffiliated retailer. For the few sales to affiliated retailers, the greater of the "cost price" or the "sales price" applies for purposes of calculating the tax.

Note 2: In FY 2009, approximately 670 million gallons were taxed at retail in the NVTC district. Accordingly, a difference of \$.001 per gallon in the amount of the tax paid by the distributor (\$.045 versus \$.044 in the above example) amounts to a revenue loss of up to \$670,000 annually. Corresponding amounts for PRTC are about 360 million gallons for a tax loss of \$360,000 annually.

Note 3: Actual cost of fuel and all other costs are assumed for this example. MWCOG's consortium fuel prices for gasoline are about \$2.09 for regular, \$2.12 for mid-grade and \$2.29 for premium gasoline including delivery of \$.0274 per gallon and excluding federal fuel taxes of \$.184 per gallon and state fuel taxes of \$.175 per gallon.

Note 4: Comparing the yield of the 2.1% tax on the sales price of \$2.10 per gallon in this example to the assumed current yield of the 2.0 percent tax at retail (assessed on the selling price of \$2.14 plus a retail markup), if the retailer's markup was \$.06 per gallon or more (about 2.7 percent of the retail pump price), the yield of the 2.0 percent tax on retailers would exceed the yield of the 2.1 percent tax on the distributor's "sales price."

Rick Taube

From: haskins, mark (TAX) [mailto:Mark.Haskins@tax.virginia.gov]
Sent: Thursday, December 03, 2009 1:22 PM
To: Rick Taube
Cc: White, William (TAX); Muse, Andrea (TAX); Mayer, Joseph (TAX)
Subject: Motor Fuel Sales Tax

Rick,

Andrea told me that you have questioned why TAX has excluded separately stated transportation and delivery charges from the "sales price." Under Va. Code § 58.1-609.5, separately stated transportation and delivery charges are excluded from the Retail Sales and Use Tax. You are correct that the language requiring the Motor Vehicle Fuel Sales Tax to be subject to the Virginia Retail Sales and Use Tax Act was deleted with the other changes made to the Motor Vehicle Fuel Sales Tax during the 2010 General Assembly session. However, to make the transition from the current Motor Vehicle Fuel Sales Tax to the new Motor Vehicle Fuel Sales Tax as simple as possible, TAX elected to use Retail Sales and Use Tax provisions in the Guidelines and Rules for the Motor Vehicle Fuel Sales Tax whenever possible. As many businesses are familiar with what is included in the "sales price" for the Retail Sales and Use Tax, using a different definition of "sales price" solely for the new Motor Vehicle Fuel Sales Tax would cause confusion in the industry.

I hope that this helps.

Mark C. Haskins

Policy Development Director

Virginia Department of Taxation

Post Office Box 27185

Richmond, VA 23261-7185

Phone - (804) 371-2296

FAX - (804) 371-2355

Email - mark.haskins@tax.virginia.gov

2010 Session of the General Assembly

Dealer Discount Repeal Draft Legislation

1 1. That §§ 58.1-605, 58.1-606, 58.1-642, 58.1-1009, 58.1-1011, 58.1-1021.03, 58.1-
2 1720, 58.1-1730, 58.1-2233, 58.1-2234, 58.1-2235, 58.1-2236, 58.1-2238, 58.1-2256,
3 58.1-2259, and 58.1-2272 of the Code of Virginia are amended and reenacted as
4 follows:

5 § 58.1-605. To what extent and under what conditions cities and counties may levy local
6 sales taxes; collection thereof by Commonwealth and return of revenue to each city or
7 county entitled thereto.

8 A. No county, city or town shall impose any local general sales or use tax or any local
9 general retail sales or use tax except as authorized by this section.

10 B. The council of any city and the governing body of any county may levy a general
11 retail sales tax at the rate of one percent to provide revenue for the general fund of such
12 city or county. Such tax shall be added to the rate of the state sales tax imposed by §§
13 58.1-603 and 58.1-604 and shall be subject to all the provisions of this chapter and the
14 rules and regulations published with respect thereto. ~~No discount under § 58.1-622 shall~~
15 ~~be allowed on a local sales tax.~~

16 C. The council of any city and the governing body of any county desiring to impose a
17 local sales tax under this section may do so by the adoption of an ordinance stating its
18 purpose and referring to this section, and providing that such ordinance shall be

330 subsection and such amount shall be taken into consideration in preparing the official
331 estimate of the total revenues to be collected during the fiscal year by the Virginia
332 Health Care Fund established under § 32.1-366. Any reduction in funding available for
333 programs financed by the Virginia Health Care Fund as a result of such discounts shall
334 be made up by the general fund.

335 § 58.1-1720. Tax on fuel sold in certain transportation districts.

336 A. In addition to all other taxes now imposed by law, there is hereby imposed a license
337 or privilege tax upon every distributor who engages in the business of selling fuels at
338 wholesale to retail dealers for retail sale in (i) any county or city that is a member of any
339 transportation district in which a rapid heavy rail commuter mass transportation system
340 operating on an exclusive right-of-way and a bus commuter mass transportation system
341 are owned, operated or controlled, by an agency or a commission as defined in § 15.2-
342 4502, or (ii) any county or city that is a member of any transportation district that is
343 subject to § 15.2-4515 C and that is contiguous to the Northern Virginia Transportation
344 District.

345 The tax shall be imposed at a rate of 2.1 percent of the sales price charged by a
346 distributor for fuels sold to a retail dealer for retail sale in any such county or city
347 described in clause (i) or (ii). Such tax shall be imposed at the time of the sale by the
348 distributor to the retail dealer. The tax imposed by this article shall be paid by the
349 distributor, but the distributor shall separately state the amount of the tax and add such
350 tax to the sales price or charge. Thereafter, such tax shall be a debt from the retail
351 dealer until paid and shall be recoverable at law in the same manner as other debts.

352 B. Every distributor collecting the tax imposed under this article shall file a monthly
353 return no later than the twentieth of each month on a form prescribed by the
354 Department, covering the sale of fuels by such distributor during the preceding month,
355 for which tax is imposed pursuant to subsection A.

356 ~~For purposes of compensating a distributor for accounting for and remitting the tax~~
357 ~~levied by this article, such distributor shall be allowed to deduct two percent of the tax~~
358 ~~otherwise due in submitting his return and paying the amount due by him if the amount~~
359 ~~was not delinquent at the time of payment.~~

360 § 58.1-1730. Tax for enhanced 911 service; definitions.

361 A. As used in this section, unless the context requires a different meaning:

362 "Access lines" are defined to include residence and business telephone lines and other
363 switched (packet or circuit) lines connecting the customer premises to the public
364 switched telephone network for the transmission of outgoing voice-grade-capable
365 telecommunications services. Centrex, PBX or other multistation telecommunications
366 services will incur an E-911 tax charge on every line or trunk (Network Access Registrar
367 or PBX trunk) that allows simultaneous unrestricted outward dialing to the public
368 switched telephone network. ISDN Primary Rate Interface services will be charged five
369 E-911 tax charges for every ISDN Primary Rate Interface network facility established by
370 the customer. Other channelized services in which each voice-grade channel is
371 controlled by the telecommunications provider shall be charged one tax for each line
372 that allows simultaneous unrestricted outward dialing to the public switched telephone
373 network. Access lines do not include local, state, and federal government lines; access



AGENDA ITEM #11

TO: Chairman Zimmerman and NVTC Commissioners
FROM: Rick Taube
DATE: December 31, 2009
SUBJECT: Legislative Items

State

Copies of NVTC's approved Legislative Agenda for 2010 have been provided to the Northern Virginia General Assembly Delegation and members of Governor-Elect McDonnell's transition team among others. Staff will report on progress in identifying patrons for bills supported by NVTC.

Federal

Copies of the legislative updates from APTA are attached describing the status of federal transit appropriations and surface transportation reauthorization among others. Also attached is a summary of all such significant federal legislative actions during 2009.



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NVTC's 2010 STATE AND FEDERAL LEGISLATIVE AGENDA

Approved: December 3, 2009



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STATE LEGISLATIVE ACTION ITEMS

Transit Funding Crisis

Northern Virginia relies on its effective transit network with 149 million trips in FY 2009 comprising three quarters of Virginia's total transit ridership.

The Northern Virginia Transportation Authority's TransAction 2030 plan establishes a need for transit investments in Northern Virginia of \$910 million annually (about half for operations and half for capital). Currently, NVTC's jurisdictions, their funding partners and transit customers spend almost \$700 million annually for WMATA, local buses and VRE, with the Commonwealth of Virginia providing a share of less than a quarter. If the state met its 95% statutory target of funding eligible transit expenses it would require another \$120.3 million for NVTC's WMATA jurisdictions in FY 2010.

The current crisis will persist. WMATA's operating budget alone faces a FY 2011 shortfall of \$175 million.

Accordingly, major new revenue sources for public transit must be enacted statewide and regionally during the 2010 General Assembly session, with these sources being stable, reliable, proven and permanent. Existing General Fund revenue streams should not be diverted to transit from other important priorities such as education and public safety.

1. **New revenue sources for public transit should be enacted that keep pace with inflation and do not decline as automobiles are driven less and become more fuel efficient.** Examples include: sales taxes (one percent yields \$1 billion statewide), indexed motor fuels taxes (10-cents generates almost \$500 million); vehicle miles traveled fees, state/regional income taxes and tolls and congestion pricing.
2. **Any new revenue measures for transportation, energy conservation, air quality or climate protection should dedicate an appropriate portion to public transit** because transit is an effective means to achieve the goals of such legislation. Transit currently receives 14.7% of Transportation Trust Fund revenues.
3. **Existing state transit funding sources should be protected from encroachment, either through diversion of revenues from the Transportation Trust Fund to non-transportation uses, from new intercity passenger rail initiatives, or from failure to issue previously authorized bonds.**
4. **The Virginia Department of Rail and Public Transportation (DRPT) should be required to honor signed contracts with local transit systems for state transit grants.** Otherwise, despite DRPT's best efforts, given the ongoing harsh

economic outlook, the practice of failing to provide contracted funds is likely to continue. Unfortunately, DRPT has cut back its transit assistance to NVTC by \$8.8 million (6.5%) in mid-FY 2009 and another \$5.4 million (4.9%) in mid-FY 2010, after contracts were signed with NVTC. The corresponding reductions for VRE were \$1.3 million (7.1%) in FY 2009 and \$1.1 million (5.7%) in FY 2010. To prevent this breach of contract from occurring again, **the commonwealth should act to guarantee its contractual commitments to transit operators.**

5. The commonwealth has a statutory responsibility to fund transportation. Therefore, **any new regional fees for public transit, including restoring previously authorized funds (HB 3202 of 2007) for the Northern Virginia Transportation Authority, should be imposed primarily by the state.**
6. **NVTC's 2.1% motor fuels tax on distributors should be increased to at least 4.2%.** The expected annual yield would increase from \$38.6 million in FY 2009 to about \$76 million, although the FY 2009 yield is well below the FY 2008 level and FY 2010 earnings to date are still lower. This tax is dedicated to WMATA, which faces a serious financial crisis.
7. **With the increased federal emphasis on intercity passenger and high-speed rail, Virginia should establish a new funding source** to fully match federal grants, to integrate service with existing local and regional transit providers, and to ensure that existing transit funds are not diminished (including the federal funds devoted each year by the CTB to VRE's track leases). **Virginia's existing Rail Enhancement Program should be made available to fund the operating expenses of eligible regional and intercity passenger rail services that have benefits commensurate with costs. Where freight railroads are the beneficiaries of these public investments, they should be required to agree to cooperate with publicly provided passenger rail services on equitable terms.**
8. Current state policy stresses the need to maintain highways, with funds for capital projects diverted to maintenance if necessary to protect past investments and current levels of service. The same approach should apply to public transit. **The Commonwealth Transportation Board should be permitted to shift transit capital funds to cover eligible transit operating expenses temporarily during times of financial hardship.**
9. **Provide immediate funding to facilitate needed transit and other transportation improvements to relieve congestion at BRAC-mandated facilities.**
10. To facilitate the proper auditing of receipts of NVTC's 2.1% motor fuels tax on distributors (effective January 1, 2010), **amend Section 58.1-1724.1 of the Virginia Code to permit disclosure of tax information to NVTC's senior management and board.** [PRTC already has this ability.]

Safety and Law Enforcement Improvements

11. **Penalties for assaults on transit operators should be increased.**
12. **Safety in accessing transit should be enhanced by enacting legislation to require motorists to stop for pedestrians at marked crosswalks in intersections without traffic signals where posted speeds are 35 mph or less.**
13. **Amend Title 46 of the Virginia Code to specify penalties for pedestrians crossing tracks in front of commuter trains against signals.** Twenty other states have enacted similar legislation.
14. **Amend Title 56 of the Virginia Code to include third party claims in the liability cap for commuter rail operations and exempt VRE from liability for terrorist acts.** The current cap excludes third party claims and private freight railroads demand very high levels of insurance from public commuter rail systems as a result.
15. **Amend the Virginia Code to would permit VRE at its discretion to use an independent third party or the Virginia Division of Risk Management to manage the VRE liability insurance plan and oversee the VRE Insurance Trust Fund.** Last year's budget bill contained this language.
16. **Revise penalties for avoiding VRE fares to provide fines for failure to possess a valid ticket as a Class IV misdemeanor and for fraudulently avoiding fares as a Class II misdemeanor.** The amended bill (SB 1066) passed by the 2009 General Assembly has had unintended consequences (ended prosecution by the Commonwealth's Attorney in Alexandria and many dismissed cases by judges).
17. **Permit transit systems (that do not currently possess the statutory authority) to require finger printing of job applicants to facilitate background checks using the FBI database.**
18. **New public private partnerships and managed lanes with value pricing offer great promise for leveraging scarce public resources. But vital protections must be included in such state-approved partnership agreements, including: requiring that lane and shoulder widths are sufficient for safe operation of transit vehicles; ensuring levels of performance of existing high occupancy vehicle facilities do not deteriorate and are allowed to accommodate growth; and mandating that local governments' concerns with congestion**

at points of access and egress and on parallel local streets are openly and meaningfully addressed.

Other Legislative Actions

19. **Enact legislation to authorize NVTC to choose to provide equal per diem payments to its board members who are elected officials.** Currently, NVTC is required by state law to pay General Assembly members \$200 per meeting and other elected officials no more than \$50 per meeting.
20. In order to continue incentives to conserve energy, improve air quality and combat global warming, **extend the sunset of hybrid/special fuels vehicles exemptions from HOV requirements, while emphasizing enforcement and requiring VDOT to monitor performance to ensure continued acceptable travel times for other vehicles lawfully using HOV facilities.**

FEDERAL LEGISLATIVE ACTION ITEMS

Immediate and Ongoing Funding

1. As part of the process to restructure federal transportation programs and authorize multi-year funding, **provide immediate and ongoing funding for important Northern Virginia transit projects**, including as a top VRE priority new locomotives, parking expansion, platform extensions, mid-day storage and third main line improvements, and as a lesser priority, expansion of VRE to Gainesville-Haymarket. Other projects include acceleration of rail to Dulles and the Columbia Pike Streetcar, among others.
2. **Continue to appropriate new funding for WMATA of at least \$150 million annually as previously authorized by Congress.** Such appropriations are needed to justify the new federal WMATA Board members included in the authorization language.
3. **Make available funding for Metro Access from other relevant federal programs (e.g. HUD, HHS).**
4. **Include significant funding for transit as a critical strategy in any new spending measures that seek to conserve energy, enhance clean air, mitigate climate change, provide access to jobs, stimulate the economy and respond to emergencies and disasters.**
5. **Provide immediate funding to facilitate needed transit and other transportation improvements to relieve congestion at BRAC-mandated facilities.**

Authorization of Improved Transportation Policies and Programs

6. The current multi-year authorization of federal surface transportation programs (SAFETEA-LU) has expired at the end of FY 2009. Many organizations have offered detailed recommendations for a major restructuring rather than fine-tuning existing programs, including the National Surface Transportation Policy and Revenue Commission in its Transportation for Tomorrow report among many other pertinent reports and recommendations. Among the primary reasons for this view are shortfalls in gasoline tax revenues flowing to the Highway Trust Fund, proliferation of separate programs with complex eligibility criteria and rampant earmarking, all without a unifying policy focus.

NVTC supports the policy principles adopted by the National Capital Region Transportation Planning Board and those of the American Public Transportation Association and the Northern Virginia Transportation Authority among others. Among the revisions with greatest benefit to NVTC's members are:

- **The level of federal investment in U.S. transportation infrastructure, including maintenance of the existing system and expansion, must increase significantly.**
- Recognizing that federal fixed per gallon taxes on motor fuels are no longer reliable sources of funding, **new methods must be identified that will grow along with the need to maintain existing facilities and support improvements and system expansions.** Temporary transfers of General Funds or raiding the Transit Trust Fund are not worthwhile strategies to resolve this long-term structural imbalance.
- **Fees for highway use that vary with numbers of auto occupants, types of vehicle miles driven and times and places driven should be used to reduce congestion as well as providing revenues.** New technologies make such variable pricing feasible.
- **Leverage available federal funds with national infrastructure banks and bonding programs.**
- **Simplified, consolidated and streamlined federal transportation programs should be created with uniform, rigorous and comprehensive benefit/cost analyses across all modes, consideration of energy efficiency and environmental protection, inclusion of safety and security, and reduced federal review time.**
- **Urban mobility (and hence support for public transit) should be recognized as a vital federal responsibility, in cooperation with states, local governments and regional agencies through intergovernmental partnerships, with greater decision-making authority for metropolitan areas and local governments.**

Equitable Tax Incentives for Transit Users

7. **In order to maintain increased tax-free monthly transit benefits of at least \$230 (to match the benefits currently available for parking), remove the sunset provision that would require a reduction at the end of 2010. Index the transit benefits to inflation.**
8. **Support other measures that encourage employers to get more involved in their employees' commutes through tax provisions.** For example, HR3271 would increase the dollar limits on transportation fringe benefits, clarify federal employee benefits, make self-employed persons eligible, emphasize parking cashout programs, provide vanpool investment credits, encourage bicycle access with fringe benefits and removal of architectural barriers, and provide credits for teleworking.

Rail Related Actions

9. **The federal cap on commuter rail liability should be broadened at a level no greater than \$200 million per occurrence to include third party protection for freight railroads on which commuter systems operate (49 USC 28301).**
10. **Additional federal funding should be provided to commuter rail systems to meet new federal Positive Train Control unfunded mandates.**

Promote Green Commuting

11. **Support grant and planning measures to encourage employers to get more involved in helping employees reduce their commutes.** For example, HR 3517 would establish employer advisory councils to assist MPO's by developing trip reduction and commuter benefit plans and encourage employer investments in such activities with federal matching grants.
12. **Enact the "Investment in Commuter Vanpooling Act" (HR 1571) which would allow governments to leverage private capital to create and expand vanpools by making vanpool passenger fare revenue an eligible source for local match of federal grants.**
13. **In addition to the above actions, provide further federal funding and other incentives to encourage alternative methods of commuting, including telework, bicycles, walking, vanpools as well as public transit.**

NVTC's 2010 State Legislative Program - Tracking Chart

Proposed Legislation	Potential Sponsors	Legislator Assigned to Draft	Legislative Patrons	Status	Notes	Misc.
1 New revenue sources for public transit						
2 Our Fair Share: Any new revenue measures should dedicate an appropriate portion to public transit						
3 Protect existing funds: Existing state transit funding sources should be protected from encroachment						
4 Honoring Contracts: DRPT should be required to honor signed contracts with local transit systems for state transit grants.		Ebbin				
5 Reinstate Funding Source: Any new regional fees for public transit, including restoring previously authorized funds (HB 2002 of 2007) for the Northern Virginia Transportation Authority, should be imposed primarily by the state.						
6 MVFST Increase: NVTC's 2.1% motor fuels tax on distributors should be increased to at least 4.2%.		Ebbin				
7 Intercity Rail Funding: Virginia should find a new funding source for Intercity Passenger Rail						
8 Funding Flexibility: CTB should be permitted to shift transit capital funds to cover eligible transit operating expenses temporarily		Ebbin				
9 BRAC: Provide immediate funding to facilitate needed transit and other transportation improvements to relieve congestion at BRAC-mandated facilities.						
10 Amend Section 58.1-1724.1 of the Virginia Code to permit disclosure of tax information to NVTC's senior management and board.		Ebbin				
11 Penalties for assaults on transit operators should be increased from Class 1 misdemeanor to Class 6 felony		Marsden				
12 Stop for Pedestrians: Motorists to stop for pedestrians at marked crosswalks in intersections without traffic signals where posted speeds are 35 mph or less.						
13 Amend Title 46 of the Virginia Code to specify penalties for pedestrians crossing tracks in front of commuter trains against signals.						
14 Amend Title 56 of the Virginia Code to include third party claims in the liability cap for commuter rail operations and exempt VRE from liability for terrorist acts						
15 VRE Insurance: Amend the Virginia Code to would permit use of an independent third party or the Virginia DRM to manage the VRE liability insurance plan and oversee the VRE Insurance Trust Fund.						

NVTC's 2010 State Legislative Program - Tracking Chart

16 VRE Fare Avoidance: Revise penalties for avoiding VRE fares to provide fines for failure to possess a valid ticket as a Class IV misdemeanor and for fraudulently avoiding fares as a Class II misdemeanor.

17 Fingerprinting Transit Employees: Permit transit systems to require finger printing of job applicants to facilitate background checks using the FBI database.

PRTC/ OLS

Sen. Puller
&
Del.
Jackson
Miller

18 PPP parameters: Protecting Transit

Ebbin

19 NVTC Member per diem: Enact legislation to authorize NVTC to choose to provide equal per diem payments to its board members who are elected officials.

Ebbin

20 HOV Sunset: Extend the sunset of hybrid/special fuels vehicles exemptions from HOV requirements, while emphasizing enforcement and requiring VDOT to monitor performance to ensure continued acceptable travel times for other vehicles lawfully using HOV facilities.

The Washington Post

Kaine: End car tax, raise Va. income tax 1 percent

Friday, December 18, 2009; 10:36 AM

The state's hated local car tax would be replaced with a \$2 billion-a-year income tax increase under the new budget Gov. Timothy M. Kaine presented Friday.

The departing Democratic governor's tax proposal accompanied a budget that prescribes about \$1.2 billion in spending cuts in a bid to reconcile a \$3.6 billion state revenue shortfall for 2010 through 2012.

The plan was on an immediate collision course with incoming Republican Gov. Bob McDonnell, who has pledged to reject any general tax increase, and an anti-tax GOP House majority strengthened by last month's elections.

Besides a budget bill that deeply cuts funding for state-supported colleges, mental health services and public safety, Kaine is preparing a separate bill that would phase in a 1 percent income tax increase over two years.

The massive income tax increase generates about \$400 million a year more than the \$1.6 billion the car tax now raises for localities. Local governments would also receive additional revenue the income tax generates.

As the state's costs soared, Virginia capped total reimbursements at \$950 million a year.

Kaine's budget eliminates all money for reimbursements, but his independent tax measure would provide local governments all of that money, perhaps more.

The cuts reduce the biennial general fund budget to about \$30 billion, about the size of the six years earlier. Kaine had already been forced to cut \$7 billion from the budget since July 2008.

The cuts are scattered throughout the budget.

Funding for state-supported institutions of higher education would be cut by 26 percent over the next few years, a move certain to provoke sharp increases in tuition.

The state would cut about \$12 million for

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The Washington Post

Kaine: End car tax, raise Va. income tax 1 percent

mental health crisis services. The cuts would come just two years after mental health budgets were increased by \$42 million in response to the April 2007 shooting deaths of 32 people at Virginia Tech by a disturbed student.

Sheriffs and other local constitutional officers would lose about \$270.5 million over the two years, and local police department funding would be cut by about \$73 million.

State employees would forgo pay raises for two years and be required to make payments toward their own pensions for the first time since 1983. The retirement age for new hires would jump from age 50 to 55, and the state would eliminate 664 jobs.

The tax increase is not the only effort to increase revenue. Kaine proposed ending the dealer discount, a sliver of the state sales tax retailers keep for collecting and remitting the tax, adding \$60 million to \$70 million annually.

He proposed leasing 1,000 state prison beds to house out-of-state inmates to raise \$19.8 million.

And, if approved, the price of a bottle of liquor will increase by 2 percent at Virginia's state-owned liquor stores.


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The Washington Post

Montgomery, Fairfax get funds to handle base relocation traffic

By Miranda S. Spivack
Washington Post Staff Writer
Wednesday, December 23, 2009; B01

Montgomery and Fairfax counties are due for a \$300 million boost in federal funding to help cope with the downside -- traffic, traffic and more traffic -- of federal base consolidations that will also bring thousands of jobs to the region.

In a deal crafted by U.S. Rep. Chris Van Hollen (D-Md.) and Rep. James P. Moran Jr. (D-Va.), prodded along by Maryland Sens. Benjamin L. Cardin (D) and Barbara A. Mikulski (D), and pushed through a House-Senate defense appropriations conference committee by Rep. John P. Murtha (D-Pa.) and Sen. Daniel K. Inouye (D-Hawaii), the two counties will divvy up the windfall to help pay for traffic improvements, public transit and expanded pedestrian access.

"I had really been having nightmares trying to figure out how we are going to get through all of this," said Montgomery County Executive Isiah Leggett (D) at a news conference Tuesday with key Maryland lawmakers, who announced that Montgomery would be getting the unexpected funds to cope with the traffic onslaught from the expansion of the National Naval Medical Center in Bethesda.

Precisely how the money will be allocated is uncertain, however, although it has been promoted by lawmakers as a 50-50 split. The funds were included as a late entry in the defense spending bill signed into law this week by President Obama.

"That is outstanding," said Fairfax County Board of Supervisors Chairman Sharon Bulova (D).

"I hope that the funding means we have money for some highway improvements. That is what we need desperately," she said as she outlined the impact of expansion of Fort Belvoir. Fairfax is hoping to widen Richmond Highway (Route 1) and improve pedestrian access.

Longer-term goals include running a shuttle bus service between Fort Belvoir and the Virginia Railway Express station at Lorton and between Fort Belvoir and the Springfield-Franconia Metro station, and building a rail spur from the Metro station, she said.

"We are going to experience in a relatively short period of time an enormous growth in employment at Fort Belvoir," she said.

In Montgomery, Leggett has said that Bethesda needs at least \$127 million and probably more to ease access to the base and ensure that residents are able to move around. When construction is completed and the Navy hospital is merged with Walter Reed Army Medical Center, the military medical center will need to accommodate an additional 2,500 employees and out-patient visits that are expected to double from 500,000 to 1 million annually.

Leggett's goal is to overhaul intersections at Wisconsin Avenue and Cedar Lane, Jones Bridge Road and Connecticut Avenue, and Old Georgetown Road and Cedar Lane, as well as improve pedestrian and vehicle access to the Medical Center Metro station and enhance bus service.

A possible exit off the Beltway directly onto the Navy base is also under review, as is a high-speed elevator to open up access to the Medical Center Metro station from the east side of Wisconsin Avenue and an underground

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tunnel that could also carry cars.

In Fairfax, about \$500 million is being sought to help fix traffic problems in the area around Fort Belvoir. The on-base population at Fort Belvoir in Fairfax County is expected to double to more than 47,000 people, in a location that is difficult to reach by bus and rail. The addition of approximately 24,100 workers could add hours of backups on Interstate 95 and Route 1 unless something is done to improve the commute.

"It is a down payment," Moran said. "The total need is about three times this for Northern Virginia, but this will go a long way towards mitigating the problem."

The measure is not likely to meet other needs in Maryland and Virginia; the money is specifically earmarked in the new law for health-related defense spending in the Washington area, which means that the Defense Department is essentially being ordered by Congress to use it to pay for fixes in Bethesda and near Fort Belvoir, where a military hospital also is under construction.

The money will serve as a prod to the Defense Department, which must report back to Congress in 90 days to explain how it wants to spend the funds. In general, the department has been focused on trimming and consolidating bases across the country, and has left it to local governments to deal with the aftermath, which in the Washington region means increased traffic.

Leggett, working with Maryland Lt. Gov. Anthony Brown (D) and state Transportation Secretary Beverley Swaim-Staley, had come up with a wish list of projects in and around the Medical Center Metro station in Bethesda, which serves the National Institutes of Health, the National Naval Medical Center, the military's medical school around the corner from the Navy base, and thousands of residents who commute south to the District or north to Rockville and beyond.

Similar wish lists are being developed in the communities around Fort Meade and at Aberdeen, which Swaim-Staley said also need millions of dollars to cope with thousands of new commuters as more jobs arrive with military consolidation and expansion. Aberdeen has \$42.6 million allocated but still needs as much as \$100 million. Fort Meade has had \$37.6 million allocated, but could need an additional \$54 million, officials said.

In Bethesda, residents who have been working with local and state officials said they were adopting a wait-and-see attitude, as much will depend on how the money is allocated and who makes the decisions.

"The community pushed for this unprecedented level of cooperation," said Ilaya Rome Hopkins, who represents about 13,000 residents, businesses and schools near the medical center as chair of the Coalition of Military Medical Center Neighbors.

"We need to be at the table when they are making these decisions," she said. "We need to continue to think of solutions designed for the future, not the low-hanging fruit of widening roads without adding bikeways and walkways."

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The Washington Post

Connaughton is choice for Virginia transportation secretary

By Anita Kumar
Washington Post Staff Writer
Wednesday, December 23, 2009; B01

RICHMOND -- Virginia's incoming governor, Robert F. McDonnell (R), on Tuesday named Sean Connaughton, former chairman of the Prince William County Board of Supervisors, as his choice to manage the state's roads, rails and ports.

McDonnell's pick of Connaughton as transportation secretary marks one of his most important Cabinet selections in a state that has seen its transportation budget shortfall climb into the billions of dollars and lead to thousands of job eliminations and hundreds of unfinished projects.

Connaughton said at a news conference in Richmond on Tuesday that he is "intimately aware of the challenges facing Virginia's transportation system" as it pertains to gridlock and failing infrastructure as he himself has been a daily Northern Virginia commuter for 25 years.

"Much must be done to maintain and to improve our transportation system and reduce the negative impact it has on our business, quality of life of our citizens and the environment," he said.

Connaughton, 48, a moderate Republican who ran unsuccessfully for the party's nomination for lieutenant governor in 2005 and has sometimes been at odds with conservatives, was widely praised Tuesday by members of both parties and the business community.

"He's a great choice. I cannot think of anyone better," Sen. [Charles J. Colgan](#) (D-Prince William) said. "He's nonpartisan. He's very easy to work with. He's down to earth. He's very smart, and he knows the transportation system."

McDonnell's selection of Connaughton continues a trend of the incoming governor to pick largely noncontroversial, qualified appointments. Two of his selections are high-ranking officials from the administration of Gov. Timothy M. Kaine (D).

As chairman of the state's second-largest jurisdiction, Connaughton established a county transportation department, which built \$300 million worth of roads. He urged voters to support a 2002 referendum that would have added half a cent to the sales tax to raise an estimated \$5 billion over 20 years for transportation. The issue divided Republicans; while some in Northern Virginia backed the referendum, many conservatives were opposed. Voters resoundingly rejected the referendum.

He later served as the head of the U.S. Maritime Administration, an agency within the U.S. Department of Transportation, for three years and now works as the corporate vice president of government affairs for the American Bureau of Shipping.

Several friends and advisers to McDonnell, including former Congressman Tom Davis (R-Va.) and Attorney General William C. Mims, had recommended Connaughton. "He gets high marks across the state," Davis said. "There's no question."

Connaughton's immediate top priorities will be to help complete a national search for a transportation commissioner, find \$9 million to reopen 18 highway rest stops closed because of budget cuts and find ways to streamline the department.

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"I think transportation planning and transportation policy decisions are too slow, they're too bureaucratic and we're got to have more speed and more decisiveness in order to get things done," McDonnell said.

Connaughton, who lives in Prince William County, commutes now to Washington for his job. He said that he and his family will not move and that he will drive to Richmond.

"Sean Connaughton has experienced the pain of Northern Virginia traffic firsthand," said Bob Chase, executive director of the Northern Virginia Transportation Alliance, a business-supported group that lobbies for transportation funding. "He enters the job with his eyes wide open."

McDonnell named two other Cabinet secretaries at his noon news conference on Capitol Square.

Deputy Attorney General Lisa Hicks-Thomas is to become secretary of administration, a largely overlooked but massive job overseeing state buildings, purchasing and human resources. She is the fourth person McDonnell brought into his leadership team from the attorney general's office. Hicks-Thomas would be the first minority in the McDonnell Cabinet and the third woman.

Agriculture and Consumer Services Commissioner Todd Haymore is to serve as secretary of agriculture and forestry.

The General Assembly must confirm McDonnell Cabinet appointments when its 60-day legislative session begins in January.

Staff writer Rosalind S. Helderman and researcher Meg Smith contributed to this report.

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- » [COMMENTARY](#)
- » [TELLING OUR STORY](#)
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- » [AROUND THE INDUSTRY](#)
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NEWS HEADLINES

Transit Funding Approved for 2010; Awaiting President's Signature

The House and Senate have approved a \$1.07 trillion omnibus appropriations measure that the president is expected to sign. Within this bill—the Fiscal Year (FY) 2010 Departments of Transportation, Housing and Urban Development and Related Agencies (THUD) Appropriations, which includes all discretionary funding for DOT—is \$10.7 billion for public transit programs: an all-time high, representing an increase of more than \$500 million over FY 2009. In addition, \$2.5 billion in grants is provided to support intercity rail service and high-speed rail corridors within the programs of the Federal Railroad Association.

Further, the Department of Homeland Security announced Dec. 14 that \$253 million in grants will be available to high-risk metropolitan transit systems under the Transit Security Grant program. This money will go toward equipment and training, which over the past several years has included such information technology items as perimeter security systems, surveillance systems, and interoperable communications.

House Wraps Up Work for 2009

As the House of Representatives wrapped up its work for the year last week, it passed:

- * A five-day extension of SAFETEA-LU until Dec. 23;
- * The FY 2010 Defense appropriations, which included a two-month extension of SAFETEA-LU, effectively extending highway and transit funding at FY 2009 levels for two months to give the Senate time to consider a second stimulus bill in January; and
- * A second stimulus bill, referred to as the "Jobs" bill.

At press time, the Senate was still in session, but was expected to pass both extensions.

The "Jobs" bill, which the Senate is expected to take up in January, would provide an additional \$8.4 billion for transit and extend SAFETEA-LU through Sept. 30, 2010.

The plans for the proposed second stimulus bill began on Dec. 8, when President Barack Obama spoke about job creation, focusing on the need to invest in America's roads, bridges, and infrastructure and calling specifically for additional funding in transit and rail, among other areas. By asking for new investments in a wide range of infrastructure, the plan is designed to fund projects that can start quickly while continuing a sustained effort at creating jobs and improving America's productivity.

APTA President William Millar applauded Obama's plan and noted that the industry stands ready to put additional investment to work immediately. "The public transportation industry has identified more than \$15 billion in public transportation capital projects that can be started in 90 days," he said. "It is estimated that this investment in public transportation would support and create more

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than 450,000 jobs.”

Congressional leaders, including James L. Oberstar (D-MN), chairman of the House Transportation and Infrastructure Committee, and David R. Obey (D-WI), chairman of the House Appropriations Committee, worked on the infrastructure focus to the Jobs package.

The "Jobs" bill appropriates a total of \$37.3 billion for DOT—including \$27.5 billion for highway and transit projects under conditions almost identical to those governing the \$27.5 billion in the first stimulus package, and \$8.4 billion appropriated for public transit, again under conditions similar to those governing the same amount in the first stimulus bill. The ratios for the amounts are different, however, in that ARRA gave \$6.9 billion to capital formula grants and \$750 million each to rail modernization and New Starts/Small Starts, while the proposed bill gives \$6.15 billion to formula grant programs, \$1.75 billion for rail modernization, and \$500 million to New Starts/Small Starts.

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Rick Taube

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December 22, 2009

Congress Enacts Short-term Extension of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU); House Passes Second Economic Stimulus Bill with \$8.4 Billion for Transit and Extension of SAFETEA-LU Through September 30, 2010

With end of the year deadlines looming, Congress has been engaged in a flurry of activity to finish its work before heading home for the holidays. While the Senate continues to debate health care reform, with final votes expected December 24, the House passed a series of bills and adjourned for recess until January.

Extensions of Federal Surface Transportation Programs

Last week, Congress considered and passed several key measures with impacts on the federal transit programs. The first, House Joint Resolution (H.J. Res.) 64, was a 5 day Continuing Resolution (CR) extending (through December 23) funding for federal agency operations, as well as the authorizations for federal surface transportation programs under SAFETEA-LU. This action was necessary as the previous CR was set to expire on December 18, 2009.

The House and Senate then considered H.R. 3326, the Fiscal Year (FY) 2010 Defense appropriations bill which also included a further extension of core highway and transit programs through February 28, 2010. Funding under this extension is set at FY 2009 levels. This action was taken to enable Congress to continue consideration of a long-term surface transportation authorization bill or a further extension of existing programs, such as the one-year extension included in separate legislation passed by the House of Representatives. The Senate passed the Defense appropriations bill, with its two and a half month extension of surface transportation programs on Saturday, December 19, and the President signed the bill into law that day. As a result, the Federal Transit Program has five full months of authority, and APTA has asked the Federal Transit Administration (FTA) to apportion those funds immediately.

Jobs Legislation

Further action by the House last week included its passage of H.R. 2847, The Jobs for Main Street Act, 2010, a second economic stimulus bill that would appropriate \$75 billion from the General Fund of the U.S. Treasury, providing \$37.3 billion for the U.S. Department of Transportation (DOT). The Jobs for Main Street Act is funded by an offset in the Troubled Asset Relief Program (TARP) borrowing authority.

Of the \$37.3 billion for transportation programs, \$8.4 billion would be allocated to transit, and \$27.5 billion provided for the Federal-Aid Highway Program. Within the allocation for the Federal Transit Program, \$6.15 billion would be provided for transit capital assistance formula programs, including \$4.84 billion allocated for urban formula grants, and \$605 million each for rural formula grants and the high density/growing states formula grants. The Capital Investment Grant (New Starts) program would receive a \$500 million investment, while the Fixed Guideway Modernization program would be funded at \$1.75 billion. The Transit Investments for Greenhouse Gas and Energy Reduction (TIGGER) program would receive \$100 million. An additional \$800 million would be provided to Amtrak for fleet modernization that can be used for both rehabilitation of current equipment and for the purchase of new equipment.

Full Year Extension and Other Provisions of The Jobs for Main Street Act

There are several items of note in The Jobs for Main Street Act. The bill renews a provision made available through an amendment to the American Recovery and Reinvestment Act (ARRA) in July that enables grant recipients to use up to 10 percent of their formula apportionment (those funds received through the provisions of the Jobs Act) for operating costs or for eligible activities under section 5311(f).

Most importantly, the bill provides for a further extension of SAFETEA-LU through the end of FY 2010. House Transportation leaders and staff have indicated that it is their intent that this further extension will provide sufficient authority to cover the funding levels set in the FY 2010 Transportation appropriations bill. However, with only the House having acted on this provision, it is not clear how and when the Senate will deal with the bill.

The bill also includes a provision that allows for 100 percent federal funding for projects funded during FY 2010, either through new funds provided under The Jobs for Main Street Act, OR through regular FY 2010 FTA appropriations. Under the provision, the federal share for projects in the bill can be up to 100 percent at the option of the grant recipient, excluding New Starts projects, projects of regional and national significance, FY 2010 THUD highway earmarks, and Office of the Secretary discretionary multimodal grants.

Finally, Section 2010 of the bill would transfer \$19.5 billion from the General Fund of the Treasury to the Highway Trust Fund (HTF), with \$14.7 billion to the Highway Account and \$4.8 billion to the Mass Transit Account (MTA). The provision is provided in order to restore prior-year interest previously forgone to the HTF and to allow the HTF to recapture the interest on balances earned in the future. The restoration of interest to the HTF and MTA is estimated to be valued at \$1.7 billion annually and will contribute positively to the fiscal health of the HTF and MTA going forward.

It is important to note that the Jobs bill (including the full-year extension of SAFETEA-LU, the 10 percent operating assistance provision, the 100 percent match provision, and the restoration of interest to the HTF and MTA) has only been acted on by the House. It will have to await Senate action and the President's signature before it can become law. Senate leaders have indicated that they will consider jobs legislation when the Senate returns from the holiday recess period in January 2010.

FY 2010 THUD Appropriations Bill Signed By the President

On December 10, a little over one week before the December 18 expiration of the second FY 2009 CR and the extension of SAFETEA-LU, the House of Representatives approved a \$1.07 trillion omnibus appropriations bill (H.R. 3288) with the THUD appropriations bill acting as the legislative vehicle. The House agreed to the final conference report on the bill by a vote of 221 – 202, with the Senate approving the measure on December 13, by a margin of 57 – 35. The measure included the Commerce-Science-Justice, Financial Services, Labor-HHS-Education, Military Construction and Veteran's Affairs, and State and Foreign appropriations bills, leaving the Defense appropriations bill as the legislative vehicle to carry all remaining "must pass" legislation.

For analysis of the FY 2010 THUD appropriations bill, please see APTA's prior legislative alert [here](#).





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December 21, 2009

In This Issue

- » [NEWS HEADLINES](#)
- » [COMMENTARY](#)
- » [TELLING OUR STORY](#)
- » [2009: THE YEAR IN PUBLIC TRANSPORTATION](#)
- » [AROUND THE INDUSTRY](#)
- » [APTA NEWS](#)

2009: THE YEAR IN PUBLIC TRANSPORTATION

2009: The Legislative Year in Review

BY MEREDITH SLESINGER, APTA Legislative Assistant

The past year has been a notable one for public transportation, both for issues facing the industry and the legislative steps taken in response.

No sector has been immune from the challenging economic conditions that have faced the country over the past year, and public transit is no exception. From both the policy and political perspectives, 2009 was not about maintaining the status quo.

The past year brought us the American Recovery and Reinvestment Act (ARRA), a \$500 billion surface transportation authorization proposal, climate change legislation, and an overhaul of transit safety regulations, to name just a few items on the legislative agenda.

ARRA Deploys Billions for Transit and High-Speed Rail

President Barack Obama was sworn into office in January, and his administration has taken a dramatically different approach to policy issues affecting public transit than did its predecessor.

The first legislative priority for the incoming administration was to craft a stimulus plan to combat the impacts of the recession. On Feb. 17, the president signed into law H.R. 1, or ARRA, to provide \$789 billion in spending and tax relief.

The package included \$8.4 billion for new mostly capital investment in public transit for programs administered by the Federal Transit Administration (FTA), with \$6.9 billion distributed through existing formula programs. The Urban Formula program (§5307) received \$5.44 billion and the Rural Formula program (§5311) and the Growing States and High Density formula program (§5340) received \$680 million each.

ARRA also allocated \$9.3 billion for the development of intercity and high-speed passenger rail. This figure includes \$8 billion for high-speed rail and \$1.3 billion to Amtrak for capital investment and upgrades.

In addition, ARRA made available two \$750 million grants under the Fixed Guideway Modernization program and the New Starts/Small Starts program respectively. A new discretionary grant program, Transit Investments for Greenhouse Gas and Energy Reduction (TIGGER), appropriated \$100 million for transit agencies to reduce energy consumption and greenhouse gas emissions.

The transit portion of the bill also included appropriation of \$1.5 billion for a new multi-modal discretionary grant program, Transportation Investment Generating Economic Recovery (TIGER), for capital investments in surface transportation infrastructure. The TIGER program ultimately

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received \$57 billion worth of applications.

Other ARRA provisions of importance to APTA members include \$150 million in funds for transit and rail security and a change to the commuter tax benefit that finally put transit and parking benefits on equal footing.

Today, 10 months after ARRA's enactment, FTA has obligated 87.6 percent of the available funds: \$7.2 billion for 690 grants. Approximately \$459 million for 55 grants are pending review and approval, leaving only approximately 7 percent of funds remaining for obligation.

FY 2009 Transportation Appropriations

In addition to the ARRA funding, the transit title of the Fiscal Year (FY) 2009 Omnibus Appropriations Act that passed in March allocated \$10.231 billion in new budget authority for transit programs—a \$740 million (7.8 percent) increase over FY 2008. This amount is \$106 million less than authorized by the Safe, Accountable, Flexible, and Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU).

The bill provided \$8.26 billion for formula and bus programs, but cut \$100 million from the authorized level in SAFETEA-LU from the discretionary Bus and Bus Facilities program. However, this still provided an increase of \$60.9 million over the FY 2008 level for Bus and Bus Facilities.

The New Starts/Small Starts Capital Investment Fund received \$1.81 billion, equal to the authorized level in SAFETEA-LU and \$240 million more than last year's appropriation.

House T&I Committee Releases Authorization Proposal

House Transportation and Infrastructure Committee (T&I) Chairman James L. Oberstar (D-MN); Ranking Member John Mica (R-FL); and Peter DeFazio (D-OR), chairman of the T&I Highways and Transit Subcommittee, in June introduced a \$500 billion authorization proposal, the Surface Transportation Authorization Act of 2009 (STAA), which calls for \$99.8 billion for public transit programs administered by FTA—an increase of more than 90 percent over SAFETEA-LU levels. STAA also calls for \$50 billion in general funds for the development of high-speed rail.

However, the House Ways and Means Committee did not take up the revenue portion of the bill, leaving the financing of the legislation as an ongoing debate.

The Obama administration proposed an 18-month extension to SAFETEA-LU, which was approved by two Senate committees, Banking, Housing, and Urban Affairs and Environment and Public Works (EPW), but Oberstar adamantly opposed any extension. He continues to maintain that a long-term bill cannot wait: a new six-year bill is necessary to build on the transportation investments in ARRA, create jobs, and institute reforms that bring about transformational change to transportation policy and programs.

At the end of July, the House and Senate passed H.R. 3357 to transfer \$7 billion in general funds into the highway account of the Highway Trust Fund (HTF). This infusion of funds into the account was necessary to maintain solvency of the HTF through Sept. 30 and the expiration of SAFETEA-LU. Without this transfer, the federal government would have been unable to reimburse states for highway projects funded through the FY 2009 Transportation and Housing and Urban Development (THUD) Appropriations bill.

A major concern surrounding extension legislation has been the possibility that the HTF will require another general fund transfer.

Climate Change Legislation

In late June, the House passed the American Clean Energy and Security Act of 2009, also known as the Waxman-Markey climate change bill after its authors, Energy and Commerce Committee Chairman Henry Waxman (D-CA) and Select Committee on Energy Independence and Global Warming Chairman Edward Markey (D-MA).

The bill establishes a cap-and-trade plan for greenhouse gases to combat climate change. Under the plan, the government would set limits on the total amount of greenhouse gases that could be emitted and regulated companies would then buy and sell (trade) permits to emit these gases. Over time, the cap on emissions would be lowered and entities that produce more greenhouse gases would see costs rise, and thus have an economic incentive to reduce emissions.

Unfortunately, the Waxman-Markey bill allowed transit to compete for a very small amount of cap-and-trade revenues, but it did not guarantee transit investment.

However, in the Senate version of the legislation reported out of EPW—the Clean Energy Jobs and American Power Act (S. 1733), also known as the Kerry-Boxer bill after its authors, EPW Chairwoman Barbara Boxer (D-CA) and Foreign Relations Committee Chairman John Kerry (D-MA)—transit would receive about 2.5 percent of emissions allowances, translating into between \$1.4 billion and \$3 billion annually for transportation investment. Half of the revenue would be distributed directly to public transportation providers through the §5307/5340 and §5311 formula programs. The other half would be allocated to planning activities and a competitive multi-modal program for projects, including transit investments, in the new regional and state emission reduction plans.

APTA continues to monitor and advocate for guaranteed transit funding in Kerry-Boxer and alternative legislative proposals.

All-Time High Funding in FY 2010 THUD Appropriations

The FY 2010 THUD bill, approved by the Senate Dec. 13 and awaiting the president's signature at press time, is the vehicle for an omnibus appropriations package that will keep federal agencies operating through Sept. 30, 2010. The bill contains \$10.7 billion for public transit, setting a new record high.

The formula and bus programs account receives \$8.3 billion, but the bill does not provide specific program funding allocations. The conference report on the legislation notes that these decisions will be made by the authorizing committees in future legislation.

The legislation contains \$2 billion for FTA Capital Investment Grants (New Starts), 9.4 percent above the original budget request, and \$2.5 billion for high-speed rail and intercity rail corridors, a compromise between the \$4 billion proposed by the House and \$1.2 billion by the Senate. Amtrak receives \$1 billion for capital and debt service payment grants.

Another provision of note in the bill is \$600 million for capital investments in surface transportation, modeled after the TIGER program established through ARRA. Finally, as authorized under the Rail Safety Improvement Act of 2008, the legislation provides \$50 million for projects such as positive train control. Applicants must demonstrate that they are currently developing the required plans required by the act in order to qualify for a grant under this program.

Surface transportation programs were authorized through Dec. 18 under a second continuing resolution (CR) after the Sept. 30 expiration of SAFETEA-LU. As Passenger Transport went to press, it was proposed that a "Jobs Bill" attached to the FY 2010 Defense Appropriations bill (the final unfinished FY 2010 bill) could extend SAFETEA-LU and provide additional transportation infrastructure investment. If the House and Senate are unable to pass such legislation, it is likely that a third short-term extension of the SAFETEA-LU law would be enacted through February 2010, with further debate on a second stimulus and longer-term extension to be continued when Congress returns from recess in January.

DHS Appropriations Enacted

On Oct. 28, President Obama signed into law H.R. 2892, the FY 2010 Department of Homeland Security Appropriations bill. This legislation provides funding for the department and agencies such as the Transportation Security Administration (TSA) and the Federal Emergency Management Agency (FEMA), which are critical for carrying out programs to advance public transportation and rail security plans, projects, and research.

The bill provides \$300 million for Rail and Public Transportation Security grants, \$50 million more than the budget request and the House level, and \$56 million less than the Senate level. A minimum threshold of \$20 million is set aside for Amtrak security improvements. The bill also continues a legislative provision requiring the department to provide grants directly to public transportation agencies.

The conference report also makes note of the fact that 90 percent of funds appropriated in FY 2006 for rail and transit security remain unexpended.

Proposed Federal Rail Transit Safety Oversight

In early December, the Obama administration proposed a bill, The Public Transportation Safety Program Act of 2009, that would authorize the secretary of transportation to establish and enforce federal safety standards for all rail systems receiving federal dollars for transit. This eliminates a prohibition on imposing safety standards that has been in effect since 1965.

The bill would allow states to be eligible for federal transit assistance to hire and train staff to provide oversight to enforce the new federal regulations. State programs would be required to be fully staffed and given adequate resources and authority to enforce federal safety regulations to be eligible for federal funds.

Finally, the legislation would require the state agencies responsible for safety oversight to be financially independent from the transit systems they oversee. FTA would provide enforcement of all federal regulations in instances where states choose not to participate in the program where the state program is found to be inadequate in terms of enforcement.

Throughout the year, APTA was also actively engaged in issues surrounding Sale-In/Lease-Out and Lease-In/Lease-Out transactions, alternative fuel tax credits, livable and sustainable communities, and implementation of Passenger Rail Investment and Improvement Act provisions.

The outlook for the year ahead is a continuation of the packed legislative agenda we have seen in 2009, with transportation authorization, climate change, job creation, and safety among the leading issues as we move into 2010.

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NVTC

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AGENDA ITEM #12

TO: Chairman Zimmerman and NVTC Commissioners
FROM: Rick Taube
DATE: December 31, 2009
SUBJECT: WMATA Items


News articles of interest are attached for your information.



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Metro presents plan to plug FY2010 budget gap

For immediate release December 17, 2009

SHARE 

Metro rail and Metrobus service reductions could save \$4 million

Metro General Manager John Catoe today (December 17) presented to the Board of Directors a preliminary plan to plug a \$40 million gap in Metro's current fiscal year operating budget due to the effects of the economy and lower ridership. The plan includes \$4 million in Metrorail and Metrobus service reductions.

"So far this fiscal year, ridership revenue has been 6 percent lower than expected for Metrorail and 10 percent lower than expected for Metrobus," said Catoe. "Riders also are taking more short trips, which causes the average Metrorail fare to decrease. Lower rail ridership has resulted in less revenue from Metro's parking facilities, and MetroAccess ridership is continuing to grow."

In order to close the budget gap, Metro staff are proposing a number of cost-saving measures, including making \$2.2 million in departmental reductions, utilizing \$6 million in insurance recovery from the June 22 Red Line accident, transferring \$12 million to the capital budget, using as much as \$10 million in American Recovery and Reinvestment Act stimulus funds from project budget balances to support preventive maintenance, tapping a \$5.6 million reserve fund and implementing \$4 million in Metrobus and Metrorail service reductions.

Metro's Board of Directors plans to have a special Board meeting on Thursday, January 7, to discuss the proposed service reductions. Possible Metrorail service reductions being considered include:

- Reducing weekday early morning service by widening intervals between trains to every eight minutes between 6 and 6:30 a.m.;
- Reducing weekday peak service by operating all six-car trains;
- Restructuring peak service on the Red Line to three-minute intervals from Shady Grove to Silver Spring and six-minute intervals from Silver Spring to Glenmont, which means every other Red Line train would no longer terminate at Grosvenor-Strathmore but instead would terminate at Shady Grove;
- Widening weekday intervals between trains to every 15 minutes during midday and 30 minutes at night;
- Closing some station entrances at 8 p.m. at stations with multiple entrances;
- Widening weekend intervals between trains to every 15 minutes during the day Saturdays, 20 minutes during the day Sundays and 30 minutes at night on Saturdays and Sundays;
- Closing some station mezzanines on weekends at stations with multiple mezzanines; and
- Reducing service on some holidays and holiday-related days to be more in line with ridership.

For a complete list of proposed Metrorail service reductions, see the attached spreadsheet

Possible Metrobus service reductions include:

- Reducing the frequency of service on low-ridership bus routes;
- Eliminating some trips or portions of trips on low-ridership bus routes;
- Restructuring service to provide more stream-lined operations; and
- Reducing some bus stops.

For a complete list of proposed Metrobus service reductions, see the attached spreadsheet.

The proposed service reductions do not require public hearings because they are considered to be minor service reductions. Minor Metrobus service reductions are defined as reductions that do not reduce the span of service by more than one hour on a given bus line, reduce 15 percent of route miles or 20 percent of a line's scheduled revenue miles or impact more than 10 percent of riders on a given bus line. Metro's Board of Directors must approve the Metrorail service reductions, but they are not required to approve the bus reductions.

In addition to service reductions, Metro staff also proposed closing the customer information call center two hours early every night, at 8:30 instead of 10:30 p.m. Closing the call center early could save \$300,000 in FY2010.

###

Media contact for this news release: Angela Gates or Lisa Farbstein at 202-962-1051.
For all other inquiries, please call customer service at 202-637-7000

News release issued at 4:56 pm, December 17, 2009.



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Job woes reduce transit ridership

By Marisol Bello, USA TODAY

After a record year in 2008, the number of people riding buses and trains dropped in 2009 as unemployment rose and fewer people traveled to work.

Last year, public transit ridership hit a 52-year high of 10.7 billion rides. This year, January-through-September ridership was down 4% from the first nine months of last year to 7.7 billion trips, according to new figures from the American Public Transportation Association.

The number of rides fell in 146 of 197 bus systems and in 50 of 64 rail systems from January through September, compared with the same period in 2008.

William Millar, the association's president, says Americans going to and from work make up 60% of transit use, so ridership drops as unemployment increases. Yet, he says, "the ridership fall is greater than expected because unemployment rose so quickly."

The national unemployment rate is 10%.

Lower ridership means more lost revenue for transit agencies already struggling financially.

Fares make up about a third of an agency's operating revenue. The rest comes from taxes and other local and state funding that has decreased dramatically because of the recession, Millar says.

As a result, 89% of transit agencies have raised fares or cut service, a June survey by the association found.

Those changes could discourage riders from returning in the future, Millar says.

Transit systems are struggling:

•**Cleveland.** Bus ridership fell 11% in the first nine months of the year, and trips on the rail system dropped 15%.

Unemployment for the metropolitan area is 9.5%, but Joe Calabrese, the general manager of the Greater Cleveland Regional Transit Authority, says that doesn't tell the full story. He says people with jobs are taking furlough days and working fewer hours, so they are not riding the system as often.

The agency will take in \$5 million less in fares this year and \$19 million less in sales tax revenue, Calabrese says. In response, it raised its base fare for buses and trains 25 cents in September to \$2.25, cut 12 smaller bus routes and reduced the frequency of buses on 15 other routes. Calabrese expects more cuts next year.

•**Colorado Springs.** Bus ridership dropped 13% from January through October compared with the same time last year, says David Menter, a transit planning supervisor. The city's economic troubles are forcing a \$6.1 million drop in its contribution to the transit agency to \$2.6 million next year. To balance its budget, Mountain Metropolitan Transit in January will eliminate evening service after 6:15 p.m., all weekend service and four of its 22 routes, including express service.

"It will have life-changing consequences for our riders who are transit-dependent or who are elderly or disabled," Menter says. "We need to consider whether we should or shouldn't have a transit system. It's that severe."

Find this article at:

http://www.usatoday.com/news/nation/2009-12-20-transit-decline_N.htm

Check the box to include the list of links referenced in the article.

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The Washington Post

Bathrooms will be plentiful, accessible on Silver Line Metro

By Lisa Rein
Washington Post Staff Writer
Monday, December 21, 2009; B01

Access to Metro's restrooms has always seemed like more of a privilege than a right.

Riders must ask a station manager for the key to a locked bathroom, and a handful of stations don't have them. Many passengers have no idea that restrooms exist in most stations, tucked away as they are behind heavy, brown doors that read "Fire Equipment Cabinet" or "Authorized Personnel Only."

That will change, though, for riders of Metro's newest line, who will be able to enjoy the system's first fully accessible restrooms at stations from East Falls Church to Dulles International Airport.

Silver Line bathrooms will be plentiful, with four in each of the 11 stations, two for men and two for women. Each will be private and accessible to the disabled.

"The toilets will be there for the use of the patrons of the system," said Marcia McAllister, spokeswoman for the Dulles Corridor Metrorail Project.

But in a design-driven decision that might make some riders and Metro workers jittery, bathrooms in three of the first five stations scheduled to open in 2013 will be outside the fare gates, potentially drawing nonpaying customers.

Tysons Center 123, Tysons Center 7 and Wiehle Avenue in Reston, all on the first 11.7 miles of the line under construction, have been designed with bathrooms outside the fare gate. Pedestrian bridges leading to the stations limited space inside, McAllister said. Bathrooms in Tysons West and Tysons East will be available only to paying customers. Employees will have separate bathrooms.

Parents with babies will be out of luck. The 8-by-8-foot lavatories will have no room for changing stations.

The open-bathroom policy comes after years of frustration and a rider campaign in the early 2000s. But it was not conceived

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The Washington Post

Bathrooms will be plentiful, accessible on Silver Line Metro

out of altruism. Rather, Dulles rail officials said they are complying with a change to Virginia's building code, which in 2006 added public access requirements for new construction. In Metro's case, public bathrooms in Virginia need to be "readily accessible to the public, the patrons of the rail system," the code says. Unlocking bathrooms only on rider request apparently did not make the cut for ready access.

News of the impending change was greeted with glee and skepticism in an informal survey of Orange Line riders.

"Oh, really? Wow!" Susie Weller, a graduate student at the Jane Goodall Institute, said on her way to class in Ballston. Then: "Hmm. I wonder how dirty they would get? I'd use it if I really had to go."

Howard Schwartz, an administrative judge for the Department of Veterans Affairs, recalled a bad case of indigestion that overtook him Thursday after lunch at a downtown D.C. steakhouse. By the time he got off the train in Vienna, he *really*, really needed a bathroom.

"I'm riding on the train thinking, 'I really hope they'll let me use it,'" he said. The station manager led him right to it.

But other riders immediately jumped to one conclusion: Homeless people will find shelter in the bathrooms, they said. The

toilets will get dirty and stay dirty, just as they do at sports stadiums.

"Honestly, it's a good thing not to have to run to the station manager every second," said Andrew Lyles, a Chantilly culinary student. "But have security, please."

Oakton consultant Andy Jeng, riding in the seat behind him, questioned the wisdom of putting bathrooms outside fare gates.

"You don't want to allow anyone to just walk in and use the restroom," he said.

To address those concerns, the bathrooms will be within easy view of the station manager, McAllister said. And a Metro official said the facilities will be held to a high hygienic standard.

"We think we have a pretty clean system, and we take pride in that," spokeswoman

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The Washington Post

Bathrooms will be plentiful, accessible on Silver Line Metro

Lisa Farbstein said. "I'm sure they'll be cleaned pretty frequently."

But even some station managers said they suspect that the new bathrooms will create the same problems that led Metro to limit bathrooms' use in the first place.

"You gotta keep in mind that you could turn your back and someone's in there you didn't even know was in there," said James VanLue, a station manager at McPherson Square. He said he often leaves his kiosk to help a sick rider, attend to a problem on the train platform or take a break, and his kiosk is rarely covered at those times by another employee.

"You can't watch the bathroom all of the time," he said.

That was the case at noon, when VanLue left for 10 minutes to check on homeless men who had gathered at the street-level station entrance. A reporter was led to the bathroom by a mechanic working nearby.

Even if the Silver Line bathrooms are a hit, they're unlikely to spread to the rest of the system, which has come a long way since the days when restrooms were available only to passengers who were elderly or disabled, having emergencies or with small children. Four of the 86 stations still have no public restroom, for security or logistical reasons.

Money, or the lack of it, will impede a fully public Metro restroom system. Huntington passengers, on the last Virginia station on the Yellow Line, have enjoyed a free-standing restroom with self-cleaning toilet on the platform since 2003, when a local rider campaign persuaded the Metro board of directors to try a pilot program. But it cost about \$100,000 to install, Farbstein said, making an expansion almost impossible, considering that Metro is facing a multimillion-dollar deficit.

"It's not anticipated," Farbstein said. "We have more urgent capital needs."

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AGENDA ITEM #13

TO: Chairman Zimmerman and NVTC Commissioners
FROM: Scott Kalkwarf and Coletia Quarles
DATE: December 31, 2009
SUBJECT: NVTC Financial Items for November, 2009

Attached for your information are NVTC financial reports for November, 2009.



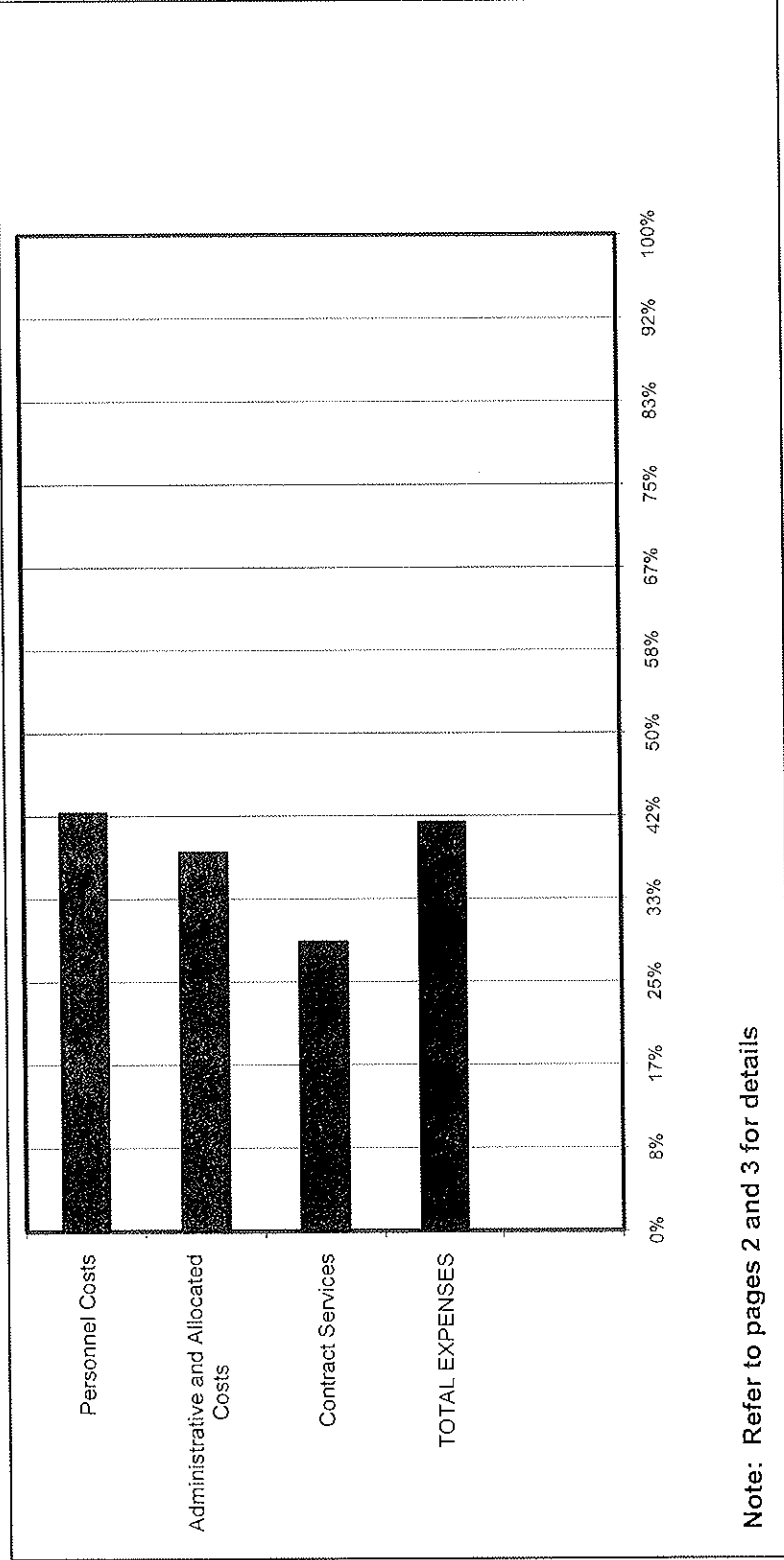
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Northern Virginia Transportation Commission

Financial Reports

November, 2009

Percentage of FY 2010 NVTC Administrative Budget Used
 November, 2009
 (Target 41.67% or less)



Note: Refer to pages 2 and 3 for details

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
G&A BUDGET VARIANCE REPORT
November 2009

	Current Month	Year To Date	Annual Budget	Balance Available	Balance %
<u>Personnel Costs</u>					
Salaries	\$ 60,263.24	\$ 317,846.71	\$ 734,500.00	\$ 416,653.29	56.7%
Temporary Employee Services					
Total Personnel Costs	60,263.24	317,846.71	734,500.00	416,653.29	56.7%
<u>Benefits</u>					
Employer's Contributions:					
FICA	3,518.86	20,853.19	51,800.00	30,946.81	59.7%
Group Health Insurance	5,189.90	25,630.85	70,400.00	44,769.15	63.6%
Retirement	6,470.00	27,430.00	69,500.00	43,070.00	60.5%
Workmans & Unemployment Compensation	95.00	475.00	3,400.00	2,925.00	86.0%
Life Insurance	338.35	1,691.75	4,150.00	2,458.25	59.2%
Long Term Disability Insurance	288.43	1,445.92	4,100.00	2,654.08	64.7%
Total Benefit Costs	15,899.54	77,526.71	203,350.00	125,823.29	61.9%
<u>Administrative Costs</u>					
Commissioners Per Diem	950.00	5,450.00	17,450.00	12,000.00	68.8%
Rents:					
Office Rent	15,691.23	79,228.15	191,880.00	112,651.85	58.7%
Parking	14,989.23	74,946.15	179,980.00	105,033.85	58.4%
	702.00	4,282.00	11,900.00	7,618.00	64.0%
Insurance:					
Public Official Bonds	500.00	1,075.00	4,100.00	3,025.00	73.8%
Liability and Property	500.00	500.00	2,200.00	1,700.00	77.3%
		575.00	1,900.00	1,325.00	69.7%
Travel:					
Conference Registration	151.94	809.12	7,800.00	6,990.88	89.6%
Conference Travel					0.0%
Local Meetings & Related Expenses	91.54	182.64	2,500.00	2,317.36	92.7%
Training & Professional Development	60.40	626.48	5,000.00	4,373.52	87.5%
			300.00	300.00	100.0%
Communication:					
Postage	1,023.92	3,146.80	10,350.00	7,203.20	69.6%
Telephone - LD	599.56	810.84	4,000.00	3,189.16	79.7%
Telephone - Local	93.67	607.70	1,300.00	692.30	53.3%
	330.69	1,728.26	5,050.00	3,321.74	65.8%
Publications & Supplies					
Office Supplies	891.69	5,362.99	13,600.00	8,237.01	60.6%
Duplication	184.67	588.74	3,500.00	2,911.26	83.2%
Public Information	707.02	4,774.25	9,600.00	4,825.75	50.3%
			500.00	500.00	100.0%

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
G&A BUDGET VARIANCE REPORT
November 2009

	Current Month	Year To Date	Annual Budget	Balance Available	Balance %
<i>Operations:</i>					
Furniture and Equipment	79.95	1,965.27	8,000.00	6,192.23	77.4%
Repairs and Maintenance	-	157.50	1,000.00	-	0.0%
Computers	79.95	1,807.77	7,000.00	5,192.23	100.0%
					74.2%
<i>Other General and Administrative</i>					
Subscriptions	269.85	2,392.95	5,250.00	857.05	16.3%
Memberships	72.43	967.15	1,300.00	332.85	0.0%
Fees and Miscellaneous	197.42	1,425.80	950.00	(475.80)	25.6%
Advertising (Personnel/Procurement)	-	-	1,000.00	1,000.00	-50.1%
Total Administrative Costs	19,538.58	99,430.28	258,430.00	157,157.22	100.0%
					60.8%
<i>Contracting Services</i>					
Auditing	-	7,500.00	25,600.00	18,100.00	70.7%
Consultants - Technical	-	-	-	-	0.0%
Legal	-	-	-	-	0.0%
Total Contract Services	-	7,500.00	25,600.00	18,100.00	70.7%
Total Gross G&A Expenses	\$ 95,721.36	\$ 502,303.70	\$ 1,221,880.00	\$ 717,733.80	58.7%

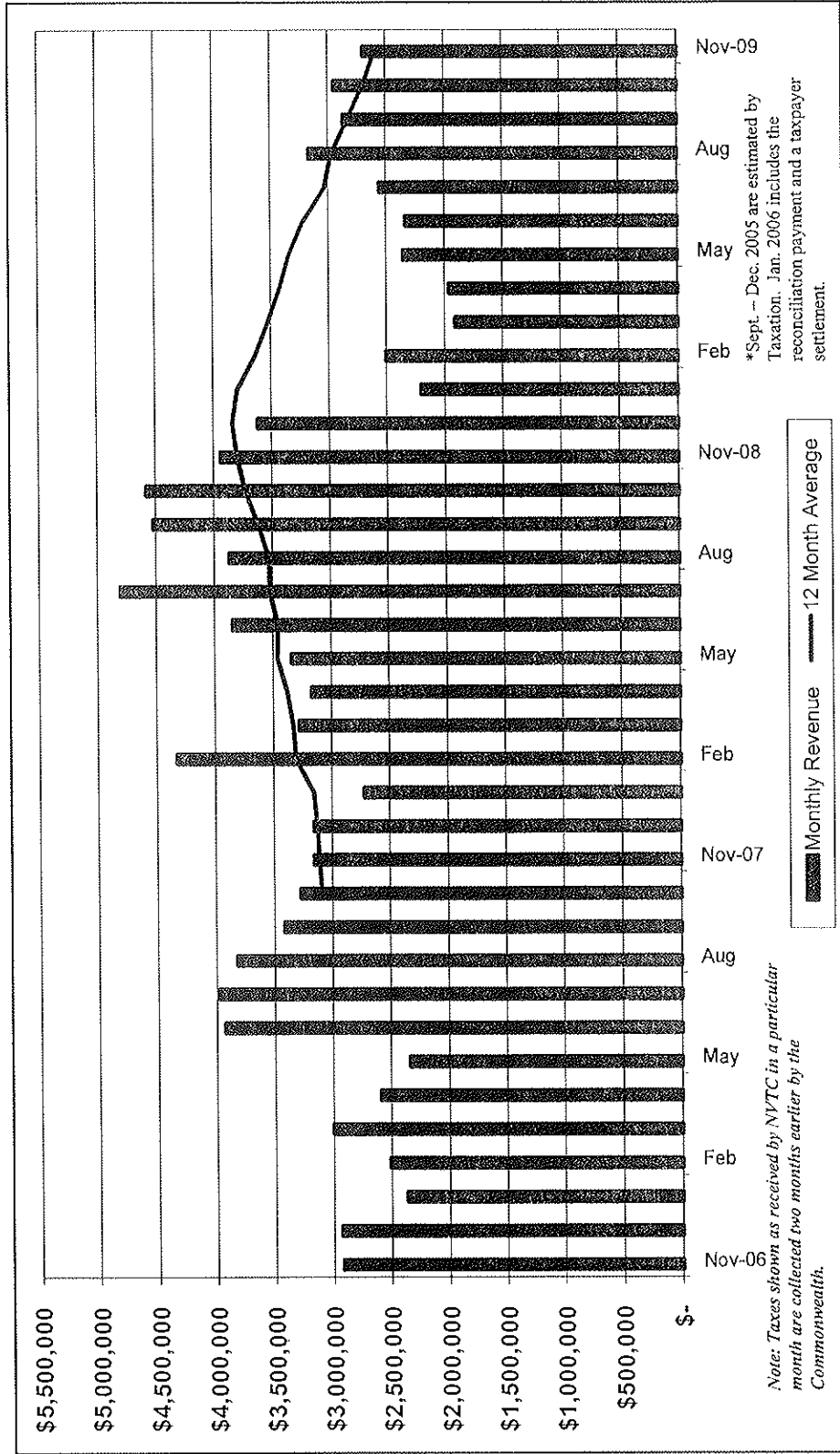
NVTC
 RECEIPTS and DISBURSEMENTS
 November, 2009

Date	Payer/ Payee	Purpose	Wachovia (Checking)	Wachovia (Savings)	G&A / Project	VA LGIP Trusts
RECEIPTS						
4	VDOT	Metro capital improvement bond proceeds			\$	5,000,000.00
5	DRPT	Capital grant receipts				8,753,257.00
17	DRPT	FTM/Admin grant receipt		6,307.14		4,481,287.00
17	VRE	Staff support		0.44		
17	Staff	Expense reimbursement				
18	Dept. of Taxation	Motor Vehicle Fuels Sales tax receipt		11.84	4,874.25	2,693,294.98
24	Loudoun County	G&A contribution			149.86	37,218.13
30	Banks	Interest earnings		6,319.42	5,024.11	20,965,057.11
DISBURSEMENTS						
1-30	Various	G&A expenses	(156,803.04)			
10	Stantec	Consulting NTD project	(25,656.44)			(4,874.25)
24	Loudoun County	Other operating				
24	Redmond Group	E Schedule project	(1,092.75)			
30	Wachovia	Bank charges	(24.81)	(12.00)		
			(183,577.04)	(12.00)	-	(4,874.25)
TRANSFERS						
13	Transfer	From LGIP to LGIP (NTD project)			25,656.44	(25,656.44)
24	Transfer	From LGIP to checking	150,000.00		(150,000.00)	
24	Transfer	From LGIP to LGIP (E schedule project)	150,000.00		13,763.70	(13,763.70)
					(110,579.86)	(39,420.14)
			\$ (33,577.04)	\$ 6,307.42	\$ (105,555.75)	\$ 20,920,762.72
		NET INCREASE (DECREASE) FOR MONTH				

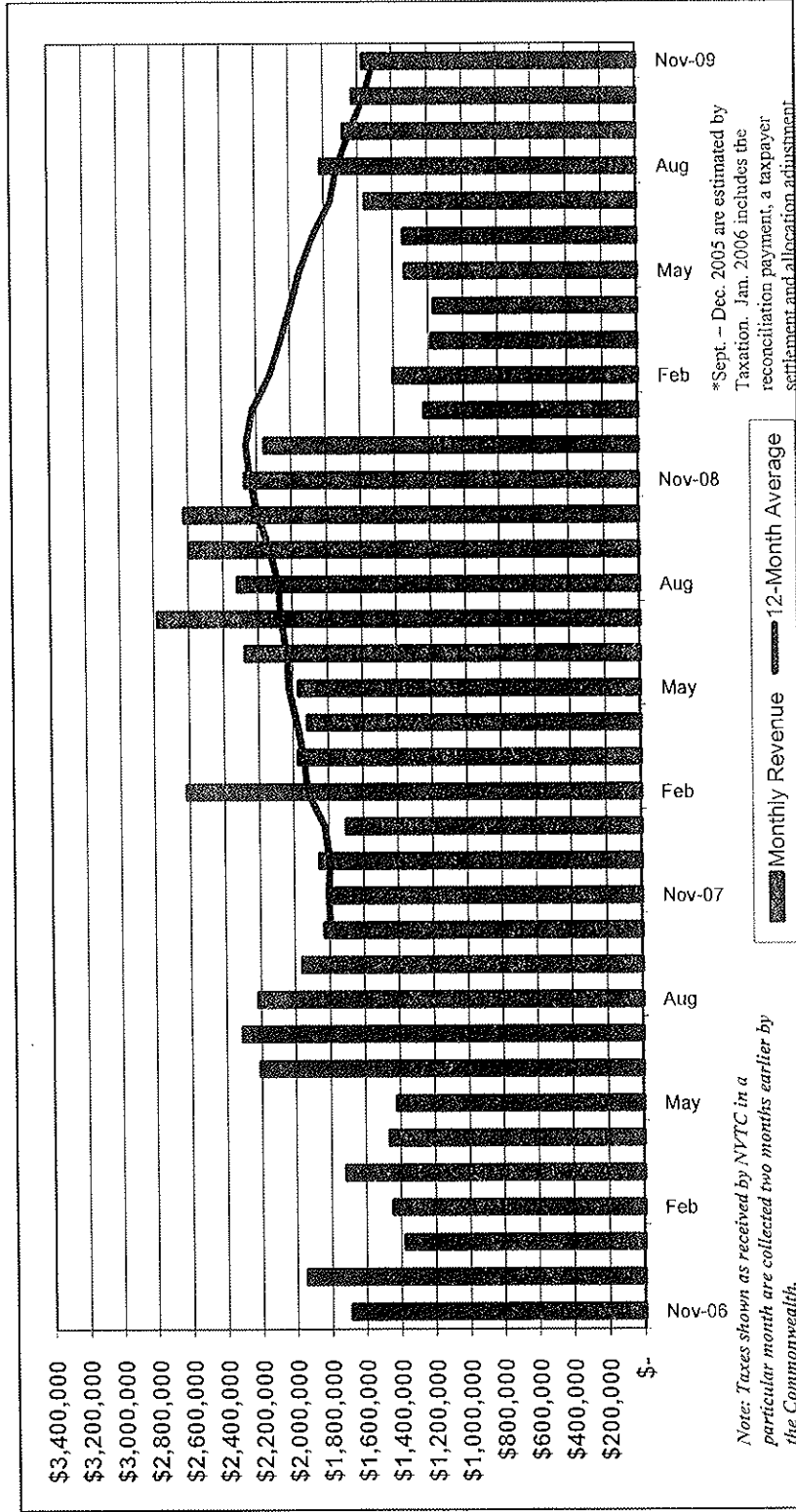
NVTC
INVESTMENT REPORT
November, 2009

Type	Rate	Balance 10/31/2009	Increase (Decrease)	Balance 11/30/2009	NVTC G&A/Project	Jurisdictions Trust Fund	Loudoun Trust Fund
<u>Cash Deposits</u>							
Wachovia: NVTC Checking	N/A	\$ 166,327.50	\$ (33,577.04)	\$ 132,750.46	\$ 132,750.46	\$ -	\$ -
Wachovia: NVTC Savings	0.100%	136,817.19	6,307.42	143,124.61	143,124.61	-	-
<u>Investments - State Pool</u>							
Nations Bank - LGIP	0.326%	125,259,594.60	20,815,206.97	146,074,801.57	464,954.09	122,738,602.57	22,871,244.91
		<u>\$ 125,562,739.29</u>	<u>\$ 20,682,381.60</u>	<u>\$ 146,350,676.64</u>	<u>\$ 740,829.16</u>	<u>\$ 122,738,602.57</u>	<u>\$ 22,871,244.91</u>

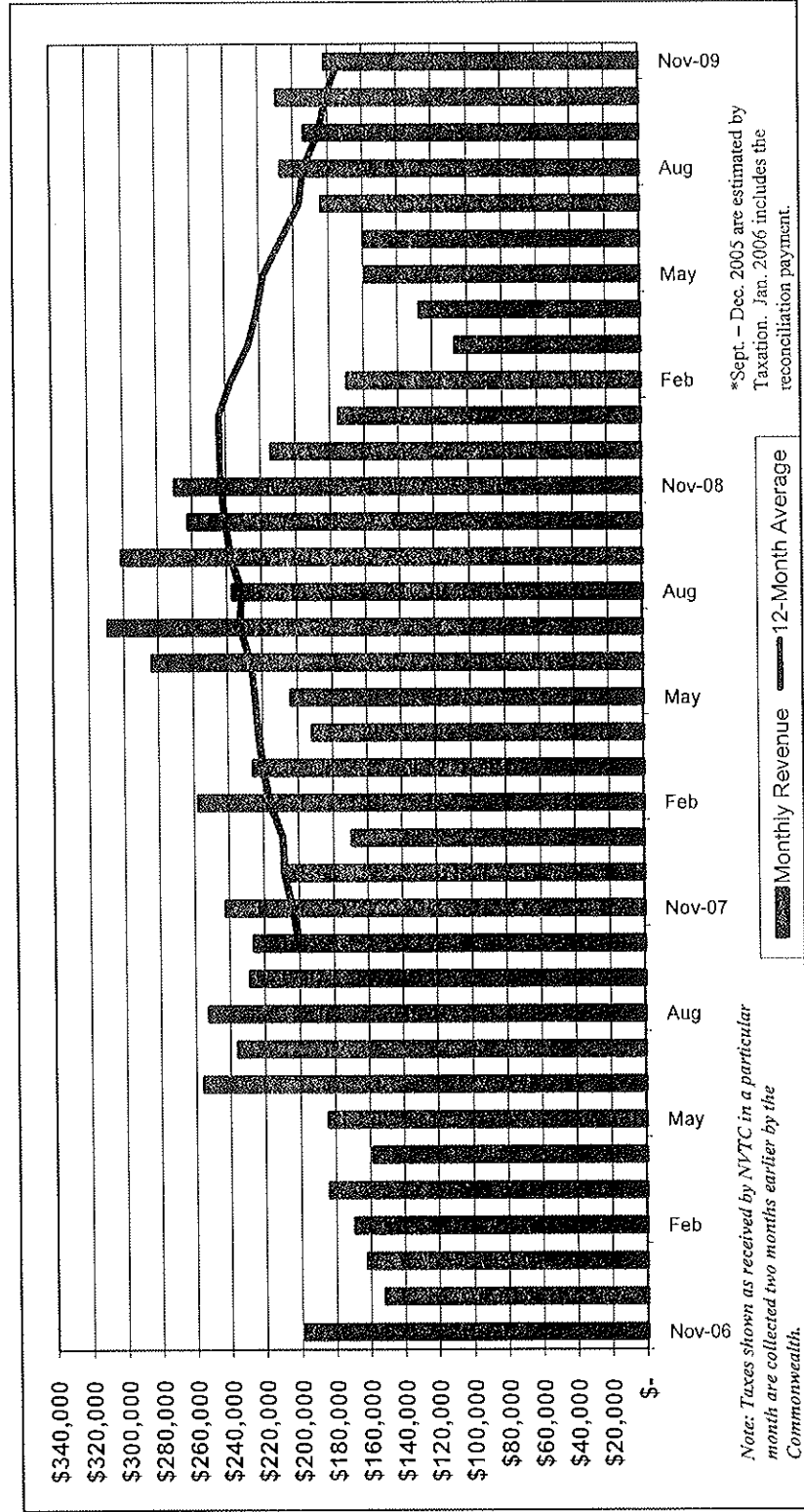
NUTC MONTHLY GAS TAX REVENUE ALL JURISDICTIONS FISCAL YEARS 2007-2010



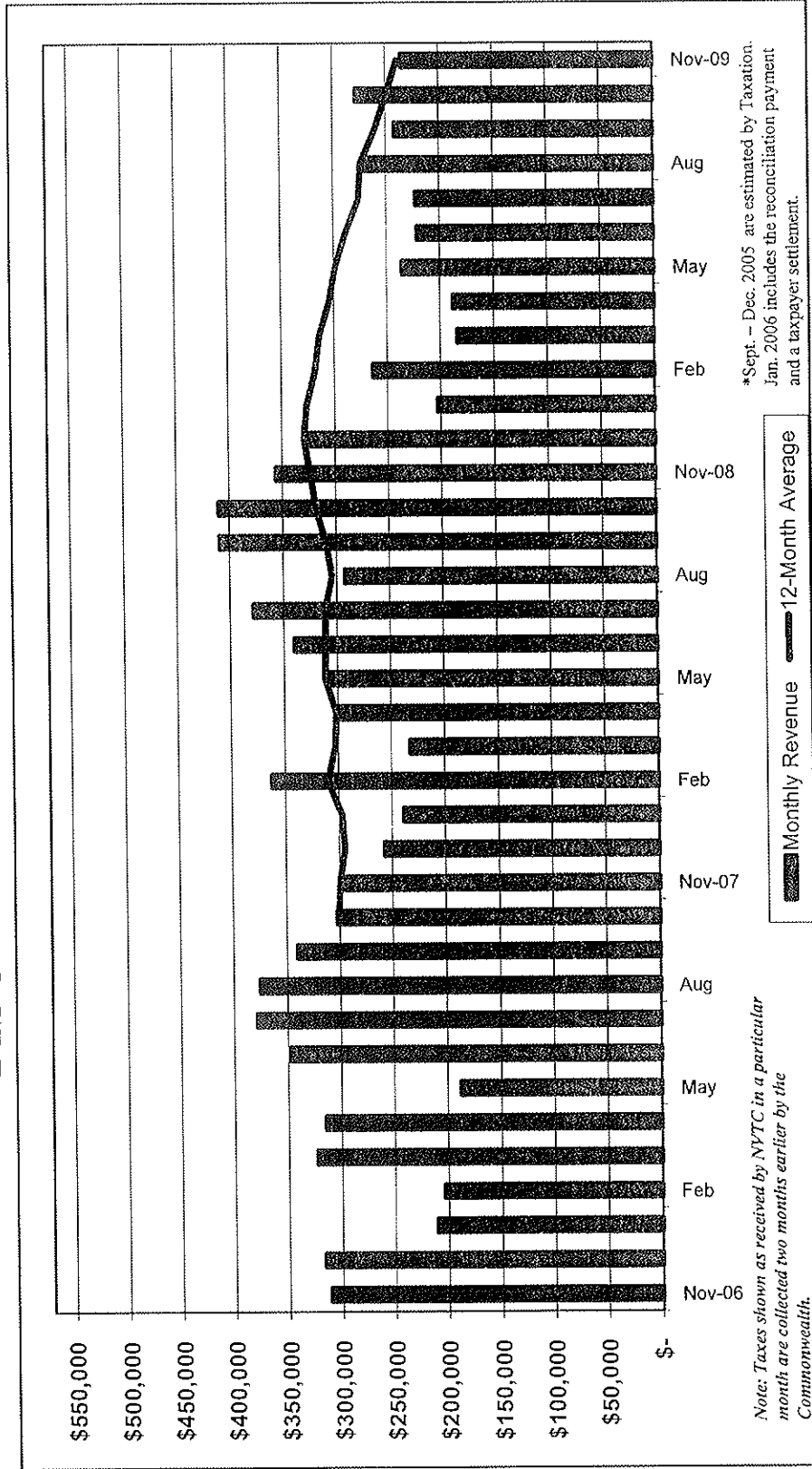
NVTc MONTHLY GAS TAX REVENUE FAIRFAX COUNTY FISCAL YEARS 2007-2010



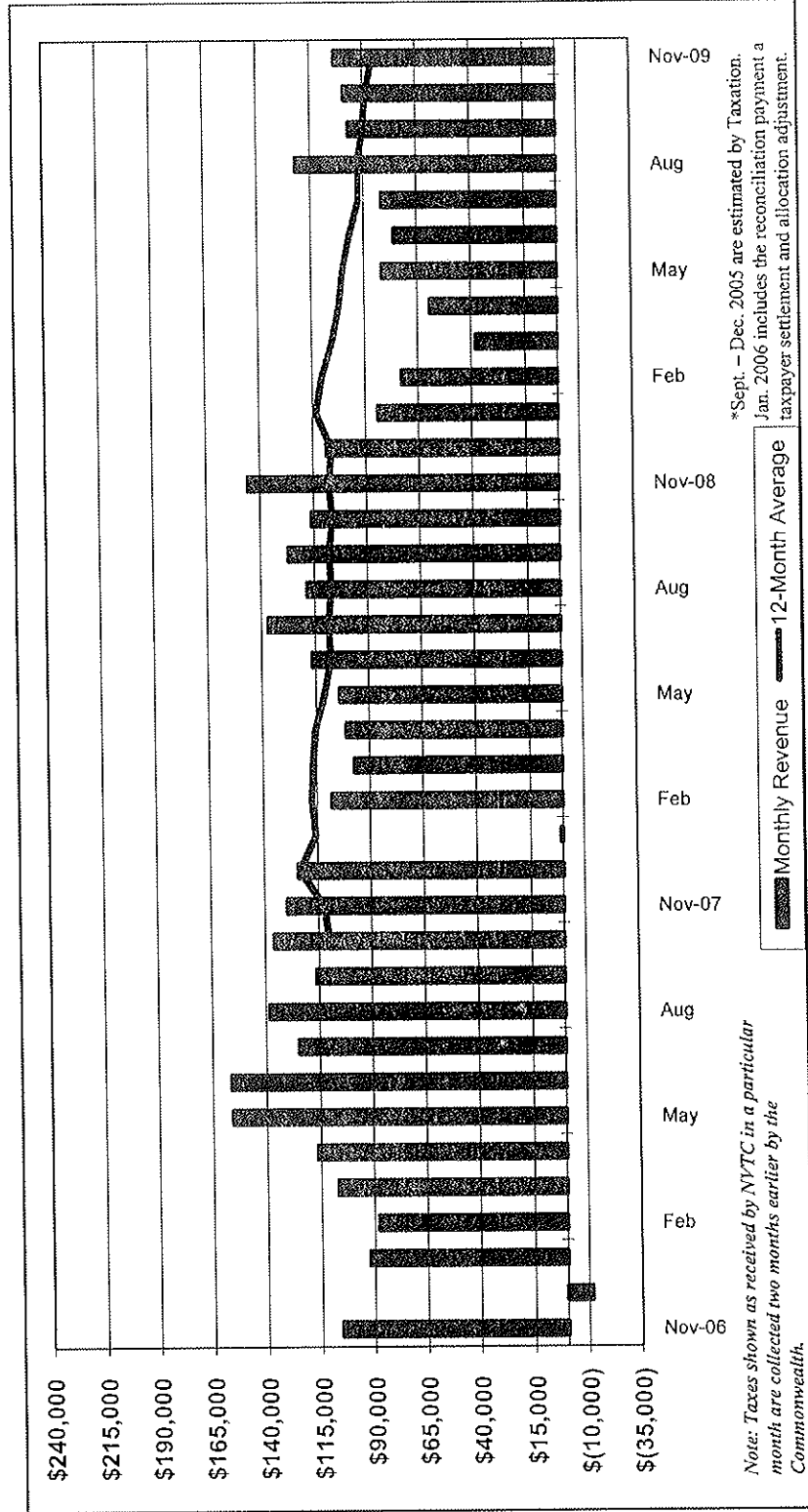
NVTc MONTHLY GAS TAX REVENUE CITY OF ALEXANDRIA FISCAL YEARS 2007-2010



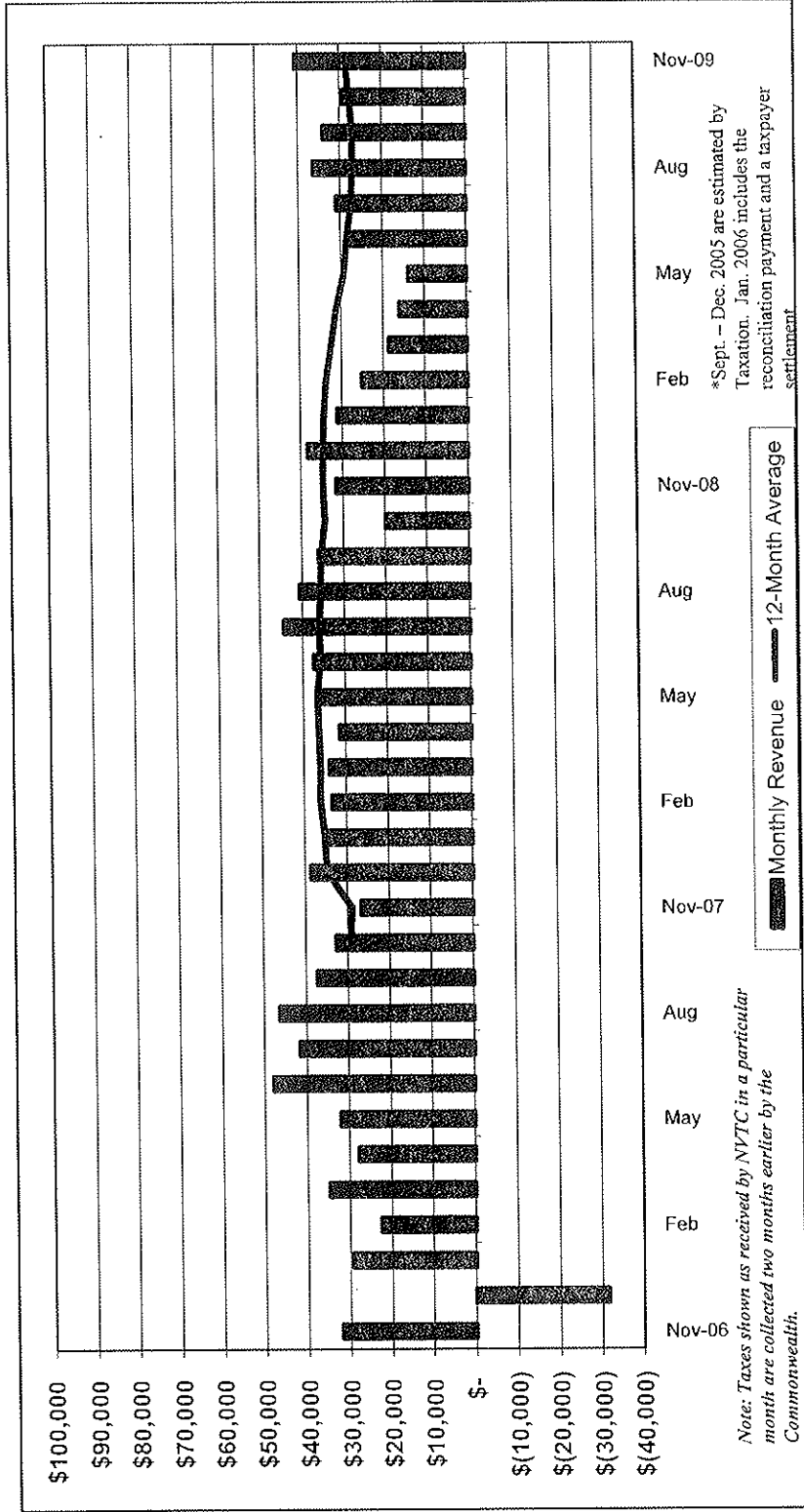
NVTc MONTHLY GAS TAX REVENUE ARLINGTON COUNTY FISCAL YEARS 2007-2010



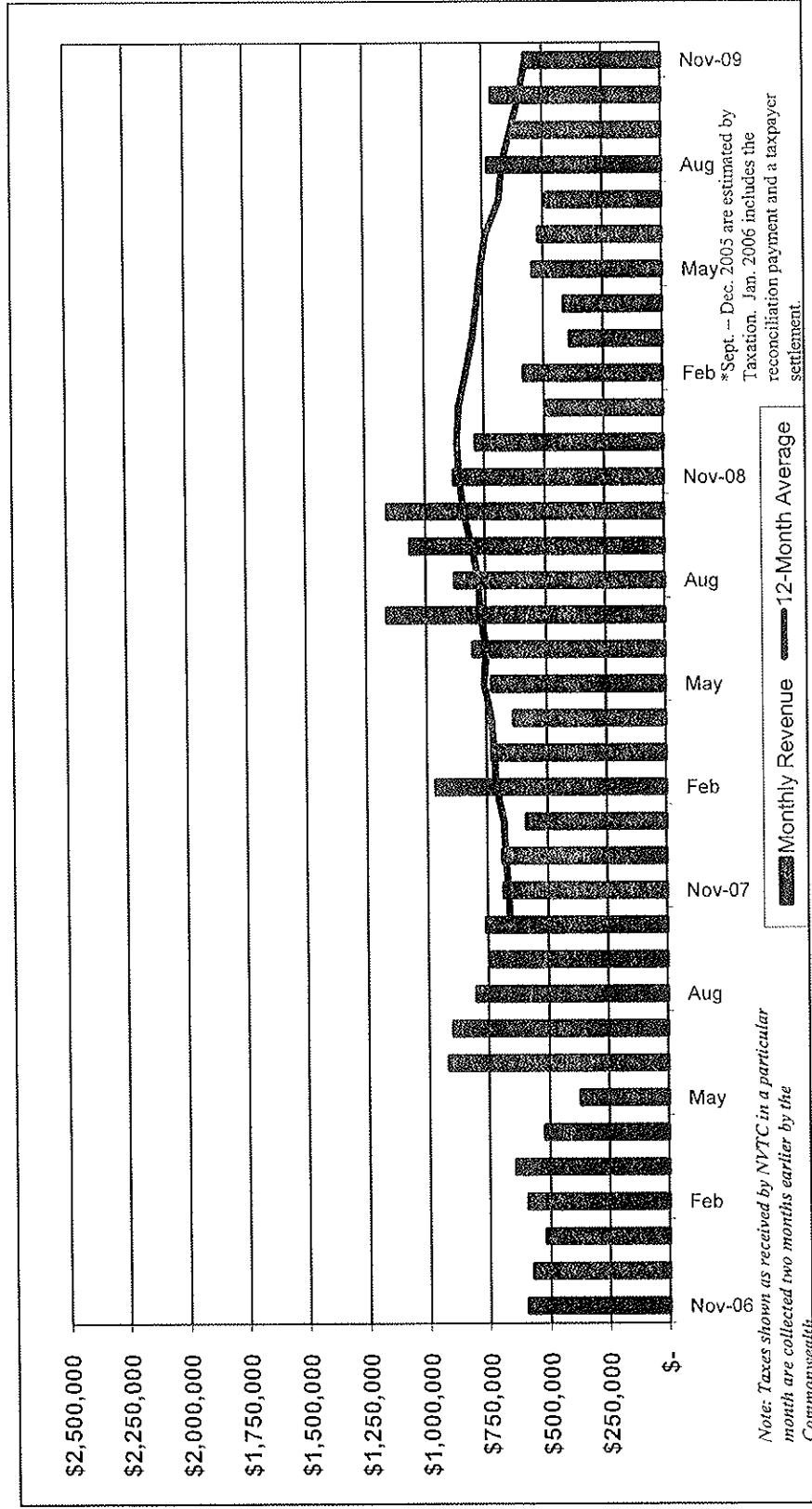
NVTC MONTHLY GAS TAX REVENUE CITY OF FAIRFAX FISCAL YEARS 2007-2010



NVTc MONTHLY GAS TAX REVENUE CITY OF FALLS CHURCH FISCAL YEARS 2007-2010



NVTc MONTHLY GAS TAX REVENUE LOUDOUN COUNTY FISCAL YEARS 2007-2010





**VIRGINIA RAILWAY
EXPRESS**

BOARD MEMBERS

CHRIS ZIMMERMAN
CHAIRMAN

PAUL MILDE
VICE-CHAIRMAN

WALLY COVINGTON
TREASURER

SHARON BULOVA
SECRETARY

MAUREEN CADDIGAN
PATRICK HERRITY
JOHN JENKINS
MATTHEW KELLY
SUHAS NADDONI
KEVIN PAGE
GEORGE SCHWARTZ
PAUL SMEDBERG
JONATHAN WAY

ALTERNATES

MARC AVENI
CHARLES BADGER
HARRY CRISP
MARK DUDENHEFER
BRAD ELLIS
JAY FISETTE
FRANK JONES
MICHAEL MAY
JEFF McKAY
MARTIN NOHE
JOHN STIRRUP

DALE ZEHNER
CHIEF EXECUTIVE
OFFICER

1500 King Street, Suite 202
Alexandria, VA 22314-2730

MINUTES

**VRE OPERATIONS BOARD MEETING
PRTC HEADQUARTERS – PRINCE WILLIAM COUNTY, VIRGINIA
DECEMBER 18, 2009**

MEMBERS PRESENT	JURISDICTION
Sharon Bulova (NVTC)	Fairfax County
Maureen Caddigan (PRTC)	Prince William County
Wally Covington (PRTC)*	Prince William County
Patrick Herrity (NVTC)	Fairfax County
John D. Jenkins (PRTC)*	Prince William County
Matthew Kelly (PRTC)	City of Fredericksburg
Paul Milde (PRTC)	Stafford County
Kevin Page	DRPT
George H. Schwartz (PRTC)	Stafford County
Paul Smedberg (NVTC)	City of Alexandria
Jonathan Way (PRTC)	City of Manassas
Christopher Zimmerman (NVTC)	Arlington County

MEMBERS ABSENT	JURISDICTION
Suhas Naddoni (PRTC)	City of Manassas Park

ALTERNATES ABSENT	JURISDICTION
Marc Aveni (PRTC)	City of Manassas
Charles Badger	DRPT
Brad Ellis	City of Fredericksburg
Harry Crisp (PRTC)	Stafford County
Mark Dudenhefer (PRTC)	Stafford County
Jay Fisetta (NVTC)	Arlington County
Frank C. Jones (PRTC)	City of Manassas Park
Michael C. May (PRTC)	Prince William County
Jeff McKay (NVTC)	Fairfax County
Martin E. Nohe (PRTC)	Prince William County
John Stirrup (PRTC)	Prince William County

STAFF AND GENERAL PUBLIC	
Donna Boxer – VRE	Steve MacIsaac – VRE counsel
Teresa Connaughton – citizen	Greg McFarland – NVTC staff
John Duque – VRE	Jennifer Mouchantaf – VRE
Jeremy Flores – VRE	Peyton Onks – Sup. Herrity's Office
Anna Gotthardt – VRE	Dick Peacock – citizen
Kelly Hannon – Free Lance-Star	Mark Roeber – VRE
Al Harf – PRTC staff	Michael Schaller – citizen
Herbert Harris – BLET	Brett Shorter – VRE
Ann King – VRE	Gary Skinner – Spotsylvania County
Mike Lake -- Fairfax DOT	Dale Zehner – VRE
Bob Leibbrandt – Prince William County	

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

Chairman Zimmerman called the meeting to order at 9:34 A.M. Following the Pledge of Allegiance, roll call was taken.

Approval of the Agenda – 3

Mr. Kelly moved, with a second by Ms. Caddigan, to approve the agenda. The vote in favor was cast by Board Members Bulova, Herrity, Kelly, Milde, Page, Schwartz, Way and Zimmerman.

Minutes of the November 20, 2009, VRE Operations Board Meeting – 4

Mr. Kelly moved, with a second by Ms. Bulova, to approve the minutes. The vote in favor was cast by Board Members Bulova, Caddigan, Herrity, Kelly, Milde, Page, Schwartz, Smedberg, Way and Zimmerman. Board Members Caddigan and Smedberg abstained since they were not present at that meeting.

Chairman's Comments – 5

Chairman Zimmerman reported that the Nominating Committee has recommended the following slate of officers for 2010:

Paul Milde, Chairman
Sharon Bulova, Vice Chairman
Wally Covington, Secretary
Paul Smedberg, Treasurer

Chairman Zimmerman moved the slate of officers. There were no further nominations from the floor. The Board then unanimously voted in favor of the nominations. The vote in favor was cast by Board Members Bulova, Caddigan, Herrity, Kelly, Milde, Page, Schwartz, Smedberg, Way and Zimmerman.

Chairman Zimmerman explained that the new officers will be sworn in at the beginning of the January meeting. Chairman Zimmerman also welcomed Gary Skinner from Spotsylvania County. The county will officially join VRE in February 2010.

[Board Members Covington and Jenkins arrived at 9:36 A.M. and 9:40 A.M., respectively.]

Chairman Zimmerman then presented his reflections on the past year as the VRE Operations Board Chairman:

"It has been a great privilege serving as Chairman of this Board for 2009, one I had not expected. While VRE is important for part of our workforce, Arlington of course does not have VRE riders among its residents. An Arlington official does not have the obvious connection to this service as, say, a member from Stafford.

As it happens, I have an affinity for VRE that goes back to my time as a young legislative aide when the effort to get commuter rail service started was underway, and running into a string of obstacles. One of the first bills I worked on was legislation that my member sponsored to deal with the insurance problem the nascent service faced (this was during the municipal insurance crisis in the 80s). It was still several years before VRE could launch. When it finally did I was glad, but of course I didn't have occasion to ride it, and wouldn't have expected to someday be involved in its governance.

As it turns out, this was quite a year to get to be the VRE Board Chair, as 2009 proved to be a year full of milestones and high-water marks. Virginia Railway Express reached new record levels in both ridership and performance. Average daily ridership reached its highest level yet, topping 16,000 per day for FY 2009, and up 2.1% for the first five months of this fiscal year, with some of our highest individual days ever. At the same time VRE achieved its highest marks ever for on-time performance, at 90% system-wide.

No doubt one reason for both of these accomplishments is that the state of our equipment is better than ever. We now have 61 new Gallery railcars in service, with the last 10 due to arrive in January. Of course, we've ordered 15 new Tier II locomotives; the first is scheduled for delivery in July, with the balance arriving starting in November of next year.

On the facilities side we've also seen real progress. The Crossroads maintenance facility and the L'Enfant storage track are completed; the Broad Run maintenance facility will be done early in the new year. We have an operational two-way radio system that can now communicate with all VRE trains. The Burke Centre canopy and platform extension is due to be completed this month, while the second platform at Woodbridge will be finished in January.

These are just the latest in what has been a fairly steady program to build the infrastructure of this system over a number of years. The clearest indication of the success of that program was the ability this year to competitively bid the service contract for the first time – and to actually draw real competition for our business. This was the largest, most complex RFP yet attempted by VRE, and represents a major milepost in its history. While there is a lot of critical work to be done in 2010 to ensure a successful transition, I know we all feel good about how this has been handled thus far, and are excited about the improvement we anticipate for the service that will be provided as Keolis takes over at mid-year.

It is worth reflecting on the significance of this step. Two decades ago Northern Virginia did not have commuter rail service. Starting from

scratch is no small task. As some in this room know better than I, this railway has suffered its growing pains, struggled through a long adolescence. The ultimate conclusion of this effort next year will demonstrate that VRE is finally emerging as a fully mature transportation agency.

2009 was an historic year in another way as well, with the conclusion at long-last of the agreement that will bring Spotsylvania into the VRE family this coming February. After 17 years of efforts by so many people, our colleagues and staff present and former, this is very satisfying, and a further indication of institutional progress. I applaud all of you who have devoted so much time to this, among them our incoming Chairman.

This service is now a vital component of mobility in Northern Virginia. Given the chance, VRE can do so much for this region. And the region desperately needs it to do more. Reflecting on that, I feel both trepidation and excitement.

I am wary that, notwithstanding our recent record of success, the impact of the deep global recession has the potential to undo the gains that have been made in public transportation in this country, and we are not immune. At the same time, there is real reason to hope that some of the barriers that have impeded our progress in the past may be lifted. We may even be on the threshold of a new national commitment to rail service under the leadership of the new Administration in Washington. In that regard, I'm pleased that VRE helped to facilitate the launch of Amtrak Virginia this year.

So I end the year feeling pretty good about where we've gotten to, and hopeful for our future. I've learned a lot. I've had the chance to ride both lines from end to end, met more of the people who provide the service day-to-day, and gained a greater appreciation for all that they do and what it means to our customers. All of which will make me a better Board Member.

For all the support I've received I want to thank Dale and all the staff; Mr. MacIsaac; and all of my colleagues on this Board. It is an honor to serve with you, and I thank you for giving me the opportunity I've enjoyed this year. Thank you."

Chief Executive Officer's Report – 6

Mr. Zehner reported that VRE ridership for December has seen the three highest individual ridership days with over 18,000 passenger trips. The highest date was December 15th with 18,161 passenger trips. On-time performance continues to consistently hit above the 90 percent mark. To date for December, on-time performance systemwide is at 92 percent (Fredericksburg Line at 90 percent and the

Manassas Line at 94 percent). Mr. Zehner also stated that he recently met with railroad executives and they are supportive of watching on-time closely.

Mr. Zehner announced that VRE's Santa Trains ran on December 15th and 3,700 toys and \$9,000 in donations were collected for the Toys for Tots program. This was one of VRE's best years ever and it surpassed last year's collection by 500 toys.

Mr. Zehner also reported that VRE received a letter from Senator Colgan regarding the Broad Run Station parking situation. VRE staff is working with Prince William County to find some kind of short term solution. The County has dedicated over \$2 million in CMAQ funding for environmental and preliminary engineering for a long-term solution of adding a parking deck. VRE has looked at some short-term solutions, such as leasing parking space from a nearby church. The Manassas Assembly of God Church is willing to work with VRE, but it would probably cost over \$100,000 to lease parking at the church and another \$200,000-\$300,000 to provide shuttle bus service between the church and station. On top of these costs, there are still traffic issues. Prince William County is looking at the possibility of paving the shoulder on the access road to help with the parking situation. Mr. Zehner stated that there are not many options or money to solve this short-term problem.

VRE Riders' and Public Comment – 7

Dick Peacock mentioned that the Amtrak Virginia train service to Lynchburg is doing extremely well. He expressed his hope that the train schedule can be moved up to an earlier morning time to encourage more riders. He also expressed concern about the parking situation at Broad Run. He stated that one way to help resolve this problem is to invest in a large sign at the station encouraging riders to carpool.

Teresa Connaughton, a resident of Prince William County, thanked the Board for considering a compromise on the youth fare program. Ms. Caddigan stated that she was not present at the last meeting when this was discussed, but she was able to comment via e-mail to VRE staff that she supports keeping the youth fare discount.

Authorization to Extend the Amended Operating/Access Agreement with CSXT – 8A

Mr. Zehner stated that the Operations Board is being asked to recommend that the Commissions authorize him to execute an extension of the existing Amended Operating/Access Agreement with CSXT to July 31, 2010. Resolution #8A-12-2009 would accomplish this.

Mr. Zehner explained that a further extension is being requested at this time to provide sufficient time to complete negotiation of a new agreement. Although all other issues have been resolved, CSXT continues to insist on including a higher level of liability and terrorism coverage in the new agreement. Although commuter rail liability was capped at the state level, the legislation does not provide protection from gross negligence claims or claims of third parties, i.e. non-passengers. Therefore, CSXT and Norfolk

Southern continue to press for higher liability coverage. Currently, VRE has \$250 million in coverage. An extension of the current agreement is needed while this issue is resolved.

Ms. Bulova moved, with a second by Mr. Smedberg, to approve Resolution #8A-12-2009. The vote in favor was cast by Board Members Bulova, Caddigan, Covington, Herrity, Jenkins, Kelly, Milde, Page, Schwartz, Smedberg, Way and Zimmerman.

Authorization to Extend the Amended Operating/Access Agreement with Norfolk Southern – 8B

Mr. Zehner stated that the Operations Board is being asked to recommend that the Commissions authorize him to execute an extension of the existing Amended Operating/Access Agreement with Norfolk Southern to July 31, 2010. Resolution #8B-12-2009 would accomplish this. The same issue of insurance liability coverage still needs to be negotiated.

Mr. Covington moved, with a second by Ms. Bulova, to approve the resolution. The vote in favor was cast by Board Members Bulova, Caddigan, Covington, Herrity, Jenkins, Kelly, Milde, Page, Schwartz, Smedberg, Way and Zimmerman.

Authorization to Amend VRE Tariff to Modify the Youth Fare Policy – 8C

Mr. Zehner stated that the VRE Operations Board is being asked to authorize him to amend the VRE tariff to reflect changes to the youth fare policy to allow for an increase in the age of children riding free with a fare paying adult from 6 to age 10 and to decrease the age limit for those youths receiving the youth fare discount from age 21 to age 18. Resolution #8C-12-2009 would accomplish this.

Mr. Zehner stated that at the last meeting VRE staff recommended the elimination of the 50 percent youth fare discount. After public comment and discussion, the Operations Board deferred action and requested staff to return with a revised proposal, keeping in mind the concerns and also taking into consideration the budget constraints for FY 2011. Several alternatives were subsequently considered and discussed with the citizens who spoke at the Operations Board meeting in November. VRE staff is now recommending that effective February 15, 2010 the youth fare mirror the procedures of the other discounted passes. Under this process, youths requesting a reduced fare would first need to apply for a VRE reduced fare ID card. The youth would then need to be present when tickets are purchased at one of the five vendors currently selling discounted tickets. In addition to preserving the discount for the majority of the youths, issuance of a reduced fare ID will provide VRE with a better idea as to how many youths are purchasing discounted tickets.

Mr. Zehner stated that staff estimates that the recommended amendment will result in an increase in annual fare revenue of approximately \$20,000. VRE staff will report back to the Board within the next six months on how it is going.

Chairman Zimmerman stated that it is a good thing to encourage youths to ride transit, because studies have shown that they will be more likely to ride transit when they are adults.

Ms. Caddigan moved, with a second by Mr. Kelly, to approve Resolution #8C-12-2009. The vote in favor was cast by Board Members Bulova, Caddigan, Covington, Herrity, Jenkins, Kelly, Milde, Page, Schwartz, Smedberg, Way and Zimmerman.

Authorization to Indemnify Keolis Rail Services America During the Mobilization Period
- 8D

Mr. Zehner stated that Resolution #8D-12-2009 would authorize the VRE CEO to include a provision for full indemnification in the contract with Keolis Rail Services America for operations and maintenance services. The indemnification would be for liability claims during the mobilizations period from December 2009 to June 30, 2010.

Mr. Zehner explained that during the mobilization period, Keolis personnel will not be operating trains. However, it is expected that some number of new hires will need to be qualified on VRE trains during the spring. As such, railroad liability insurance is required during the mobilization period. However, VRE staff believes that the risk of loss is minimal compared to the cost of procuring separate coverage for this time period. Under the contract, all railroad liability premium costs are passed through to VRE. The estimated cost of independent coverage for Keolis during the mobilization period is \$350,000. Alternatively, VRE can add Keolis as an additional insured to VRE's current Insurance Plan at no additional cost. Based on the limited risk and short period of time, VRE staff recommends this approach to providing coverage to Keolis during the mobilization period.

Mr. Milde moved, with a second by Ms. Bulova, to approve Resolution #8D-12-2009.

Ms. Bulova asked for Mr. Maclsaac's legal opinion concerning this issue. Mr. Maclsaac stated that the chance of Keolis being responsible for an incident during the mobilization period is very remote. Given the cost, it seems unnecessary to spend \$350,000.

Mr. Way observed that VRE has a \$2 million deductible risk associated with its insurance policy. Mr. Zehner stated that there would be no additional cost to include Keolis under VRE's policy. It would be understood that there would be very little use of the trains by Keolis in qualifying the crews and no passengers would be on the trains. Therefore, staff weighed the \$350,000 cost versus the \$2 million deductible risk. Also, if the perceived risk changes, VRE can get insurance at that time. He stated that Keolis is still required to provide \$5 million of railroad liability insurance as of July 1, 2010, when they assume the operation and maintenance of VRE's commuter rail service.

Mr. Herrity asked how this became VRE's insurance problem during mobilization since Keolis will need to provide \$5 million of insurance during operations. Mr. Zehner explained that the RFP required \$5 million upon contract execution but it now seems

burdensome. Mr. Herrity stated that VRE needs to weigh \$350,000 versus a risk of \$2 million deductible.

Chairman Zimmerman clarified that this is not an action about buying insurance but indemnifying Keolis and releasing them from the requirement of getting the insurance during mobilization, otherwise VRE would have to pay that amount. If it looks like there will be a problem or if VRE's exposure gets higher, VRE can look into purchasing insurance.

The Board then voted on the motion and it passed. The vote in favor was cast by Board Members Bulova, Caddigan, Covington, Herrity, Jenkins, Kelly, Milde, Page, Schwartz, Smedberg, Way and Zimmerman.

Referral of the Revised FY 2010 and Recommended FY 2011 VRE Operating and Capital Budget Options to the Commissions and Localities – 8E

Mr. Zehner stated that Resolution #8E-12-2009 would adopt the revised FY 2010 VRE Operations and Capital Budget and the recommended FY 2011 VRE Operating and Capital Budget and refer them to the Commissions for their consideration and subsequent referral to the jurisdictions for their formal review and adoption.

The proposed budgets were presented at the August VRE Operations Board meeting and discussed numerous times with the CAO Task Force which met on December 11th to present their final recommendations and discuss VRE responses to those recommendations.

Mr. Zehner reviewed the major assumptions in the FY 2011 budget, which include the reduction of the jurisdictional subsidy to \$16.4 million, a decrease of \$306,659 compared to the FY 2010 level; projection of an average daily ridership of 16,200 passengers, which is a four percent increase; continuation of a 30-train operation, with the conversion of Train #312 to revenue service; projection of fare revenue of \$28.1 million with no fare increase; change in the mid-day storage configuration in Washington, D.C.; restoration of the Insurance Trust Fund by July 2011; and the estimation of fuel at \$2.70/gallon or \$4.5 million.

Mr. Zehner stated that ridership from Fredericksburg, Stafford and Spotsylvania is down 207 riders based on comparisons between the 2008 and 2009 ridership surveys. It seems VRE is losing ridership on the Fredericksburg Line among the long-haul commuters. It does not seem to be a parking issue. It is important to stop this trend. Staff recommends a service change to Train #312, which is currently a non-revenue, turn-back train. It is recommended that this train be put into revenue service and run as an express train leaving at 5:00 A.M. with stops at Fredericksburg, Leeland and Brooke and then expressing to Alexandria, whereupon the train would make all stops from that point north. This would not change the current schedule. It is expected to be an attractive train for those long-haul commuters since it will reduce the total trip time by approximately 20 minutes. It should increase ridership from the southern stations, but

also help the later trains with standee issues for Prince William County and Fairfax County riders.

Mr. Zehner then reviewed the recommended storage changes, which includes storing two trains at the L'Enfant storage track which will provide two emergency evacuation trains and additional mid-day storage in Ivy City; and the storage of nine additional coaches in Ivy City. Mr. Zehner also reviewed the history of the decreasing values of state operating funds, which are expected to be approximately \$7.8 million for FY 2011. Staff projects that it will be lower at approximately \$7.7 million. The original adopted budget for FY 2010 was \$9.1 million in state operating funds, but was reduced to \$8.2 million in November 2009. This puts pressure on the subsidy. There is also a high volatility associated with state capital funding.

Mr. Zehner stated that the new Keolis contract has a savings of approximately \$735,000 compared to the prior Amtrak contract. Staff projected it would save VRE \$1 million and Mr. Zehner reviewed some of the changes resulting in the adjusted costs, including a layover facility, vehicle leasing and maintenance.

Mr. Zehner reported that VRE's working capital is at a historic low. GFOA recommends having an unrestricted fund balance of two months of operating funds. Mr. Zehner explained that staff reviewed three compatible rail agencies and how much unrestricted funds and capital funds they have on reserve. Tri-Rail (Florida) has six months operating reserve, plus a separate capital reserve; Caltrans (San Francisco) has a 10 percent operating reserve with a seven percent capital reserve; and Trinity (Texas) has a two month operating reserve with a separate capital reserve for future projects. Staff is recommending that VRE have at least a one and a half months operating reserve (\$8.5 million) with the goal of having up to a two month reserve (\$12 million), with a separate capital reserve of \$2.2 million.

Mr. Zehner then reviewed the CAO budget recommendations. Staff concurs with their recommendation to commence a Fredericksburg express train and eliminate the non-revenue Train #312. It was also recommended that an advertizing initiative concentrate on the Fredericksburg area with a portion of the \$260,000 used for market research. Staff would like to wait until ridership can be evaluated once the express train commences. If needed, a marketing campaign could be concentrated in the Fredericksburg area. Another CAO recommendation is that VRE accept DRPT's recommendation of a 50 percent capital match ratio for FY 2011. Staff does not concur with this due to the current economic climate and decreasing state funding projections. Staff recommends budgeting a 35 percent match ratio. Also, staff does not concur with the CAO recommendation of budgeting state operating assistance at \$7.8 million. Staff believes it is more prudent to put it at \$7.7 million.

Mr. Zehner reported that if ridership continues to increase, a credit to jurisdictions is anticipated at the end of FY 2010. This assumes that VRE can sustain working capital at the \$8.5 million level, a capital reserve at \$2.2 million for locomotives, and the FY 2011 uncertainties mitigated (state funding levels, insurance, fuel prices, Amtrak access agreement and ridership levels). If these criteria can be met, this credit would be announced in September and would reduce subsidy payments for January 2011.

Mr. Herrity expressed his concern that if VRE includes a projected lower state funding amount, someone could interpret that as a self fulfilling prophecy and the state will not consider a higher amount. He would rather see VRE include the higher amount (\$7.8 million) and increase the working capital to \$12 million. In response to a question from Chairman Zimmerman, Mr. Page explained that state funding is all formula driven and the amount of the fund determines the maximum eligibility of the allocations. He pointed out that not only does VRE need to be concerned about FY 2010, but when the Dulles Metrorail extension project and the Norfolk rail project become operational, they will also be part of the funding formula. Mr. Herrity stated that in light of this information, it changes his previous comment.

Mr. Herrity observed that commuters along the I-95 corridor have many more commuting options than commuters along the I-66 corridor. He agreed with staff that an express train on the Fredericksburg Line will be very attractive to commuters because of the time savings and it should help restore VRE ridership.

Mr. Way stated that VRE operated successfully under a \$4 million working capital level in FY 2008 and asked why VRE has to increase it to \$8.5 million. Mr. Zehner explained that VRE had to wait on many reimbursements for operating expenses. It can be too tight with just a \$4 million reserve when large bills need to be paid. If anything goes wrong, then there can also be a cash flow situation. Most companies have a two month reserve. Mr. Way suggested that VRE keep a running tally of what VRE's cash balance is over a year period to demonstrate the necessity of an \$8.5 million reserve.

[Mr. Herrity left the meeting at 10:40 A.M. and did not return.]

Mr. Way observed that the retention of passengers is linked to the convenience and quality of service. The amount of funding for the Broad Run short-term improvements is well within the one percent of the ridership that could conceivably pay for itself or could be lost if ridership dropped because riders don't have access to the station. Mr. Zehner explained that the VRE policy is that parking is a jurisdictional issue and not a VRE responsibility. There are other jurisdictions that have parking issues, such as Stafford County. If VRE agrees to find a way to fund parking for one jurisdiction, it must do the same for the other jurisdictions. Ms. Caddigan reminded the Board that Senator Colgan has expressed interest in the Broad Run parking situation, so perhaps he may be willing to sponsor some funding legislation. Mr. Zehner stated that it may be possible to ask Senator Colgan to seek funding for the final design phase of the project. Mr. Zehner stated that the shuttle service from the church is not ideal because of the traffic congestion on Piper Lane and Route 28.

Mr. Kelly thanked staff for putting some kind of contingency of crediting back funds to the jurisdictions in the budget. Mr. Milde stated that in Fredericksburg where the parking situation is terrible, the region is already subsidizing the Fredericksburg bus service to the stations. Mr. Kelly stated that Fredericksburg is also using some local funding to lease parking spaces near the station.

Ms. Bulova asked if by approving the budget the Board is also approving the mid-day storage recommendations. Mr. Zehner stated that within the budget it can be financially done, but it is a policy change. With the two trains terminating at L'Enfant, some of the riders will have to adjust by transferring to Metro or getting off at Alexandria or Crystal City and waiting for the next train to come in order to continue on to Union Station. This will disadvantage some riders. Ms. Bulova stated that it seems to be a creative solution to the mid-day storage issue. Mr. Zehner stated that today the Board would be approving that it could be financially done. VRE could start publicizing the change to riders and see how many people would be affected.

Chairman Zimmerman expressed his concern that a small percentage change in ridership can have a big budget impact. He stated that VRE needs to monitor this. Concerning the Keolis contract adjustments, he asked why it costs more to lease vehicles compared to purchasing them. Mr. Zehner stated that generally leasing is more expensive than purchasing a vehicle. The Keolis contract is a five-year contract and VRE does not want a fleet of vehicles requiring disposal if the contract is not renewed. Chairman Zimmerman asked why VRE would pay \$26,000 more to not have a potential problem in five years. VRE could hold an auction, donate the vehicles to charity or, for that matter, give them away. Ms. Mouchantaf stated that it is also an insurance issue. If VRE owns them, VRE needs to insure them. If they are leased, Keolis insures them. Mr. Zehner stated that this item could be brought back to the Board for consideration and staff could provide more details about the insurance costs. Mr. Smedberg stated that although it is a small budget item, every amount needs to be scrutinized with the jurisdictions' budget constraints.

Chairman Zimmerman noted that the overall subsidy went down. However, for two jurisdictions (Arlington County and Alexandria) their individual subsidies increased. This will ultimately need to be looked at in the future. Arlington and Alexandria, although they do not have riders who use VRE, recognize that VRE is a regional service and it benefits the entire region. However, it could be a potential problem if these subsidies become comparable to other jurisdictions' subsidies that actually have riders.

Mr. Way suggested reducing the working capital to \$7 million. Mr. Zehner agreed to look at this again.

Ms. Bulova moved, with a second by Mr. Milde, to approve Resolution #8E-12-2009, with the understanding that the issue of terminating two trains at the L'Enfant station to accommodate mid-day storage will come back to the Board as a separate item and that more consideration be given to the purchasing versus leasing vehicles for the Keolis contract. The vote in favor was cast by Board Members Bulova, Caddigan, Covington, Jenkins, Kelly, Milde, Page, Schwartz, Smedberg, Way and Zimmerman.

Other VRE Business

Chairman Zimmerman announced that this is George Schwartz's last meeting since he is retiring from the Stafford County Board of Supervisors. On behalf of the Board,

Chairman Zimmerman thanked him for his service. Mr. Schwartz stated that it has been a pleasure serving Stafford County on the VRE Operations Board.

Closed Session – 9

Chairman Zimmerman moved, with a second by Mr. Kelly, the following motion:

Pursuant to the Virginia Freedom of Information Act (Sections 2.2-3711A (7) of the Code of Virginia), the VRE Operations Board authorizes a Closed Session for the purposes of consultation with counsel concerning the terms and conditions of a new access and storage agreement with Amtrak.

The vote in favor was cast by Board Members Bulova, Caddigan, Covington, Jenkins, Kelly, Milde, Page, Schwartz, Smedberg, Way and Zimmerman.

The Board entered into Closed Session at 10:58 A.M. and returned to Open Session at 11:20 A.M.

Chairman Zimmerman moved, with a second by Ms. Bulova, 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 Chapter 37, Title 2.2 of the Code of Virginia 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, Covington, Jenkins, Kelly, Milde, Page, Schwartz, Smedberg, Way and Zimmerman.

Adjournment

Without objection, Chairman Zimmerman adjourned the meeting at 11:23 A.M.

Approved this 15th day of January, 2010.

Christopher Zimmerman
Chairman

Sharon Bulova
Secretary

CERTIFICATION

This certification hereby acknowledges that the minutes for the December 18, 2009 Virginia Railway Express Operations Board Meeting have been recorded to the best of my ability.



Rhonda Gilchrest

RESOLUTION #2139

SUBJECT: Designation of NVTC Signatories and Pension Trustees.

WHEREAS: The Honorable Mary Hynes has been elected Secretary-Treasurer of NVTC for 2010; 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. Mary Hynes
Richard K. Taube
Scott C. Kalkwarf

Secretary-Treasurer
Executive Director
Director of Finance and Administration

Approved this 7th day of January, 2010.

Catherine M. Hudgins
Chairman

Mary Hynes
Secretary-Treasurer



*Transportation Choices
Legislative Reception*

Join Us for a
DOWN-HOME BBQ
in February!



(As seen on Food Network's Bobby Flay)

Monday, February 1, 2010

5:30-7:30 p.m.

Hosted by:
Virginia Transit Association and Co-sponsors

Old City Hall Lobby
1001 East Broad Street, Richmond

We ask that you please RSVP before January 22 to:

Patricia Villa at (804) 643-1166 or pvilla@mcm1.net

