



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

NOTE: A buffet supper will be provided for attendees.

AGENDA

1. Minutes of the NVTC Meeting of September 2, 2010.

Recommended Action: Approval.

2. VRE Items.

A. Report from the VRE Operations Board and VRE Chief Executive Officer--
Information Item.

B. Revisions to the FY 2011 VRE Budget -- Action Item/Resolution #2156.

3. NVTC Office Lease.

Staff is completing negotiations on a 10-year lease for 2300 Wilson Boulevard in the Courthouse area of Arlington. The lease is being reviewed by legal counsel.

Recommended Action: Authorize NVTC's Executive Director to execute the final lease; to request quotes and execute agreements for moving; and to procure needed furniture, telephone and other electronic systems, all within the limits of NVTC's approved FY 2011 budget.



4. WMATA Items.

The commission should respond to Secretary Connaughton's request for a discussion of state representation on the WMATA Board. A report is provided on WMATA's Vital Signs as of September, 2010.

Recommended Action: Approve Resolution #2157.

5. Proposed Government Reform Commission Recommendation to Consolidate NVTC/PRTC/NVTA.

Secretary Connaughton has included in his list of recommendations a call to consolidate agencies to achieve greater efficiencies, create a more unified approach, and save staff and legislator time preparing for meetings. NVTC, PRTC, VRE and NVTA all opposed this proposal previously. The chairmen of these organizations met with Secretary Connaughton to discuss the proposal. The Reform Commission will also consider whether to support Governor McDonnell's proposal to privatize the commonwealth's liquor stores and use the proceeds to support transportation.

Recommended Action: Provide direction to staff regarding an appropriate strategy.

6. NVTC and Other Items.

- A. TransAction 2040 Plan Update.
- B. Streetcar Coalition and Fairfax County I-66 Vienna Ramp TIGER II Grant Applications.
- C. I-95/395 HOT Lanes.
- D. Pentagon Transit Center Security Issues.
- E. Multi Region Vanpool Incentive Program.
- F. Governor's Transportation Conference (December 8-10, 2010).
- G. VDOT Audit.

Information Item.

7. Regional Motor Fuel Tax Allocation Issues.

Progress is continuing in working with the Department of Taxation to sort out the misallocation of tax revenues among jurisdictions.

Information Item.

8. NVTC Financial Items for August, 2010.

Information Item.

9. Personnel Item.

Closed Session: Virginia Code Section 2.2-3711.A.1.



Agenda Item #1

MINUTES
NVTC COMMISSION MEETING – SEPTEMBER 2, 2010
NVTC CONFERENCE ROOM – ARLINGTON, VIRGINIA

The meeting of the Northern Virginia Transportation Commission was called to order by Chairman Hudgins at 8:13 P.M.

Members Present

Sharon Bulova
Barbara Comstock
Thelma Drake
Adam Ebbin
William D. Euille
Jay Fisette
John Foust
Catherine Hudgins
Mary Hynes
Jeffrey McKay
Thomas Rust
Paul Smedberg
David F. Snyder
Mary Margaret Whipple
Christopher Zimmerman

Members Absent

Kelly Burk
John Cook
Jeffrey Greenfield
Mark R. Herring
Joe May

Staff Present

Rhonda Gilchrest
Stephen MacIsaac (VRE)
Greg McFarland
Adam McGavock
Stephen MacIsaac (VRE)
Kala Quintana
Rick Taube
Dale Zehner (VRE)



Minutes of the NVTC Meeting of July 1, 2010

Mrs. Bulova moved, with a second by Mr. Smedberg, to approve the minutes. Mr. McKay asked for a friendly amendment to change a sentence on page 11 regarding the HOT Lanes on I-95/395 to read: "Mr. McKay reported that Fairfax County, Arlington County and Alexandria officials and staff have met and believe they can support the project but still have questions that have not been answered." Both the maker and seconder of the original motion accepted this friendly amendment.

The commission then voted to approve the minutes as amended. The vote in favor was cast by commissioners Bulova, Comstock, Drake, Ebbin, Euille, Fisetete, Foust, Hudgins, Hynes, McKay, Rust, Smedberg, Snyder, Whipple and Zimmerman.

VRE Items

Report from the VRE Operations Board and VRE Chief Executive Officer. Mr. Zehner gave an update on the transition from Amtrak to Keolis operation that occurred on July 12, 2010. Although on-time performance suffered during the summer months, ridership remained strong throughout the summer. Delegate Rust asked for a breakdown of the reasons for the delays and if they were the result from the change in operators. Mr. Zehner responded that about half of the delays were operational, but the rest were from weather related issues (four major storms), mechanical issues, and heat restrictions. Mr. Zehner also reported that a ribbon cutting ceremony was held on July 30th in Alexandria for the new locomotive. Senator Webb was the key note speaker joined by other congressional members from Virginia and Idaho.

Preliminary FY 2012 VRE Budget Referral to Jurisdictions. Mrs. Bulova reported that the VRE Operations Board recommends commission approval of Resolution #2154, which would forward the preliminary FY 2012 VRE operating and capital budget to VRE's participating and contributing jurisdictions for their review and comment. The final budget will be forwarded to the commissions for action in January, 2011. Currently the budget has an unfunded balance that presumably will be covered before the final budget is brought back for consideration.

Mrs. Bulova moved, with a second by Mr. Smedberg, to approve Resolution #2154 (copy attached). The vote in favor was cast by commissioners Bulova, Comstock, Drake, Ebbin, Euille, Fisetete, Foust, Hudgins, Hynes, McKay, Rust, Smedberg, Snyder, Whipple and Zimmerman.

Fauquier and Caroline Counties. Mrs. Bulova reported that Fauquier County officials have inquired about conditions for joining PRTC. It has been reiterated to the county that the county would be required to also participate in VRE. Caroline County is conducting a study of a possible rail station and has asked VRE to provide information. She explained that no action is being requested at this time. There were no questions.

NVTC Office Lease

Mr. Taube reported that NVTC staff is negotiating a 10-year lease for offices at 2300 Wilson Boulevard, with the assistance of a tenants' agent and review by the Fairfax County Attorney's office. The final version of the lease is not available yet. Mr. Taube introduced Ellen Posner from the Fairfax County Attorney's office, who is assisting NVTC with the lease. He explained that the outstanding issues involve resolving the lease language regarding indemnification and clarifying the terms of sharing of building expenses. Mr. Taube explained that the commission is asked to authorize NVTC's executive director to: 1) Execute the lease; 2) Request quotes and execute agreements for moving; 3) Request quotes and purchase needed furniture; and 4) Request quotes and purchase telephone and other required electronic systems; all within the limits of NVTC's approved budget.

In response to a question from Chairman Hudgins, Mr. Taube explained that the new landlord is requesting that the lease be signed within the next two weeks. In response to a question from Mr. Zimmerman, Ms. Posner explained that there are still points of the lease under negotiation but in order to give the commission more details, a closed session would be needed. Mr. Taube stated that the outstanding issues are not financial issues. The rent has already been negotiated. Mr. Foust stated that he would like to have the attorney's opinion. Ms. Posner stated that no economic terms are still outstanding.

Delegate Comstock asked whether the Governor's Reform Commission recommendation for agency consolidation should be considered as part of this discussion. Chairman Hudgins stated that this action on the lease is part of NVTC's approved budget and requires action now to move forward. If there is a decision on consolidation, then it would need to be resolved subsequent to this action. Consolidation is another discussion. Senator Whipple observed that either way, NVTC needs a lease.

Mr. Zimmerman stated his opinion that indemnification is a material matter. He asked if the commission has provided enough guidance for staff to negotiate. Senator Whipple suggested adding the language "execute the lease on terms favorable to the position of NVTC."

Mrs. Drake asked why this cannot be held until NVTC's October meeting. Chairman Hudgins stated that it is her understanding that the lease needs to be signed within the next two weeks so the office space can be completed in time. Mrs. Drake asked when NVTC needs to be out of its current space. Mr. Taube responded that NVTC's current lease expires December 31, 2010.

Mr. Zimmerman asked Ms. Posner and Mr. MacIsaac if counsel is recommending NVTC take this action. Ms. Posner stated that legal counsel is recommending that NVTC give the executive director the authority to complete the negotiations as soon as possible. She observed that a build-out schedule seems to be driving the timetable. Mr. Zimmerman stated that he would be more comfortable with counsel drafting the motion. Chairman Hudgins suggested deferring this action to later in the agenda to allow counsel and staff to draft a motion.

In response to a question from Mr. Smedberg, Ms. Posner stated that in theory the indemnification issue is the main legal concern but the final lease document has not been provided by the landlord. Mr. Taube stated that the tenant's agent believes that the indemnity issue will not be a problem once the landlord understands that NVTC is a government agency and that there are state statutes that govern the commission.

Commissioners agreed to defer action on this item until later in the agenda to provide time for counsel to draft a motion.

NVTC Preliminary Budget for FY 2012

Mr. Taube stated that each year at this time NVTC staff proposes a preliminary budget for the next fiscal year to be used by its member jurisdictions in planning their own budgets for the succeeding year. For FY 2012, NVTC staff is proposing a reduction in overall spending by 2.2 percent, with total expenditures dropping to \$1.15 million from \$1.221 million in the FY 2011 approved budget. The reduction is made possible, despite anticipated significant increases in insurance and other costs, primarily by reducing NVTC's staff to six full-time and two part-time positions. This reflects a reduction of one full-time position, which is currently unfilled. Despite the reduction in staff, NVTC's work program contains all of the activities previously authorized as well as new projects anticipated for calendar year 2011. A trial period has demonstrated that NVTC staff can maintain its level of performance without refilling the vacant senior level position at this time, by existing employees taking on additional duties. As a result, total contributions from state and local governments will be reduced by 2.4 percent and 6.0 percent, respectively, reflecting equal absolute reductions of \$18,685 each. Mr. Taube stated that the final budget will be presented for action at the January, 2011 meeting.

Senator Whipple moved, with a second by Mrs. Bulova, to authorize NVTC staff to forward the preliminary budget to the jurisdictions for their use in planning their FY 2012 budgets. The vote in favor was cast by commissioners Bulova, Comstock, Drake, Ebbin, Euille, Fisette, Foust, Hudgins, Hynes, McKay, Rust, Smedberg, Snyder, Whipple and Zimmerman.

WMATA Items

Chairman Hudgins reported that the National Transportation Safety Board has released its recommendations on WMATA's June 22, 2009 fatal accident. She stated that WMATA takes the recommendations very seriously and has already implemented some of them. Mr. McKay stated that it is important to point out that the NTSB has acknowledged and credited WMATA for already implementing some of the recommendations. The meeting with the NTSB was very productive.

Mr. Snyder asked for the list of the NTSB recommendations and WMATA's resulting actions. He also noted that a recent Washington Post article describes the consistent attendance of Virginia representatives at the WMATA Board meetings. Chairman Hudgins stated that the list of recommendations is available on WMATA's

website, but she can forward it to Mr. Snyder. WMATA has not been idle waiting for the NTSB recommendations. It has already put into place many improvements. Five stations are under redesign or maintenance, which address the changes that are recommended. Mr. Zimmerman stated that the principal recommendation from NTSB come out a year ago. Metro is in the position to pioneer the tools being developed for continuous monitoring, which will also benefit other transit systems. Mr. Zimmerman noted that Mr. Snyder may be interested in a larger matrix, which includes Metro's recommendations as well as NTSB's recommendations.

Mrs. Drake reminded the commission that she presented a resolution at the July meeting for consideration concerning commonwealth representation on the WMATA Board. It has been two months and the agreement with the Federal Transit Administration for PRIIA funding has been executed.

Mrs. Drake moved, with a second by Delegate Rust, to approve the resolution.

Mr. Euille stated that it would be premature to act on this resolution since the study by the Board of Trade/MWCOG is underway, which is looking at WMATA governance issues. The study could be completed by late September or early October. Also, Governor McDonnell has requested a meeting with the leadership of Arlington County, Fairfax County and the city of Alexandria. He stated his opinion that it is important to leave options open until the study findings are released and the meeting with the governor occurs.

Mrs. Drake observed that the resolution states that it is agreeing to a discussion at the conclusion of the study. Mr. McKay stated that he could accept the resolution if the sentence ended with "at the conclusion of the study." As it currently reads it forecasts possibly what the results of the discussion would be before there is any indication of what the Board of Trade/MWCOG study will recommend. Mrs. Drake stated that she would object to Mr. McKay's word change because it would remove the intent of the resolution which is the commonwealth's membership on the WMATA Board.

Senator Whipple offered a substitute motion to defer consideration of the resolution. Mr. Smedberg seconded.

Senator Whipple stated that action is premature before the study is completed. Everyone has indicated that they are prepared to discuss the issue, but in the context of the Board of Trade/MWCOG study results.

The commission then voted on the substitute motion and it passed. The vote in favor was cast by commissioners Bulova, Ebbin, Euille, Fisette, Foust, Hudgins, Hynes, McKay, Smedberg, Snyder, Whipple and Zimmerman. Votes in opposition to the motion were cast by commissioners Comstock, Drake and Rust.

The substitute motion then became the main motion.

Mrs. Bulova noted that commissioners know that this issue is important to the commonwealth and the issue will be discussed at the meeting with the governor. She is attending that meeting along with Mr. Euille and Mr. Fisette.

The commission then voted on the motion to defer and it passed. The vote in favor was cast by commissioners Bulova, Ebbin, Euille, Fisette, Foust, Hudgins, Hynes, McKay, Smedberg, Snyder, Whipple and Zimmerman. Votes in opposition to the motion were cast by commissioners Comstock, Drake and Rust.

Proposed Government Reform Commission Recommendation to Consolidate NVTC/PRTC/NVTA

Mr. Taube reported that at a hearing of the Simplification and Operations Subcommittee of the Government Reform Commission on August 4, 2010 in Richmond, Assistant Virginia Transportation Secretary Matt Strader presented proposed legislative changes. Included in the list of recommendations to the Reform Commission was a call to consolidate NVTA, NVTC and PRTC to achieve greater efficiencies, create a more unified approach and save staff and legislator time preparing for meetings. NVTC, PRTC, NVTA and VRE all previously opposed this suggestion in comments submitted to the Reform Commission, and Fairfax County expressed concern.

Senator Whipple stated that she is a member of the subcommittee for the Government Reform Commission. The commission is generally looking at ways to be more efficient, which is a good thing. However, NVTC has a specific task that deals with transit. PRTC also deals with transit. Both are not planning organizations. PRTC has never wanted to be part of NVTC because it does not want to be financially responsible for the Metro system. Mrs. Bulova stated that similarly, NVTC would not want to get involved with PRTC's bus operations. Senator Whipple stated that when people know more about NVTC and PRTC and what they do, they will see that they do different things. The subcommittee will meet on September 8th and she is unclear how the discussion will go. She stated that it is important to educate the public on what the commissions do and that their duties do not overlap.

Mrs. Drake stated that this was not a DRPT recommendation. She agreed that the public should be educated on what the various organizations do. She observed that NVTC's information materials include a Rationale #3 which states that "no state general funds are used for the agency's administrative budgets." She stated that state funds do come to NVTC (\$773,000 in NVTC's budget). Mr. Taube stated that those funds are part of the state transit program and do not come from state general funds. Mrs. Drake stated that the sentence is misleading since the commonwealth does provide funds to NVTC. She stated that it is important to have the discussion on consolidation, whether this is the best way to do it or there is a better way.

Mrs. Bulova moved, with a second by Mr. McKay, to authorize NVTC's chairman to meet with Secretary Connaughton to discuss this issue. The vote in favor was cast by commissioners Bulova, Comstock, Drake, Ebbin, Euille, Fisette, Foust, Hudgins, Hynes, McKay, Smedberg, Rust, Snyder, Whipple and Zimmerman.

RFP for NVTC Copier Lease

Mr. Taube reported that NVTC's current lease with Capital Office Solutions for a copying machine expires at the end of December, 2010. The commission is asked to authorize staff to issue a Request for Proposals for a new multi-year copier lease. The authorization to award the contract would be requested at NVTC's November meeting. The new copier would be delivered directly to NVTC's new location to be in service by January 3, 2011. Funds are available for FY 2011 in NVTC's approved budget.

Mr. Smedberg and Mr. Zimmerman were out of the room during the vote.

Senator Whipple moved, with a second Delegate Ebbin, to authorize staff to issue the RFP. The vote in favor was cast by Bulova, Comstock, Drake, Ebbin, Euille, Fisette, Foust, Hudgins, Hynes, McKay, Rust, Snyder and Whipple.

Mr. Smedberg returned at 9:19 P.M.

NVTC Motor Fuels Tax Issues

Mr. Taube reported that NVTC, PRTC and local staff attended a meeting in Richmond with TAX officials to reiterate their concerns and try to agree on a cooperative approach to solve the problem. Acting Commissioner Burns and several senior TAX officials attended and heard the concerns and agreed to cooperate to address them. A follow-up session is being scheduled to examine materials developed by commission staffs that document the problem. TAX officials agreed to take steps to resolve the problem, including a monthly review by the department and conducting field audits immediately. NVTC staff is encouraged by these steps.

In response to a question from Delegate Rust, Mr. Taube stated that the issue is not about the amount of the tax being collected, but the distribution.

Feedback on the "Transit Keeps Northern Virginia Working" Tour

Chairman Hudgins thanked staff for their hard work to make the tour a success. Ms. Quintana stated that there was an excellent turnout from state legislators. She thanked everyone who helped to make it a success, especially Delegate May for his efforts to encourage legislators to attend.

Mr. Zimmerman returned to the discussion at 9:21 P.M.

Mrs. Drake expressed her opinion that it was a phenomenal tour that gave a real taste of transit in Northern Virginia. Mr. Zimmerman stated that staff did a fantastic job and praised Delegate May's efforts to make it a success. Chairman Hudgins stated that she appreciated the feedback from legislators from other areas of the commonwealth. The tour gave an opportunity to share what the issues are that each region faces.

Return to NVTC Office Lease

Mr. MacIsaac read Resolution #2155 into the record, which was drafted by legal counsel. (Resolution #2155 is attached.)

Mrs. Bulova moved, with a second by Mrs. Hynes, to approve the resolution.

Mr. Snyder asked if the lease includes a subject to appropriations clause. Mr. Taube stated that it does not. Mrs. Bulova suggested including “which includes subject to appropriations,” in the resolution. Ms. Posner stated that the concepts of subject to appropriations and dissolution of the commission are not the same, but subject to appropriations language could be included in the lease. Mr. Snyder stated that he would feel more comfortable with this language being included. Mr. MacIsaac noted that there is a distinction between counties and commissions, so it would be better to include “subject to Virginia law.” Mr. Snyder stated that without the language, he is not sure he can vote to approve it. He asked for clarification on the meaning of “subject to appropriations.” Ms. Posner stated that the commission would need to go into closed session to discuss this.

The Commission then voted on the resolution prepared by legal counsel. The motion passed with the vote in favor cast by commissioners Bulova, Ebbin, Euille, Fissette, Foust, Hudgins, Hynes, McKay, Rust and Whipple. Commissioners Comstock, Drake and Snyder abstained.

Mrs. Hynes asked if staff still needs authorization for the other items (to request quotes and purchase equipment and services). Mr. Taube stated that in light of the discussion, the commission could authorize him to seek bids and return for approval at a future meeting. There were no objections.

Mode Shares in the Dulles Corridor

Mr. Taube stated that this is the latest (and possibly the last) in a series of reports for NVTC with funding by VDOT and prepared by MWCOG staff. This report covers the broadly defined Dulles Corridor based on traffic counts conducted in fall of 2009. During the morning peak period, transit carried 11 percent and HOV carried 19 percent of all persons crossing the cordon line at the counting stations. The combined 30 percent for transit and ridesharing is by far the lowest of the five NVTC mode share studies in various corridors, reflecting the current absence of rail service in the Dulles Corridor.

NVTC Items

TransAction 2040 Plan Update. Negotiations are continuing with Cambridge Systematics, Inc. NVTA has acted to significantly reduce funding (to \$500,000 from \$1.2 million). This necessitates refining the scope of work. Local and regional staffs are cooperating in that effort. When agreement is reached on the refined scope of work, NVTC's executive director will proceed to execute the contract documents after legal counsel review.

Streetcar Coalition TIGER II Grant Application. NVTC staff submitted the pre-application by the June 26, 2010 deadline and the full application by the August 23rd deadline. Several public and private-sector co-sponsors have joined the effort. NVTC was also a partner in Fairfax County's application for funding for the I-66/Vienna ramp.

I-95/395 HOT Lanes. NVTC received a response from Secretary Connaughton to the commission's letter requesting an opportunity to meet to address several issues in order for the region to unify its support for the project. The secretary has agreed to meet to discuss this issue. Staff from Alexandria, Arlington and Fairfax County created a document describing the issues to be resolved.

Pentagon Transit Center Security Issues. Mr. Taube reported that Pentagon officials were very responsive to the concerns raised by NVTC and its member jurisdictions. Several accommodations were promised to lessen the impact of the proposed security changes on transit systems. The final plan was approved by the National Capital Planning Commission (NCPC) on September 3rd.

Mr. Zimmerman stated that it is a heartening experience where Pentagon officials listened to our concerns and made changes. It would be appropriate for NVTC's chairman to send of letter of appreciation. Chairman Hudgins agreed that consensus was reached. She observed that getting NCPC involved early in the process was also helpful.

Discontinuation of Falls Church's GEORGE Bus System. Mr. Snyder reported that the Falls Church City Council has decided that it will be unable to continue to fund the GEORGE Bus due to severe budget constraints and anticipated increases in its WMATA subsidies. Accordingly, GEORGE will be discontinued effective September 24th and the buses will be used on ART routes in Arlington. Mr. Snyder stated his appreciation to NVTC for its support of the GEORGE Bus system. He was in strong opposition to discontinuing the service.

Multi-Region Vanpool Incentive Program. Federal and state funds are now available in approved grant agreements. NVTC is managing the funds on behalf of itself and FAMPO/GWRC. The contract has been executed with VHB, Inc. and the notice to proceed has been issued. DRPT staff will serve as project manager to ensure regional impartiality. Two focus groups of vanpool operators are set for September as a prelude to an extensive online survey.

Mid-Year Review of Major NVTC Projects

Ms. Quintana stated that some of her highlights include working with jurisdictional legislative liaisons to advance several pieces of NVTC legislation in 2010; being appointed to serve as the vice president of legislative affairs and re-elected to another three year term to the Board of Directors for the Transportation Association of Greater Springfield (TAGS); and securing a grant to establish the TAGS "Riders Club," a new grassroots effort to secure support and advocate increased transit in Greater Springfield.

Mr. McGavock reviewed the MARTHA project, which developed a very simple system that will grow into a full-featured system as it is deployed and improved. This project has been given to Blacksburg Transit to serve as the host for this open source initiative, which means that the system can be distributed free of charge as long as they agree to share any additions or changes that are made to the system. Also, NVTC is managing the grant and project for Alexandria to provide real-time bus information via SMS text messaging and web-based maps so passengers can receive information about the next three buses arriving at that bus stop. NVTC is also managing FTA grants and matching funds for the cities of Alexandria and Falls Church, and Arlington and Fairfax counties, totaling over \$8.25 million, with no processing or management fees charged by NVTC. An additional \$5.36 million is expected to be awarded in September.

Mr. McFarland reported that he created an iPhone application (app) that makes it easy to record daily vanpool passenger and mileage data and to transmit that data over the Internet; prototyped a back-end database application to import data from the iPhone vanpool app and create reports for NTD data submission; and built a working prototype of a low-cost (\$150) bus arrival data display that could be placed at every bus stop.

Mr. Taube stated that Scott Kalkwarf is not at the meeting but has been actively involved in the gas tax issues and the NVTC audit which is currently underway.

Regional Transportation Items

MWCOG 2010 State of the Commute Report. Mr. Taube stated that the report highlights trends in telework and transit. Area-wide transit commuting has increased to an average peak period mode share of 21 percent from 17 percent in 2001. Telework has doubled since 2001 to six percent from three percent. Single occupant vehicle use declined to 64 percent from 70 percent.

Straddling Bus – Chinese Prototype. A bus is being tested in Beijing that operates above traffic lanes without a permanent structure and is powered by electricity, including solar-generated.

The Man Who Could Unsnarl Manhattan Traffic. The article describes the efforts of Charles Kormanoff to trace the economic and environmental impact of every vehicle and pedestrian trip in Manhattan. His work, in the form of a giant spreadsheet,

is posted online and can be used to determine prices that would create the greatest benefit, including congestion relief, for the largest number of people.

Try Transit Week (September 20-24, 2010). The American Public Transportation Association sponsors this nationwide event. In Virginia, DRPT is promoting it and Northern Virginia's transit systems will also participate.

NVTC Financial Items for June and July, 2010

Commissioners were provided with the financial items and there were no questions.

Adjournment

On a motion by Mr. Zimmerman and a second by Senator Whipple, the commission unanimously agreed to adjourn. The vote in favor was cast by commissioners Bulova, Comstock, Drake, Ebbin, Euille, Fisette, Foust, Hudgins, Hynes, McKay, Smedberg, Rust, Snyder, Whipple and Zimmerman.

Chairman Hudgins adjourned the meeting at 9:43 P.M.

Approved this 7th day of October, 2010.

Catherine Hudgins
Chairman

Mary Hynes
Secretary-Treasurer



RESOLUTION #2154

SUBJECT: Referral of VRE's FY 2012 Preliminary Budget.

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

WHEREAS: The VRE Chief Executive Officer has provided the VRE Operations Board with the preliminary FY 2012 Operating and Capital Budget and that board has acted to forward the budget to the commissions;

WHEREAS: Staff recommends a budget built on average daily ridership of 17,250;

WHEREAS: Subject to the direction of the Operations Board, the budget will be updated with additional ridership and cost data and further refined through the CAO Budget Task Force review during the fall of 2010; and

WHEREAS: The subsidy for Alexandria and Arlington will be reviewed and will have the same increases/decreases as the other jurisdictions, as opposed to the current mandatory annual increases.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission hereby refers the preliminary FY 2012 VRE Operating and Capital Budget to the participating and contributing jurisdictions for their review and comment.

Approved this 2nd day of September, 2010.

Catherine M. Hudgins
Chairman

Mary Hynes
Secretary-Treasurer





RESOLUTION #2155

SUBJECT: Authorization to Execute NVTC Office Lease.

WHEREAS: The Northern Virginia Transportation Commission's current office lease at 4350 North Fairfax Drive in Arlington expires on December 31, 2010;

WHEREAS: NVTC has authorized a letter of intent to lease offices at 2300 Wilson Boulevard (the Navy League Building) in Arlington commencing January 1, 2011 and continuing for 10 years;

WHEREAS: The landlord of the Navy League Building requires that the lease be executed prior to NVTC's next board meeting on October 7, 2010 in order to complete the construction of the interior office space prior to January 1st; and

WHEREAS: The final lease agreement is still being negotiated, although the financial terms as set forth in the executed letter of intent are not in dispute.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes its executive director to execute the lease subject to resolution of all outstanding issues on terms that do not prejudice the commission's interests as determined by the executive director with the concurrence of counsel, provided that:

- 1) The executive director exhausts all efforts to obtain the landlord's agreement to defer lease approval to NVTC's October 7, 2010 meeting without jeopardizing timely completion of tenant fit-out for a January 1, 2011 occupancy; and
- 2) The NVTC Executive Committee be provided the opportunity to authorize the lease approved by the executive director prior to its execution.



RESOLUTION #2155 cont'd

BE IT FURTHER RESOLVED that NVTC directs the executive director to explore holdover tenancy in the Ellipse building, as necessary, in order to conclude lease negotiations with the landlord of the Navy League building and tenant improvements in that building.

Approved this 2nd day of September, 2010.

Catherine M. Hudgins
Chairman

Mary Hynes
Secretary-Treasurer

NVTC

Northern Virginia Transportation Commission

NVTC

AGENDA ITEM #2

TO: Chairman Hudgins and NVTC Commissioners
FROM: Rick Taube
DATE: September 30, 2010
SUBJECT: VRE Items

- A. Report from the VRE Operations Board and VRE Chief Executive Officer--
Information Item.
- B. Revisions to the VRE FY 2011 Budget --Action Item/Resolution #2156.



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Item #2A

Report from the VRE Operations Board and VRE Chief Executive Officer

Minutes are attached from the VRE Operations Board's meeting of September 17, 2010. Also attached are ridership, financial and on-time performance reports. In addition, a monthly e-mail from VRE's CEO to customers is provided, as is a report on VRE's annual passenger survey.



MINUTES

VRE OPERATIONS BOARD MEETING PRTC HEADQUARTERS – PRINCE WILLIAM COUNTY, VIRGINIA SEPTEMBER 17, 2010

VIRGINIA RAILWAY EXPRESS

BOARD MEMBERS

PAUL MILDE
CHAIRMAN

SHARON BULOVA
VICE-CHAIRMAN

PAUL SMEDBERG
TREASURER

WALLY COVINGTON
SECRETARY

MAUREEN CADDIGAN
JOHN COOK
THELMA DRAKE
FREDERIC HOWE
JOHN JENKINS
SUHAS NADDONI
GARY SKINNER
SUSAN STIMPSON
JONATHAN WAY
CHRIS ZIMMERMAN

ALTERNATES

MARC AVENI
HARRY CRISP
MARK DUDENHEFER
BRAD ELLIS
JAY FISETTE
FRANK JONES
ROB KRUPICKA
JERRY LOGAN
MICHAEL MAY
JEFF McKAY
MARTIN NOHE
KEVIN PAGE
JOHN STIRRUP

DALE ZEHNER
CHIEF EXECUTIVE
OFFICER

1500 King Street, Suite 202
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MEMBERS PRESENT	JURISDICTION
Sharon Bulova (NVTC)	Fairfax County
Maureen Caddigan (PRTC)	Prince William County
John Cook (NVTC)	Fairfax County
Wally Covington (PRTC)	Prince William County
Frederic Howe (PRTC)	City of Fredericksburg
John D. Jenkins (PRTC)**	Prince William County
Paul Milde (PRTC)	Stafford County
Paul Smedberg (NVTC)**	City of Alexandria
Susan Stimpson (PRTC)	Stafford County
Jonathan Way (PRTC)	City of Manassas
Christopher Zimmerman (NVTC)**	Arlington County

MEMBERS ABSENT	JURISDICTION
Thelma Drake	DRPT
Suhas Naddoni (PRTC)	City of Manassas Park
Gary Skinner (PRTC)	Spotsylvania County

ALTERNATES PRESENT	JURISDICTION
Jerry Logan (PRTC)	Spotsylvania County
Kevin Page	DRPT

ALTERNATES ABSENT	JURISDICTION
Marc Aveni (PRTC)	City of Manassas
Harry Crisp (PRTC)	Stafford County
Mark Dudenhefer (PRTC)	Stafford County
Brad Ellis (PRTC)	City of Fredericksburg
Jay Fiset (NVTC)	Arlington County
Frank C. Jones (PRTC)	City of Manassas Park
Rob Krupicka (NVTC)	City of Alexandria
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	
Ward Armstrong—House Minority Leader	Bob Leibbrandt – Prince William County
Donna Boxer – VRE	Steve MacIsaac – VRE counsel
Jennifer Buske – Washington Post	Greg Marsden – Norfolk Southern
Rich Dalton – VRE	Mike Mendora – Delegate Armstrong's staff
Jeremy Flores – VRE	Jennifer Mouchantaf – VRE
Anthony Foster – PRTC staff	Dick Peacock – citizen
Kelly Hannon – Free Lance-Star	Benjamin Pitts – Spotsylvania County
Al Harf – PRTC staff	Lynn Rivers – Arlington County
Christine Hoeffner – VRE	Mark Roeber – VRE
Ann King – VRE	Brett Shorter – VRE
Uriah Kiser – News Messenger	Rick Taube – NVTC staff
Mike Lake – Fairfax DOT	Claire Wiker – Delegate Armstrong's staff
Trinh Lam – VRE	Walter Yeatts – UTU
Lezlie Lamb – VRE	Dale Zehner – VRE

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

Chairman Milde called the meeting to order at 9:32 A.M. Following the Pledge of Allegiance, roll call was taken.

Approval of the Agenda – 3

Mr. Zehner stated that Agenda Item #9C “Authorization to Issue a Request for Proposals for the Procurement of New Passenger Cars” has been removed from the agenda and Agenda Item # 10B “Initiation of New Passenger Car Procurement” should be added. There were no objections.

Ms. Bulova moved, with a second by Mr. Covington, to accept the amended agenda. The vote in favor was cast by Board Members Bulova, Caddigan, Cook, Covington, Howe, Logan, Milde, Page, Stimpson and Way.

Approval of the Minutes of the August 20, 2010 VRE Operations Board Meeting – 4

Ms. Bulova moved, with a second by Mr. Way, to approve the minutes. The vote in favor was cast by Board Members Bulova, Cook, Covington, Howe, Logan, Milde, Page and Way. Ms. Caddigan and Ms. Stimpson abstained.

Chairman’s Comments – 5

Chairman Milde reported that on-time performance reached 91 percent on the Manassas line and 73 percent on the Fredericksburg line for the last month. The second half of the month saw much better on-time performance on the Fredericksburg line. If the month was split into two, the second half would reflect close to 90 percent on-time performance. Chairman Milde stated that he attended, along with Martin Nohe, NVRTA’s Chairman; Cathy Hudgins, NVTC’s Chairman; and Michael May, PRTC’s Chairman, a meeting with Secretary Connaughton on September 10th to discuss the Governor’s Reform Commission recommendation to consolidate NVTC, PRTC and NVRTA. All these agencies, including VRE, are opposed to consolidation. Secretary Connaughton made no commitment to revise or delete his recommendation to the Reform Commission.

[Mr. Jenkins arrived at 9:36 A.M.]

Chairman Milde reviewed some of the survey results from the May 2010 customer survey. Over 5,000 passengers completed the survey. The results show that 30 percent of respondents believe that train service has improved. The top two concerns are on-time performance and lack of seats. Further results will be provided later in the meeting.

Chairman Milde welcomed House Minority Leader Delegate Ward Armstrong.

Chief Executive Officer's Report – 6

Mr. Zehner reported that ridership in August reached 17,053 daily passenger trips, which is 8.5 percent higher than last August. Generally when on-time performance dips, ridership declines as a result, but this did not happen this summer. Ridership continues to climb. VRE is continuing to receive comments from passengers about standing room only on the peak trains.

Mr. Zehner reported that Prince William County has designed a parking expansion project for the Broad Run VRE station, which will add another 180 parking spaces. This is a 20 percent increase. When completed (by the end of November), it will be the second largest parking facility, second only to Burke Centre which has a parking garage. In addition, Prince William County will change access and movement to the existing parking lot to improve traffic flow as part of this project. VRE also has CMAO funding to do a preliminary engineering and environmental assessment for a parking garage/deck at this station.

Mr. Zehner announced that the Virginia Supreme Court has reinstated a provision that VRE tickets can be pre-paid, except for fraudulent or counterfeit tickets. Keolis crew have started writing more citations.

Mr. Zehner explained that he conducts an on-line forum the first Wednesday of every month. During the August forum, VRE received approximately 300 comments, many of which were comments about the Keolis transition and on-time performance. In comparison, for September, VRE received only half that amount and the comments were more positive. Norfolk Southern and CSX officials watch the forum to see the comments, as well as Keolis management.

[Mr. Smedberg arrived at 9:44 A.M.]

Operations Board Member's Time – 7

Mr. Way stated that he is pleased to see a strict enforcement of ticket validation. However, next summer it is anticipated that the 150th anniversary of the Civil War will bring a large influx of tourism to the region. That may require some conductor discretion and guidance in dealing with the tourists.

Ms. Stimpson asked if VRE is monitoring ticket and validation machines. Mr. Zehner responded that the machines are checked prior to the beginning of service on a daily basis.

Mr. Jenkins observed that Senator Webb included a picture of himself with the new VRE locomotive in his newsletter. Mr. Jenkins observed that the more media exposure VRE can receive from senior officials in Washington, the better. He does not hear many complaints about VRE service from riders in his district.

[Mr. Zimmerman arrived at 9:46 A.M.]

VRE Riders' and Public Comment – 8

Dick Peacock expressed his excitement for the parking expansion project at the Broad Run station. He stated that with standees on peak trains, VRE needs to move forward on a railcar procurement. Riders will not stand forever. VRE needs to sell the idea that it carries important people in government, military, etc. Chairman Milde noted that 70 percent of VRE riders work in the government or military.

Delegate Armstrong stated that he has a personal interest in trains. He is a big believer that a viable transportation solution in the Commonwealth has to involve transit. The General Assembly needs to continue to fund transit. He will carry the message of what's going on with VRE to his colleagues in Richmond. He reiterated that VRE has a friend in him in Richmond.

Authorization to Issue a Solicitation for Locomotive Jacks – 9A

Mr. Zehner reported that the VRE Operations Board is being asked to authorize him to issue an Invitation for Bids (IFB) for locomotive jacks. Resolution #9A-0-2010 would accomplish this. With all locomotive maintenance activity now occurring at the Crossroads and Broad Run yards, the need to perform locomotive truck, wheel and traction motor maintenance has increased. The requested jacks are necessary to perform this operation. Upon completion of the procurement, VRE staff will return to the Operations Board with a recommendation for award. Mr. Zehner explained that funding is included in the VRE CIP as part of the locomotive rehabilitation line item. Funding is available from a federal grant and the local match is provided using state and local funds.

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

Authorization to Amend the Broad Run Maintenance Facility Construction Contract – 9B

Mr. Zehner stated that the VRE Operations Board is being asked to authorize him to amend the contract with Costello Construction for the Broad Run Service and Inspection Building project in the amount of \$85,385, for a total contract value not to exceed \$4,644,885. Resolution #9B-09-2010 would approve these change orders.

Mr. Zehner explained that several unforeseen conditions were encountered during construction that required additional effort to complete the work beyond the original authorized amount. These conditions include delays due to heavy snow this winter, electrical charges imposed by Dominion Power for new electrical service, rock and unsuitable soils encountered during excavation, and extensive permitting requirements due to specialized utilities.

Mr. Covington moved, with a second by Mr. Jenkins, to approve Resolution #9C-09-2010. The vote in favor was cast by Board Members Bulova, Caddigan, Cook, Covington, Howe, Jenkins, Logan, Milde, Page, Smedberg, Stimpson, Way and Zimmerman.

Authorization to Allocate FY 2010 Operating Surplus – 9D

Mr. Zehner explained that VRE ended FY 2010 with a positive budget variance of \$5.1 million. Fare revenues were greater than expected (\$3.1 million) and net costs were lower (\$2 million). He reviewed the criteria used to determine how the funds should be used, including the concept that since much of the variance came from additional fare revenue, projects that would benefit riders should be identified; the funds should be used for one-time expenditures; and there should be a focus on completing projects that VRE is contractually obligated to complete. Mr. Zehner then reviewed the proposed staff recommendation:

- 1) \$0.5 million to restore the balance of the insurance trust fund to \$10 million.
- 2) \$2.5 million to acquire the 20th locomotive before the current option expires.
- 3) \$1.0 million to fund the final design of the third track to Spotsylvania which is a VRE contractual commitment.
- 4) \$1.1 million to fund a capital reserve account for a new railcar procurement.

OR

- 5) Credit the \$1.1 million back to the jurisdictions.

Ms. Stimpson stated that she would like to express her displeasure about the \$75 million that was allocated by the Commonwealth that could have been used for the Spotsylvania line. In regards to Recommendation #5, the localities are putting their funds into VRE but not everyone in the localities is riding VRE; therefore, she would recommend that the funds be credited back to the jurisdictions. Chairman Milde observed that based on the customer opinion survey, only 14 percent of riders stated that cost was an issue. He asked how VRE pays for new rolling stock. Mr. Zehner responded that the recent railcar procurement was paid for with state and federal funds, as well as a large loan from FTA. Chairman Milde asked how much the jurisdictions paid towards the railcar procurement. Ms. Boxer responded that it is a relatively small amount. In response to another question from Chairman Milde, Ms. Boxer stated that VRE's annual debt service is approximately \$9 million. Chairman Milde stated that he was caught off guard with the amount of cash proposed to be used for the 20th locomotive purchase.

Ms. Bulova stated that she appreciates Mr. Zehner briefing individual Board Members prior to this meeting. She supports staff's recommendation to restore the insurance trust fund balance, which VRE is obligated to do. She agrees with the acquisition of the

20th locomotive because for the long-term, it is the fiscally smart thing to do. She also supports the third track to Spotsylvania and is a strong believer in making sure VRE has funds in a reserve to replace aging equipment. Rather than a credit back to the jurisdictions, which will not result in much when it is spread among the jurisdictions, she supports putting the funds in a railcar reserve.

Ms. Bulova moved, with a second by Mr. Smedberg, to approve VRE staff's recommended strategy.

Chairman Milde stated that he supports the credit back to the jurisdictions. Mr. Smedberg agrees with Ms. Bulova that the \$1.1 million should be put into a railcar reserve. He stated that as VRE looks at the future growth of the region, especially with BRAC issues, VRE needs to be prepared to meet the demand. Mr. Cook stated that he is strongly opposed to giving the funds back to the jurisdictions, because the region needs funding for transportation and transit projects. For his county, he does not believe that it would be used for transportation projects or returned to the taxpayers. Also, the VRE reserve is a good idea.

Mr. Way observed that VRE has a lot of standees right now on peak trains and budget projections call for an increase in ridership by another three percent. It seems that VRE needs to fund a study on improving productivity and capacity (such as 8-car trains and revisiting the L'Enfant solution), which are not currently being discussed. VRE may not even need a 20th locomotive if productivity can be realized. He supports recommendations #1, 3 and 4 and to take the funds for the locomotive and split it in half to be used for a productivity and capacity study and then return the other half to the jurisdictions.

Mr. Zimmerman stated that given that budgets are forecasted, there is a high correlation between ridership and the quality of service. It is important to look ahead to the future. When dealing with a very small variance (5 percent of VRE's total budget), his concern is in the short-term (1-3 years) needs for VRE service. Crediting back funds to the jurisdictions after being divided among all of the jurisdictions becomes a token measure. He asked if the Commonwealth would take a share as well. Chairman Milde stated that \$2.6 million of the funds would be used as cash to purchase capital, without any grants or financing. This strikes him as unusual. Mr. Zimmerman stated that this is a fair question whether these funds would be better used to leverage financing.

Mr. Jenkins stated that he fully supports Ms. Bulova's motion. Ms. Stimpson stated that the credit back will matter to her jurisdiction. It would be a good faith gesture to the localities to return the funds. The allocation of those funds is from every taxpayer and not just VRE riders. She stated that she will hold the Operations Board Members' "feet to the fire" as soon as she hears that VRE wants to raise subsidies again. Chairman Milde stated that the approximate \$100,000 credit back would be of significance to his jurisdiction.

Mr. Page stated that in regards to the insurance trust fund, it is fiscally responsible for VRE to restore the fund. Ordering the 20th locomotive is also a good idea because the new locomotives have more horsepower. The Commonwealth also supports the third

track funding. He stated that there is some concern from DRPT on the credit back to the jurisdictions. If VRE has a reduction in operating expenses and farebox revenues in excess, then there needs to be a re-calculation by DRPT as to what it should have provided to VRE in state grants. Mr. Page stated that he is in favor of the motion on the floor. He stated that if the motion fails, then in regards to the credit, the Commonwealth would need to be considered. Ms. Stimpson stated that it is outrageous for the Commonwealth to say that if VRE credits back funds to the jurisdictions, then the state would threaten to give VRE less state aid next year. Mr. Page stated that this is how it works.

Mr. Logan observed that he sees a huge conflict for this vote and he made a substitute motion that VRE take the recommendations by line item and separately vote on them, instead of voting them as a block of recommendations. Ms. Stimpson seconded the motion.

Several Board Members called point of order. Mr. MacIsaac stated that he heard it as a substitute motion to Ms. Bulova's original main motion and, therefore, it is an appropriate substitute motion.

Mr. Jenkins stated that he would have to vote against this substitute motion because the package of recommendations would be diluted.

Mr. Smedberg asked for a point of information. He asked Mr. Logan if he has a position on each recommendation. Mr. Logan stated that he has opinions on each recommendation but the intent of the substitute motion is to divide the recommendation into line items so they can be voted on separately.

Mr. Zimmerman stated that he would oppose the substitute motion because it makes it a piece meal and ad hoc decision. He observed that staff proposed a strategy of how the funds should be used, which the Board has the right to make changes to those recommendations, but to vote by line item is not a good idea.

Mr. Jenkins called the question. The Board then voted on the substitute motion. The following Board Members voting in favor: Board Members Howe, Logan, Milde, Stimpson and Way. The vote in opposition was from Board Members Bulova, Caddigan, Cook, Covington, Jenkins, Page, Smedberg and Zimmerman. Mr. Zehner reviewed how the weighted voting works. The substitute motion failed.

The Board returned to the original motion.

Mr. Harf observed that we are nine months away from the next state grant cycle and for the rolling stock acquisition, the Commonwealth could fund up to 80 percent state participated funding and the third track work could be eligible for 50 percent. He asked if VRE could fashion an arrangement to not forgo the opportunity to apply for funding for these projects.

Ms. Bulova stated that by putting funding into the capital reserve, it allows for a match. Mr. Harf stated that there is a way to take advantage of the 20th locomotive option and

at the same time to position VRE to receive state funding. Mr. Zehner stated that VRE could seek funding from the state, but the decision to purchase the 20th locomotive needs to be approved today. VRE could exercise the locomotive option and then come back and reverse out the payment if funding can be identified. The locomotive acquisition is strategic to VRE's long term goals.

Mr. Jenkins moved to call the question. Mr. Page seconded. The vote in favor was cast by Board Members Bulova, Caddigan, Cook, Covington, Howe, Jenkins, Logan, Page, Smedberg, Stimpson, Way and Zimmerman. Chairman Milde voted no.

The Board then voted on Ms. Bulova's original motion. The vote in favor was cast by Board Members Bulova, Caddigan, Cook, Covington, Howe, Jenkins, Logan, Page, Smedberg and Zimmerman. The vote in opposition was cast by Board Members Milde, Stimpson and Way. The motion passed.

Mr. Taube observed that Mr. Zehner stated that it is important for him to receive Board authorization to buy the locomotive. However, the resolution is not worded that gives him that authority. Ms. Mouchantaf explained that the resolution was written to forward any action to the Commissions based on the discussion at the Operations Board meeting. The last whereas clause of the resolution gives staff the authority to make it more specific based on today's discussion and action.

Ms. Bulova stated that to make it perfectly clear, she moved that the VRE Operations Board recommends to the commissions that they approve the purchase of the 20th locomotive. Chairman Milde stated that if wording can be changed to "pursue the purchase and financing options for the 20th locomotive," he could support the motion. Ms. Bulova agreed since the intent of her motion was not to be specific about the financing of the locomotive. Mr. Zimmerman seconded the motion. The vote in favor was cast by Board Members Bulova, Caddigan, Cook, Covington, Howe, Jenkins, Logan, Milde, Page, Smedberg, Stimpson and Zimmerman. Mr. Way voted no.

Mr. Smedberg observed that Mr. Way introduced an interesting point about VRE's strategic planning for the future by looking at productivity and capacity and he asked if staff could provide a briefing on this at a future meeting.

Customer Opinion Survey – 10A

Mr. Zehner reported that Chairman Milde has already given a good overview of the results of the survey, which was conducted on May 12, 2010. The annual survey measures the perceived strengths and weaknesses of VRE service and programs. The level of overall service quality was rated at 77 percent, which is a two percent improvement over last year and the highest score since 2003. Mr. Zehner stated that this survey was conducted while Amtrak was the contract operator. He has provided this survey to Keolis and challenged them with trying to beat these scores. The next customer opinion survey will be conducted in May 2011.

Initiation of New Passenger Car Procurement – 10B

Mr. Zehner reported that staff will begin the process of developing a new railcar procurement. No action is needed at this time. Under his delegated authority, a task order to VRE's mechanical engineering consultant, STV, will be issued to update the previous railcar procurement to reflect current specifications as desired by VRE. This task order will be under \$50,000. Work will also be initiated with VRE's financial advisors to develop various funding opportunities, which will include grant funding, government loans or other debt financing, and/or include a financing mechanism in this procurement. The cost of this work is also not expected to exceed \$50,000. Once these tasks have been completed, VRE staff will return to the Operations Board with a funding plan and a request to issue a solicitation.

Closed Session – 11

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

Pursuant to the Virginia Freedom of Information Act (Sections 2.2-3711A (1) of the Code of Virginia), the VRE Operations Board authorizes a Closed Session for the purpose of discussion of one personnel matter.

The vote in favor was cast by Board Members Bulova, Caddigan, Cook, Covington, Howe, Jenkins, Logan, Milde, Page, Smedberg, Stimpson, Way and Zimmerman.

The Board entered into Closed Session and when they returned to Open Session, Ms. Bulova moved, with a second by Mr. Smedberg, the following certification:

The VRE Operations Board certifies that, to the best of each member's knowledge and with no individual member dissenting, at the just concluded Closed Session:

1. Only public business matters lawfully exempted from open meeting requirements under the Freedom of Information Act 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, Cook, Covington, Howe, Jenkins, Logan, Milde, Page, Smedberg, Stimpson, Way and Zimmerman.

Adjournment

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

Approved this 15th day of October, 2010.

Paul Milde
Chairman

Wally Covington
Secretary

CERTIFICATION

This certification hereby acknowledges that the minutes for the September 17, 2010 Virginia Railway Express Operations Board Meeting have been recorded to the best of my ability.

Rhonda Gilchrest

Rhonda Gilchrest



CHIEF EXECUTIVE OFFICER'S REPORT

September 2010

MONTHLY DELAY SUMMARY

	May	June	July	August
System wide				
Total delays	70	145	229	112
Average length of delay (mins.)	13	18	18	26
Number over 30 minutes	6	19	30	24
Days with Heat Restrictions/Total days	0/20	5/22	4/21	3/22
On-Time Performance	87.9%	76.9%	63.0%	82.7%
Fredericksburg Line				
Total delays	34	63	125	65
Average length of delay (mins.)	16	20	19	23
Number over 30 minutes	5	10	16	8
On-Time Performance	86.9%	77.4%	55.8%	77.9%
Manassas Line				
Total delays	36	82	104	47
Average length of delay (mins.)	11	16	18	32
Number over 30 minutes	1	9	14	16
On-Time Performance	88.8%	76.4%	69.1%	86.7%

SYSTEM RIDERSHIP

Average daily ridership for the month of August was 17,053, which marks the eighth consecutive month where average daily ridership was above 17,000. While August ridership has not broken daily records like earlier in the year, cumulative and monthly ridership continue to be higher than at the same time last year. Comparison of the monthly ridership for August 2009 to August 2010 indicates an increase of 12%, while year to date ridership is 8.5% higher than last year.

ON-TIME PERFORMANCE

System-wide on-time performance for the month of August was 82.7 %. On-time performance on the Fredericksburg Line for the month of August was 77.9 % and the Manassas Line was 86.7%. Performance rebounded from July after Keolis brought in additional maintenance personnel to reduce mechanical delays. In addition, crews are getting more familiar with the service requirements and less railroad issues occurred (i.e. brush fires, derailments, heat and flood restrictions) during late August. When comparing the first half of August to the latter half, there is a significant improvement in the second half, when on-time performance was over 90% on both lines during the second half.

NEW LOCOMOTIVE

VRE received the first new locomotive, V50, on June 24, 2010. After a series of static, compatibility testing with VRE passenger cars, the V50 operated over VRE territory the first time on July 17, 2010. This started a series of non-passenger test runs to validate performance characteristics such as acceleration, deceleration and ride quality.

On August 2, 2010, the V50 entered passenger service for the first time on Fredericksburg train 302. Acceptance testing is ongoing along with mechanical and train operations familiarity training. To-date, the V50 has met VRE performance requirements. We will continue to monitor and evaluate reliability and performance and look forward to receiving the balance of the order beginning in December 2010.

VRE SECURITY CAMPAIGN

September is "National Preparedness Month". As such, VRE is taking the initiative to implement a new Security Campaign entitled, "Security is No Accident." The campaign, which begins this month, consists of a series of station posters, a seat drop card which can be used as a bookmark, a luggage tag, window decals for inside the trains, and a security page on the VRE web site. The campaign message is, "If you see suspicious objects, an unattended package, or strange behavior at the station or in the parking lot, call 911 and give the description and location. If you're on the train, inform the conductor immediately." The funding for this campaign was provided by a grant from the Department of Homeland Security.

WOODBIDGE STATION EXPANSION

The second platform on track 3 at the Woodbridge VRE Station became operational on August 31, 2010. VRE, along with Amtrak, can utilize the platform. Passengers will use the overhead pedestrian bridge to gain access to the platform and garage on the track 2 side. Both stairs and an elevator provide passengers access. An inter-track fence prevents the use of the asphalt cross walk.

GAINESVILLE-HAYMARKET

DRPT staff is completing the final review of an Addendum to the Rail Enhancement Fund (REF) agreement for the Gainesville-Haymarket Extension project. The award of the consultant contract to conduct the environmental review and preliminary engineering for VRE is pending the execution of this Addendum.

BROAD RUN PARKING

Prince William County has developed plans to add approximately 150 spaces to the Broad Run VRE station. This action is in response to overcrowding at the station and as an interim solution until the parking garage project is completed. The County expects site plan approval this month and construction to begin early October of this year. The lot expansion is expected to be

completed by this winter. The parking garage project is currently in the planning stages and an RFP for design services is being developed.

BROOKE AND LEELAND PARKING UPDATE

VRE is currently working with Stafford County on the plan review process and obtaining the necessary permits for the Brooke parking extension. The final bid set will be ready for procurement in spring 2011. This site will add an additional 200 parking spaces.

VRE is also working with Stafford County on the plan review process for Leeland. The final bid set should be complete at the same time as the Brooke design. The Leeland site will also result in 200 additional parking spaces.

MONTHLY PERFORMANCE MEASURES – AUGUST 2010

MONTHLY ON-TIME PERFORMANCE	ON-TIME PERCENTAGE
August Fredericksburg OTP Average	77.9%
August Manassas OTP Average	86.7%
AUGUST OVERALL OTP AVERAGE	82.7%

RIDERSHIP YEAR TO DATE	RIDERSHIP
VRE FY 2010 Passenger Totals	726,115
VRE FY 2009 Passenger Totals	669,524
PERCENTAGE CHANGE	8.5%

RIDERSHIP MONTH TO MONTH COMPARISON	
DESCRIPTION	MONTHLY RIDERSHIP
AUGUST 2010	365,362
AUGUST 2009	326,594
PERCENTAGE CHANGE	11.9%
SERVICE DAYS (CURRENT/PRIOR)	21/21

Monthly Ridership and OTP: August 2010

Date	Manassas AM	Manassas PM	Total Manassas	Actual OTP TD	Fredburg AM	Fredburg PM	Fredburg Total	Actual OTP TD	Total Trips	Actual OTP ID
1										
2	4,182	3,957	8,139	81%	4,272	4,413	8,685	64%	16,824	73%
3	4,188	4,524	8,712	94%	4,235	4,739	8,974	71%	17,686	83%
4	4,221	4,580	8,801	100%	4,685	4,660	9,345	64%	18,146	83%
5	4,528	4,483	9,011	50%	4,642	2,865	7,507	50%	16,518	50%
6*	3,615	3,631	7,246	81%					7,246	81%
7										
8										
9	4,433	4,312	8,745	81%	4,499	4,148	8,647	29%	17,392	57%
10	4,551	4,346	8,897	83%	4,621	4,475	9,096	50%	17,993	57%
11	4,418	4,175	8,593	81%	4,827	4,249	9,076	29%	17,669	57%
12	4,382	4,317	8,699	69%	4,651	4,188	8,839	71%	17,538	70%
13	3,546	3,288	6,834	94%	3,959	3,989	7,948	100%	14,782	97%
14										
15										
16	3,840	3,568	7,408	94%	4,867	4,365	9,232	100%	16,640	97%
17	4,493	3,965	8,458	69%	4,998	4,245	9,243	93%	17,701	80%
18	4,155	4,110	8,265	88%	4,983	4,596	9,579	86%	17,844	87%
19	3,963	4,175	8,138	100%	4,504	4,748	9,252	86%	17,390	93%
20	3,698	3,539	7,237	88%	4,108	4,313	8,421	100%	15,658	93%
21										
22										
23	4,055	3,701	7,756	94%	4,380	3,828	8,208	93%	15,964	93%
24	4,224	4,050	8,274	100%	4,204	4,297	8,501	100%	16,775	100%
25	4,193	3,949	8,142	100%	4,371	4,208	8,579	86%	16,721	93%
26	4,174	4,015	8,189	100%	4,421	4,508	8,929	79%	17,118	90%
27	3,892	3,266	7,158	100%	3,699	3,949	7,648	100%	14,806	100%
28										
29										
30	4,005	3,892	7,897	94%	4,307	4,423	8,730	100%	16,627	97%
31	4,367	4,242	8,609	94%	4,897	4,529	9,426	86%	18,035	90%
	91,123	88,085	179,208	87%	94,130	89,735	183,865	78%	363,073	83%
	Adjusted total:		172,109		Adjusted Total:		186,007	Adjusted Total:	358,116	
	# of Service Days:		21		Total Trips This Month:		365,362	Adjusted Total:	358,116	
	Manassas Daily Avg. Trips:		8,146	Adjusted Avg.: 8196	Prior Total FY-2011:		360,753			
	Fredburg Daily Avg. Trips:		8,358	Adjusted Avg.: 8857	Total Trips FY-2011:		726,115			
	Total Avg. Daily Trips:		16,503	Adjusted Avg.: 17,053	Total Prior Years:		48,489,212			
					Grand Total:		49,215,327			

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

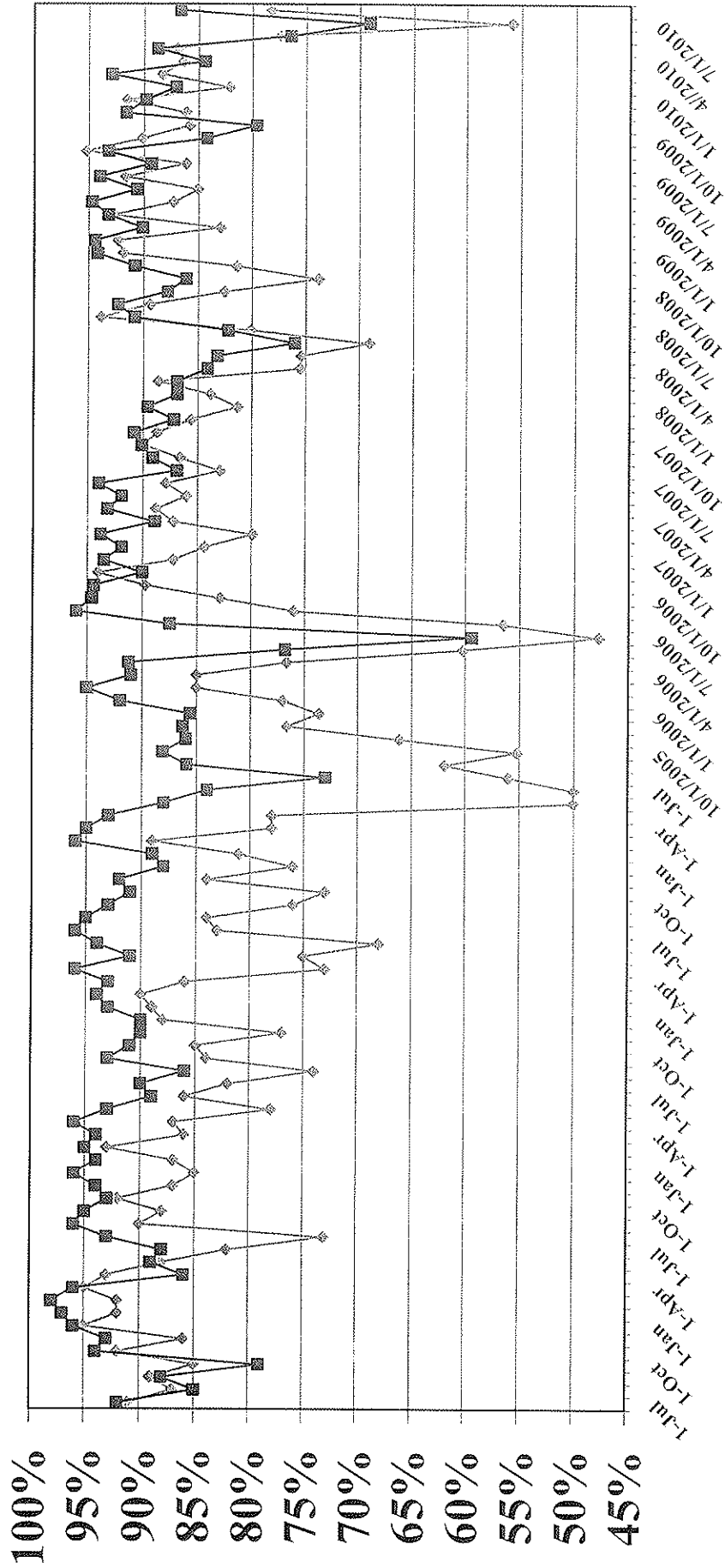
Monthly Ridership Changes: FY 2009 v. FY 2010

Current Month	MANASSAS				FREDERICKSBURG			
	Cumulative FY2010	Cumulative FY2011	% change	Cumulative FY2010	Cumulative FY2011	% change	Current Total	% change
July	163,100	177,199	8.6%	179,830	183,554	2.1%	360,753	5.2%
August	317,944	356,554	12.1%	351,580	369,561	5.1%	726,115	8.5%
September	479,425			528,890			0	-100.0%
October	646,968			707,230			0	-100.0%
November	795,248			861,321			0	-100.0%
December	945,530			1,017,358			0	-100.0%
January	1,110,585			1,185,171			0	-100.0%
February	1,234,347			1,307,174			0	-100.0%
March	1,430,590			1,511,240			0	-100.0%
April	1,611,255			1,702,807			0	-100.0%
May	1,778,326			1,876,822			0	-100.0%
June	1,963,430			2,069,800			0	-100.0%

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

On-Time Performance

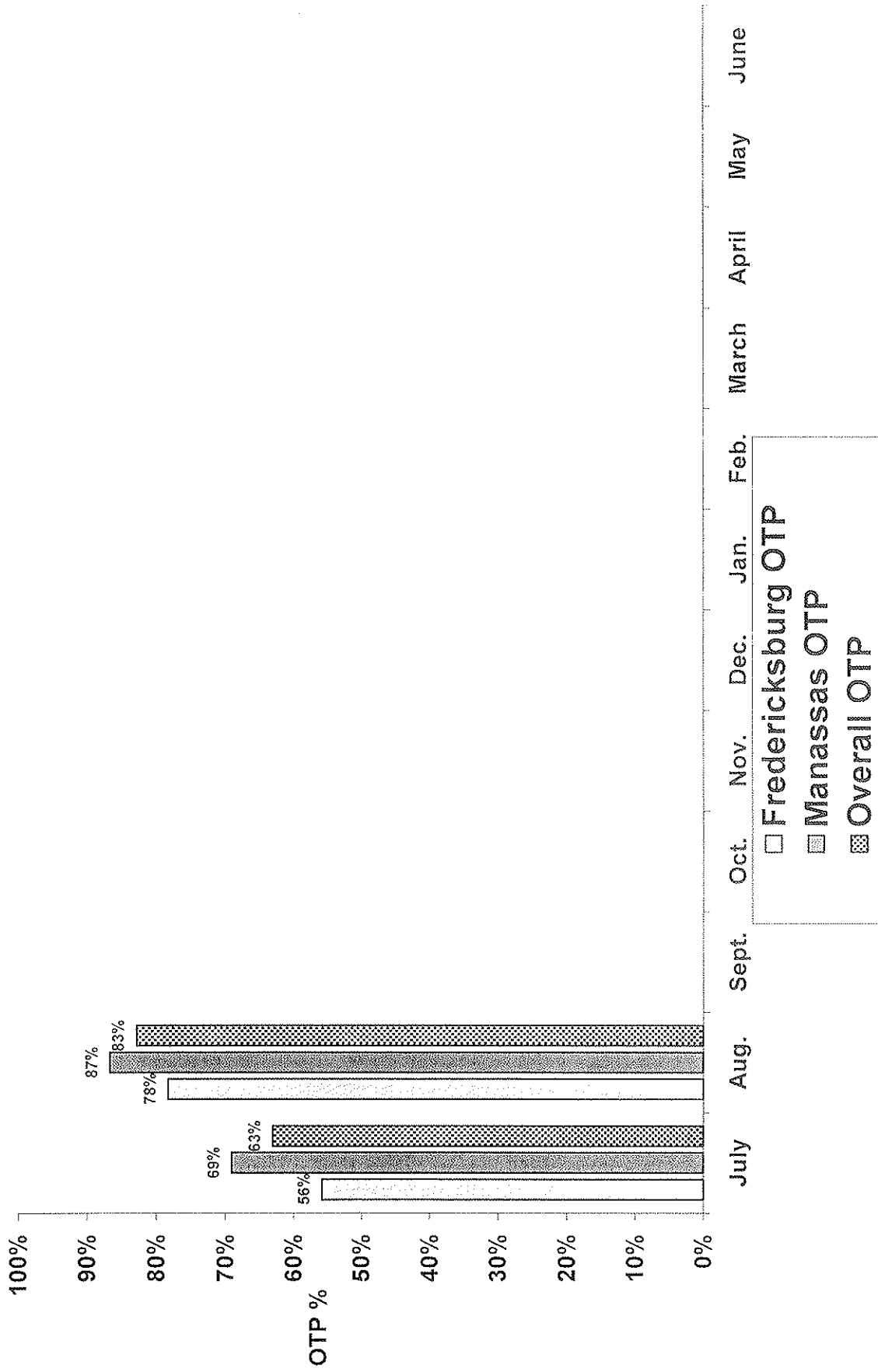
July 2001 – August 2010



—◇— Fredericksburg Line —■— Manassas Line

Average On-Time Performance

FY-2011



FINANCIAL STATISTICS FOR AUGUST 2010

Copies of the August 2010 Operating Budget Report are attached.

Fare income for the month of August 2010 was \$204,719 above the budget – a favorable variance of 8.51%. The cumulative variance for the year is 11.18% or \$538,373 above the adopted budget. Revenue in the first two months of FY 2011 is up 9.9% over FY 2010. This positive variance is the result of higher than budgeted ridership.

A summary of the financial results (unaudited) as of August 2010 follows. Detail on the major revenue and expense categories is provided in the attached Operating Budget Report.

Measures		Goal	Actual
Operating Ratio		55%	76%
Budgeted Revenue	71,507,521		
Budgeted Revenue YTD	16,101,190		
Actual Revenue YTD	16,555,527		
Cumulative Variance	454,337		454,337
Percent Collected FY 07 YTD		22.52%	23.15%
Budgeted Expenses	71,507,521		
Budgeted Expenses YTD	14,550,294		
Operating Expenses YTD	14,115,053		
Cumulative Variance	435,241		435,241
Percent Collected FY 07 YTD		20.35%	19.74%
Net Income (Loss) from Operations			889,578

These figures are preliminary and unaudited.

VIRGINIA RAILWAY EXPRESS
FY 2010 Operating Budget Report
 August 31, 2010

	CURR. MO. ACTUAL	CURR. MO. BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE \$	YTD VARIANCE %	TOTAL FY11 BUDGET
OPERATING REVENUE							
Passenger Ticket Revenue	2,611,691	2,406,972	5,352,317	4,813,944	538,373	11.2%	28,100,000
Equipment Rental and Other	4,369	12,934	9,692	25,869	(16,177)	-62.5%	151,000
Subtotal Operating Revenue	2,616,060	2,419,906	5,362,009	4,839,813	522,196	10.8%	28,251,000
Jurisdictional Subsidy (1)	-	-	7,503,303	7,503,303	-	0.0%	14,711,289
Federal/State/Other Jurisdictional Subsidy	3,686,458	1,866,189	3,686,458	3,732,377	(45,919)	-1.2%	28,395,232
Appropriation from Reserve	1,617	12,849	3,757	25,697	-	0.0%	150,000
Interest Income	-	-	-	-	(21,940)	-85.4%	150,000
Total Operating Revenue	6,304,135	4,298,944	16,555,527	16,101,190	454,337	2.8%	71,507,521
OPERATING EXPENSES							
Departmental Operating Expenses	6,541,238	4,752,764	9,057,476	9,505,529	448,053	4.7%	52,308,142
Debt Service	577,320	509,883	1,033,768	1,019,766	(14,002)	-1.4%	13,599,978
Insurance	-	2,012,500	4,025,000	4,025,000	-	0.0%	4,025,000
Other Non-Departmental Expenses	526,743	-	(1,191)	-	1,191	-	1,574,401
Total Operating Expenses	7,645,301	7,275,147	14,115,053	14,550,294	435,241	3.0%	71,507,521
NET INCOME (LOSS) FROM OPERATIONS	(1,341,166)	(2,976,204)	2,440,474	1,550,896	889,578		
CALCULATED OPERATING RATIO							
			76%				

(1) Total jurisdictional subsidy is \$16,070,309. Portion shown is attributed to Operating Fund only.

Rick Taube

From: Dale Zehner [ceo@traintalk.vre.org]
Sent: Wednesday, September 22, 2010 10:06 AM
To: Rick Taube
Subject: Train Talk September 22, 2010 10:00 AM

Train Talk:A Message from the CEO
September 22, 2010 10:00 AM

Monthly Update

As you may recall, last month I sent a Train Talk message discussing the problems we were having with on-time performance. In that message, I made a pledge to send out an email once a month to VRE's riders. This month, I want to talk to you about what I consider to be our top 4 priorities. I know most people talk in terms of top 3 or top 5. When you get down to it, safety is always number one, which would create a top 5 list. With that in mind, the next top 4 items are:

*On-time performance. This is always our top priority. I know that you, the rider, are always happiest when the trains are on-time. This is an area that has seen huge improvements over July and the beginning of August. Through Tuesday, September 21, we are operating 92% on the Manassas Line and 80% on the Fredericksburg Line. While better than previous months, we still have a long way to go. We've done a few things that I think will continue to improve some of the VRE related delay causes.

In addition to the return of MotivePower that I discussed last month, Keolis has hired additional qualified mechanics to their ranks. This should reduce the number of mechanical delays we are experiencing.

To that end, I have instructed Keolis that if there is a mechanical issue that occurs, but does not affect the movement of the train, the train should continue moving. This would include issues with the HEP which controls the interior railcar electrical systems, like HVAC and lighting. VRE will continue to notify you on the message boards at the station and through Train Talk if this is the case so those who would prefer cars with lighting and HVAC can decide to wait for the next train.

In an effort to be customer friendly, Keolis management had allowed trains to hold for riders running for the train. While that is a great sentiment, it causes delays. I have instructed Keolis from now on if it is time depart the station, and there are no riders on the platform, the train must depart. From this point forward, if you are not on the platform when the train is scheduled to depart the station, it is likely that you will miss the train. As I have always said, I only expect 2 things from our riders to have a valid ticket and to be at the platform 5-10 minutes prior to your train's departure time.

*Announcements. This is actually a two-fold category. First, I expect all of the train crews to be able to operate the automatic announcement system so that the pre-programmed station announcements can be made. This is especially important on the southbound trains so that riders can hear announcements and be confident that they are on the correct train. Second, the conductors need to make timely delay announcements when trains are stopped or are operating slowly through a speed restriction.

*Ticket Checking. Ticket checking is critical to VRE's financial health. I have heard from riders that some conductors are great at checking tickets and others are not as vigilant. I am working with Keolis to make ticket checking a more standard practice. To that end, it is your responsibility to have your ticket available for inspection at all times. Just because the conductor has checked once, doesn't mean that you can put your ticket away. Many conductors have commented that they are checking tickets and don't always see the face that goes with that ticket, so when they come through again, they will need to check your ticket again. If you want to sleep, or not be disturbed, please put your ticket in a place that is easily visible to the conductor, especially if you are on the top level.

*Cleanliness. I believe that the smallest details matter. This is why cleanliness makes the top 4. I often hear that VRE's equipment is among the cleanest in the country. I want to keep it that way. If you see a car that is not clean, especially on a morning train, whether it is a smudge on the window, a ripped seat, or a significant stain, please tell us. Visit our website at <http://vre.org/feedback/mechanicalconcerns.php> and fill in all the appropriate blanks. MOST IMPORTANTLY, please give us the car number. That will help us pinpoint the problem quicker. Car numbers can be found above the door to the next car and on the outside of the car near the exterior doors.

I am sure there are a few other areas that VRE and Keolis can improve on. For now, these are my top concerns. As these get resolved, I will be focusing in on other matters. As always, if you have any suggested topics for consideration, both for areas of improvement and for conversation in my emails to you, please email gotrains@vre.org.

I look forward to chatting with you more on the online forum on October 6 at noon. Talk to you then.

Dale

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For the latest information, don't forget to check out the VRE web site at: <http://www.vre.org>. If you would like to unsubscribe yourself or change your delivery information, simply go to the VRE website at <http://traintalk.vre.org> .

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AGENDA ITEM 10-A
INFORMATION ITEM

TO: CHAIRMAN MILDE AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: SEPTEMBER 17, 2010

RE: CUSTOMER OPINION SURVEY - 2010

VRE's Annual Customer Opinion survey was conducted on May 12, 2010. The annual survey measures the perceived strengths and weaknesses of VRE service and programs. Approximately 5,600 passengers filled out the survey, compared to 5,100 the previous year, which is believed to be a result in the growth in ridership. The results are comparable to those from the 2009 survey, with over three-fourths of the report card marks being better or the same as the previous year. For those categories that did not score as well as last year, most dropped one or two percent, with the highest change being station parking availability at 5% below last year.

The level of overall service quality was rated at 77%, a 2% improvement over last year and the highest score since 2003. On-time performance is still the number one concern of passengers, but down four points from last year at 37%. Lack of seating is the second highest concern, which has not made the list of top three issues since 2005. While still in the top three, cost concerns are down from 17% to 14%, likely due to the increase in government employee subsidy and no fare increase in FY 2011. Fares, relative to quality and value of service, were rated three points higher than last year at 58%.

Survey results are illustrated in the attached summary. Full results are available on the VRE website as downloadable Microsoft Word or PDF files. When looking at the "Report Card" on the last page, please note that the train crew grades are for the Amtrak crews. The survey in May 2011 will be the first to evaluate the Keolis train crews.

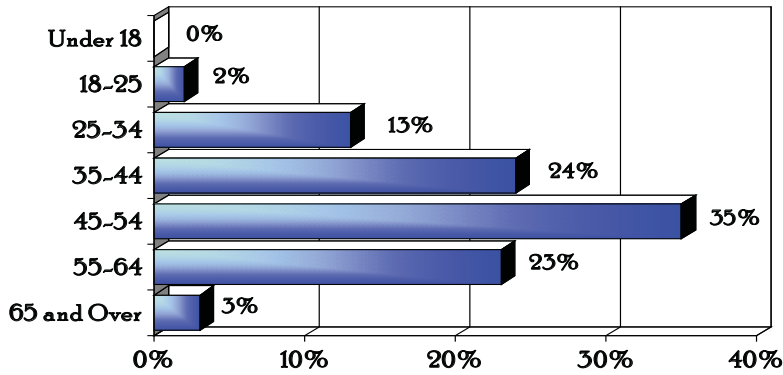


2010
Passenger
Survey Results

Rider Demographics



Age



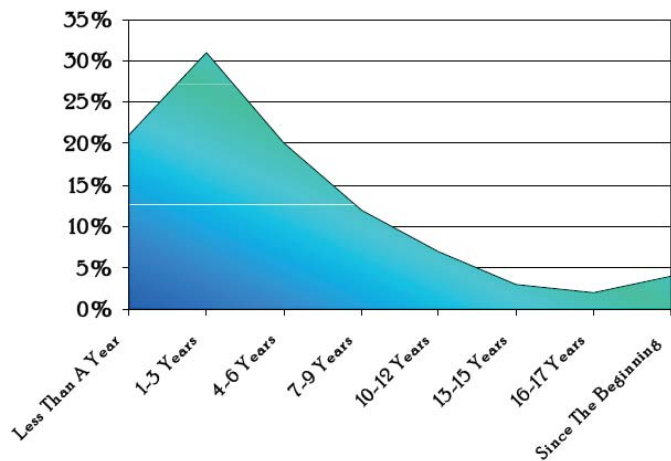
Gender

- 63% Male
- 37% Female

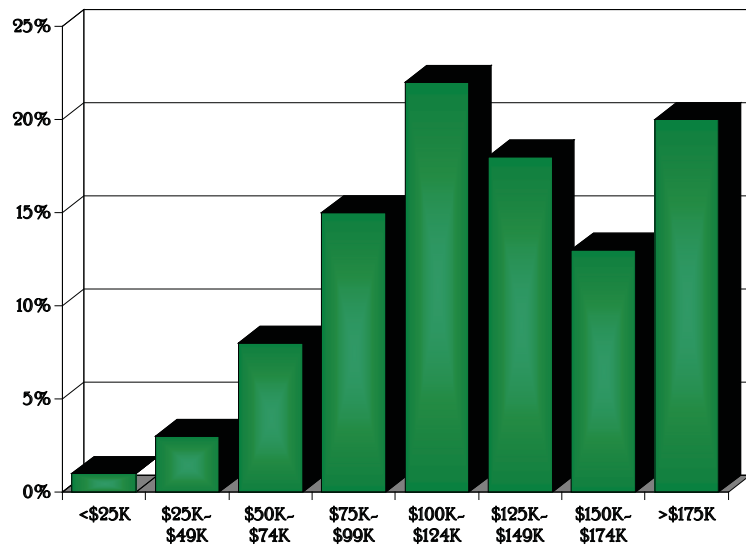
Sector of Employment

- 64% Government
- 6% Military
- 23% Private
- 3% Association
- 1% Self Employed
- 3% Other

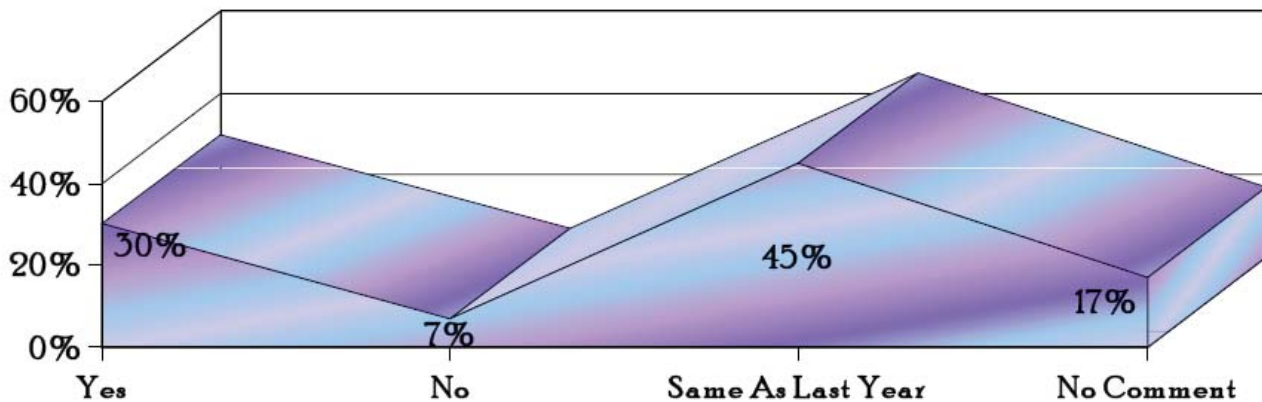
Years Riding



Household Income



Has Service Improved?



Top Concerns About Service

- On-Time Performance - 37%
- Lack of Seats - 17%
- Cost - 14%

Top 3 Reasons for Switching to VRE

1. Traffic
2. New Job
3. New Home



Riders Traveling On

- Monthly Tickets - 71%
- Ten-Trip Tickets - 21%
- Five-Day Passes - 3%
- Transit Link Cards - 3%

Did You Know?

- 63% of Our Riders Come From Five Stations:
Broad Run, Manassas, Burke Centre, Fredericksburg and Leeland Road
- 46% of Riders Indicate that They Use Facebook - Up From 29% Last Year
- 16% of Riders Have Been Riding VRE 10 Years or More
- 67% of Riders Walk to Their Final Destination
- 18% of Riders Say That They Have Always Used VRE
- 40% of Riders Drive to Work Alone When They Don't Use the Train
- 63% of Riders' Final Destination is L'Enfant or Crystal City



VRE Report Card

% of riders who rated us with an A or B

<u>Customer Service:</u>	<u>2010</u>	<u>2009</u>
Responsiveness of VRE Staff	85%	82%
Friendliness of VRE Staff	84%	80%
VRE Follow-Up to Delays or Problems	51%	51%
Lost and Found	67%	69%
Usefulness of Rail Time	70%	69%
Timeliness of E-mail Responses	53%	54%
Quality of E-mail Responses	60%	62%
Quality of Website	73%	75%
Timeliness of Website Information	67%	68%
Timeliness of Train Talk	67%	67%
Quality of Train Talk	69%	68%
Overall Communication with Passengers	67%	65%
 <u>Train Crew Members:</u>		
Are Knowledgeable About VRE Operations	89%	88%
Are Helpful	88%	86%
Are Courteous	86%	82%
Make Regular Station Announcements	80%	75%
Make Timely Delay Announcements	71%	67%
Check Tickets Regularly	73%	75%
Present A Professional Appearance	91%	89%
Overall Crew Performance	87%	84%
 <u>VRE Operations:</u>		
Convenience of Schedules	61%	59%
On-time Performance	58%	58%
Cleanliness of Trains	87%	86%
Cleanliness of Stations	81%	80%
Communication between VRE Staff & Riders	72%	67%
Automated Telephone System	58%	60%
Reliability of Ticket Vending Machines	45%	40%
Ease of Buying a Ticket	69%	65%
Ease of Using Metrocheks	66%	61%
Station Parking Availability	58%	63%
Public Address System On Train	56%	51%
Public Address System On Platform	52%	51%
Timeliness of Platform Information	45%	43%
Personal Security at Station & On Train	66%	64%
Safety of Train Equipment	79%	79%
Station Signage	68%	68%
Lighting at Morning Station	79%	78%
Lighting at Evening Station	79%	79%
Traffic Circulation	52%	55%
Level of Fare for Quality and Value of Service	58%	55%
Overall Service Quality	77%	75%

Revisions to the FY 2011 VRE Budget

As shown on the attachments, VRE ended FY 2010 with a positive budget variance of \$5.1 million. Fare revenues were greater than expected (\$3.1 million) and net costs were lower (\$2 million). The VRE Operations Board considered how to allocate the surplus at its September 17th meeting.

From the alternatives presented by VRE's CEO, the Board recommended:

- \$0.5 million to restore the balance of the insurance trust fund to \$10 million.
- \$2.5 million to acquire the 20th locomotive before the current option expires.
- \$1.0 million to fund the final design of the third track to Spotsylvania which is a VRE contractual commitment.
- \$1.1 million to fund a capital reserve account for a new railcar procurement.

The reasons to establish the reserve for new railcars are described in the attached memorandum dated September 17, 2010 and labeled "Agenda Item 10-B Information Item."

The vote on this recommendation was not unanimous. Some dissenters wished to return \$1.1 million to the jurisdictions as a credit against FY 2012 subsidy bills. Others wanted to study efficiency improvements that did not require the specific investments ultimately recommended by the Board. Still others pointed out that VRE typically leverages its own financial resources by obtaining federal earmarks and/or state assistance for its capital investments, and should not squander its resources in this case without seeking to obtain similar financial support.

In addition to adopting the reprogramming recommendation, the VRE Board recommended that the commissions authorize VRE's CEO to proceed with the purchase of the 20th locomotive. The locomotive will cost over \$4 million, and VRE's CEO is confident that through negotiation a fair price can be agreed to that can be paid with existing VRE financial resources augmented with the additional \$2.5 million of surplus funds.

Resolution #2156 includes the VRE Operations Board recommendations, with the addition of direction to VRE's CEO to explore alternative financial support from VRE's traditional funding partners. The recommended investments should proceed. In the event alternative funding is identified, any savings from capturing alternative funds would be placed in the railcar reserve and be the subject of future formal action by the VRE Board and commissions regarding spending from the reserve.



RESOLUTION #2156

SUBJECT: Revisions to the FY 2011 VRE Budget.

WHEREAS: Net income from VRE's FY 2011 operations exceeded the amount budgeted by \$5.1 million;

WHEREAS: The surplus was due to increased fare revenue (\$3.1 million) and reduced net costs (\$2 million);

WHEREAS: The VRE Operations Board is recommending revisions to VRE's FY 2011 budget that would allocate the FY 2010 surplus funds for productive purposes; and

WHEREAS: In making capital investments, VRE typically leverages its own financial resources with additional support from its federal and state funding partners.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission accepts the VRE Operations Board's recommendations to program the FY 2010 surplus funds for the FY 2011 budget as follows:

- 1) \$0.5 million to restore the balance of the insurance trust fund to \$10 million;
- 2) \$2.5 million to acquire the 20th locomotive before the current option expires;
- 3) \$1.0 million to fund final design of the third track to Spotsylvania which is a VRE contractual commitment; and
- 4) \$1.1 million to fund a capital reserve account for a new railcar procurement.



RESOLUTION #2156 cont'd

BE IT FURTHER RESOLVED that the commission authorizes the CEO to make the payment of \$500,000 to the Virginia Division of Risk Management for the VRE Insurance Trust Fund.

BE IT FURTHER RESOLVED that the commission authorizes the CEO to execute the option order with Motive Power, Inc. for the twentieth locomotive.

BE IT FURTHER RESOLVED that VRE's CEO is directed to actively seek additional financial support from VRE's federal and state funding partners for the investments listed above, so as to leverage VRE's surplus funds, without delaying the timely completion of those investments.

BE IT FURTHER RESOLVED that if VRE's CEO is successful in obtaining additional federal and/or state funding for the investments listed above, any additional surplus funds will be placed in the new railcar reserve and be the subject of future formal action by the VRE Operations Board and commissions to authorize spending from the reserve.

Approved this 7th day of October, 2010.

Catherine M. Hudgins
Chairman

Mary Hynes
Secretary-Treasurer

AGENDA ITEM 9-D
ACTION ITEM

TO: CHAIRMAN MILDE AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: SEPTEMBER 17, 2010

RE: AUTHORIZATION TO ALLOCATE FY 2010 OPERATING SURPLUS

RECOMMENDATION:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to allocate a positive variance from the FY 2010 budget, as presented at the Operations Board meeting, and to recommend to the Commissions any actions resulting from this allocation requiring their approval.

BACKGROUND:

Net income from operations for FY 2010 exceeded the amount budgeted by approximately \$5.1 million. The major reasons for this positive variance are as follows:

- Fare revenue exceeded the amount budgeted by \$3.1 million, or 11.5%, as a result of higher than anticipated ridership. Total fare revenue was slightly more than \$30 million and average daily ridership for the year was 16,673.
- Operating expenses were less than the amount budgeted by \$2.5 million or 4.7%. The major factors were fuel, which was less than budgeted by \$900,000, and train operations and equipment maintenance costs.
- Other revenues and costs, including grant revenue for operations and debt services costs, netted a negative variance of approximately \$500,000.

A proposal for allocating the \$5.1 million positive variance will be discussed in detail at the Operations Board meeting.

REPORT ON OPERATING AND CAPITAL RESERVES

At a recent past Operations Board meeting, additional information on the VRE operating and capital reserves was requested. That information is provided below:

During the period from FY 2006 to FY 2008, VRE's working capital, calculated as current assets less current liabilities, was reduced significantly due to several factors. These factors include a precipitous rise in fuel prices, less than anticipated ridership during a portion of that period, and a reduction in grant revenue.

For the last several years, VRE has sought to re-establish a reasonable level of working capital, with a goal of 16.7%, or two months of operating costs. This is consistent with or less than the level set by other similar transit agencies. At the end of FY 2010, working capital was at \$10.4 million, or 15% of operating costs. These funds are used for multiple purposes, including: 1) local match for prior year grant funds, currently about \$3.8 million; 2) to accommodate delays in the receipt of grant revenue, which is often substantial; and 3) as a cushion when annual revenue and expenses are less than anticipated, as occurred during the period from FY 2006 and FY 2008.

VRE also has a small capital reserve which was funded primarily from the sale of equipment and is reserved to assist in capital purchases. The balance at the end of FY 2010 was \$3 million, with nearly all the funds committed to the locomotives already on order.

At present, VRE has total cash on hand of approximately \$5.7 million and is awaiting federal grant reimbursement of \$5.8 million for the locomotive purchase.

FISCAL IMPACT:

Funds are available from the FY 2010 operating budget.

FY 2010 Positive Variance Summary

- Due to a series of positive variances in the FY 2010 budget, a surplus of \$5.1M exists after accounting for actual positive and negative revenues and expenditures.

Increase in fare revenue	\$3,100,000
Reduction in operating expenses	\$2,000,000
Total positive variance	\$5,100,000

- Based on Operations Board advocacy of increasing ridership and expanding capacity through more trains and longer trains, the following proposal is being recommended.
- Criteria for inclusion in the recommendation include:
 1. Items which benefit passengers since the majority of the variance is from fare revenue
 2. Must be one time expenditure since the funding is not reoccurring
 3. Focus on completing projects and fulfilling contractual commitments
- VRE proposal for surplus funding:

Fully fund Insurance Trust Fund	\$.5M	Brings balance to \$10M
Complete acquisition of 20 th locomotive	\$2.5M	Completes program
Fully fund final design of third track to Spotsylvania	\$1.0M	Contractual commitment
Capital reserve for funding for new railcar procurement or credit to jurisdictions	\$1.1M	Board decision
Total Variance	\$5.1M	

- Insurance Trust Fund: DRM requires VRE to maintain a balance of \$10 million. Current balance is \$9.5M. Additional \$500K would bring balance to required level.
- Locomotive Program: We have a contract for 20 locomotives and, to date, have procured 19 units. An additional \$2.5M would complete the program and ensure delivery of all locomotives in CY 2011. New locomotives are critical to reducing mechanical delays, increasing OTP, to permit expansion of service levels.
- Spotsylvania Third Track: In our agreement with Spotsylvania County, VRE committed to completing a third mainline track into Spotsylvania to permit revenue service. The preliminary engineering (PE) for the third track was completed by CSX earlier this year. Final track design must now be completed prior to moving into construction. Currently, no funding exists for the design. With \$1.0M we can complete the design and move into construction in less than one year.
- Capital Reserve for Railcar Procurement or Credit to Jurisdictions: VRE must start the program to replace the 30 older gallery railcars. The \$1.1M would be used toward matching anticipated grant funding for the first phase of the program, estimated at \$12M. The Operations Board could also credit \$1.1M back to the jurisdictions.

AGENDA ITEM 10-B
INFORMATION ITEM

TO: CHAIRMAN MILDE AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: SEPTEMBER 17, 2010

RE: INITIATION OF NEW PASSENGER CAR PROCUREMENT

In April of 2004, the Operations Board authorized the issuance of an RFP for the procurement of 11 bi-level cab cars with an option for an additional 50 bi-level railcars. In October 2004, Sumitomo Corporation of North America was awarded the contract and in March 2005, the Operations Board exercised the option for the full 50 railcars. All 61 cars were delivered by September 2008.

In March 2008, the Operations Board authorized the issuance of an RFP for the procurement of ten additional bi-level railcars. Sumitomo Corporation of North America was the sole bidder and was awarded the contract in October 2008. The ten railcars were delivered in February 2010.

Currently, VRE's railcar fleet includes 71 bi-level Gallery railcars, as noted above, and 30 Pullman Gallery railcars. The Pullman railcars were previously operated by Chicago-Metra and were built between 1956 and 1969. VRE planned to operate the Pullman railcars through CY 2011 without performing a major overhaul. However, through aggressive preventative maintenance, VRE projects this timeline can be extended to no later than the end of CY 2013. As such, with an expected delivery time of two years, a procurement for new railcars must be initiated at this time.

At the time of the original new railcar procurement in 2004, VRE's fleet management plan required 77 railcars for daily service, including spares. By 2010, this requirement increased to 91 cars, including spares. If new railcars were ordered, the fleet requirement would drop to 85 units, including spares, due to a lower spare ratio requirement with new equipment. However, if the new train proposed in the six-year plan were to be added, the requirement would again

increase to 91 units. The projected number of passenger cars required for daily VRE service by 2020 is expected to reach 120 units, including spares.

Given funding challenges, a procurement could be developed to procure five railcars, with an option for 45 additional units over a five year contract term. Assuming no additional service, the first 15 would replace the Pullman railcars currently in VRE service. The additional 35 would only be executed after Operations Board approval for specific capacity and/or line expansion projects. As procurement guidelines allow for equipment contracts to span five years, this approach would allow fleet continuity if additional equipment needs and funding are identified.

This procurement approach mirrors the original railcar and locomotive purchases. In addition, this procurement allows VRE to commence replacement of the existing Pullman railcars prior to needing a major overhaul and inspection.

Under the CEO's delegated authority, a task order to VRE's mechanical engineering consultant, STV, will be issued to update the previous railcar procurement to reflect current specifications as desired by VRE. This task order will be under \$50,000.

Work will also be initiated with VRE's financial advisors to develop various funding opportunities. These options will include grant funding, government loans or other debt financing, and/or include a financing mechanism in this procurement. The cost of this work is also not expected to exceed \$50,000. Once these tasks have been completed, VRE staff will return to the Operations Board with a funding plan and a request to issue a solicitation.



AGENDA ITEM #3

TO: Chairman Hudgins and NVTC Commissioners
FROM: Rick Taube
DATE: September 30, 2010
SUBJECT: NVTC Office Lease

As discussed extensively at NVTC's September 2nd meeting and reflected in Resolution #2155 approved at that meeting, NVTC must execute a lease for new offices at 2300 Wilson Boulevard. Negotiations with the landlord did not proceed as quickly as initially requested by the landlord, so the lease has not yet been executed on the terms discussed by the commission on September 2nd. Accordingly, the commission is asked to act now to authorize execution of that lease.

The proposed lease is being reviewed by legal counsel. The landlord assures us that the space will be completed in time for NVTC to occupy it at the end of this calendar year if the lease is executed soon.

NVTC staff is proceeding with collecting proposals and bids for new telephone and cabling systems, as well as required furniture and moving assistance. All of these expenses will be accomplished within the approved FY 2011 NVTC administrative budget. In addition to authorizing execution of the lease, the commission is asked to authorize NVTC's executive director to purchase these related items and services.



NVTC

Northern Virginia Transportation Commission

NVTC

AGENDA ITEM #4

TO: Chairman Hudgins and NVTC Commissioners
FROM: Rick Taube
DATE: September 30, 2010
SUBJECT: WMATA Items

A report on WMATA's Vital Signs as of September, 2010 is provided for your information.

Resolution #2157 is attached for action. It describes the reasons that NVTC has continued to appoint local elected officials to the WMATA Board. It emphasizes the need to provide adequate funding for WMATA in the immediate and long term. Governance and adequate funding should be discussed together and the public (and Board of Trade/MWCOG study group) should be educated on the issues through cooperative actions by state and local officials. Finally, it concludes that in such discussions NVTC's top priority will be to maintain sufficient representation for its local elected officials to ensure that customers' and taxpayers' interests are fully protected.

A lengthy PowerPoint is attached that documents the facts included in Resolution #2157.

Material provided by Stewart Schwartz of the Coalition for Smarter Growth on the subject of WMATA's governance is attached for your information.





RESOLUTION #2157

SUBJECT: WMATA Governance and Long-Term Financial Sustainability.

WHEREAS: The Northern Virginia Transportation Commission appoints Virginia's two voting and two alternate members of the Board of Directors of the Washington Metropolitan Area Transit Authority;

WHEREAS: That responsibility is defined in the WMATA Interstate Compact (Article III Section 5(a));

WHEREAS: The Commonwealth of Virginia has asked NVTC to replace two of the four local NVTC representatives on the WMATA Board with two individuals selected by the Commonwealth;

WHEREAS: Members of NVTC have pointed out that NVTC's local elected officials currently serving on the WMATA Board are best equipped to respond to the concerns of their constituents who pay for WMATA through local and state taxes, regional gas taxes and fares and parking charges;

WHEREAS: NVTC's current WMATA Board appointees are regular Metro riders, have lengthy experience on that Board, routinely make transportation funding decisions for their own local boards, serve on other regional transportation policy boards, are immersed in transportation and related land use issues and routinely brief their fellow local and state elected officials on Metro issues each month at NVTC and receive feedback;

WHEREAS: As participating jurisdictions in the Metro Compact, NVTC's local governments have been and will continue to be directly responsible for meeting WMATA's funding challenges including stepping up to cover WMATA operating and capital budget deficits (e.g. \$16.4 million at the end of FY 2010 and \$189 million initially for FY 2011). This commitment is likely to continue to expand, since the costs of necessary investments focused on improved safety and increasing ridership continue to grow;

WHEREAS: Local effort to fund WMATA's operating and capital costs has totaled \$2.6 billion from FY 2001 through FY 2011, which is more than three times



RESOLUTION #2157 cont'd

greater than the \$827.5 million from the Commonwealth during that period;

WHEREAS: Increased capital funding for WMATA from the Commonwealth to match federal grants (Passenger Rail Investment and Improvement Act of 2008, also known as PRIIA) for the next 10 years is important and appreciated, yet the entire PRIIA commitment represents just about 10 percent of WMATA's immediate and long-term funding needs. Even when the Commonwealth's match, as well as other federal, state and local capital support for WMATA, is factored in the funding is insufficient to address all of WMATA's critical capital needs;

WHEREAS: A consensus is needed on how to provide sustainable transportation funding for WMATA. Assuring the long term success and viability of this key transportation asset is crucial to addressing concerns about WMATA governance, including the role of the federal government--whose employees are the largest users of the Metro system;

WHEREAS: The Greater Washington Board of Trade and the Metropolitan Washington Council of Governments are currently cooperating to examine issues related to WMATA governance.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission and its members commit to working with the Commonwealth to establish an enhanced and supportive relationship in order to consider and resolve all of the issues listed above, including local and state roles in governance and funding of WMATA.

BE IT FURTHER RESOLVED that because the sustainability of WMATA is vital to the economic health of the Commonwealth, as well as NVTC's local governments, a broader focus is needed beyond seats on the Metro Board to include increased commitments to long-term financial support of WMATA.

BE IT FURTHER RESOLVED that working together, representatives of the Commonwealth and NVTC's local governments should educate the members of the Board of Trade/MWCOG study and the public about the need for sustainable investments to ensure WMATA's future.


BE IT FURTHER RESOLVED that in discussions of WMATA governance and funding, NVTC's top priority will be maintaining sufficient representation for its local elected officials to ensure that customers' and taxpayers' interests are fully protected.

RESOLUTION #2157 cont'd

Approved this 7th day of October, 2010.

Catherine M. Hudgins
Chairman

Mary Hynes
Secretary-Treasurer



Northern Virginia Transportation Commission


NVTC

Thinking Outside the Car Since 1964

**THE WASHINGTON METROPOLITAN
AREA TRANSIT AUTHORITY:
STATE AND LOCAL FUNDING EFFORT
IN VIRGINIA AND REPRESENTATION ON
THE WMATA BOARD**

Draft: October 7, 2010

1



WMATA Governance

- The Washington Metropolitan Area Transit Authority Compact states that Virginia's two voting members and their two alternates shall be appointed by NVTC from among its members (Article III, Section 5 (a)).
- From the beginning, NVTC has appointed a voting member and alternate from Fairfax County and a voting member from Arlington with an alternate from Alexandria.
- The Commonwealth of Virginia is represented on NVTC with the designee of the Secretary of Transportation (typically the Director of the Department of Rail and Public Transportation).

2



Secretary Connaughton's Requests



- On May 26, 2010, Virginia Secretary of Transportation Sean Connaughton wrote to NVTC Chairman Cathy Hudgins requesting that NVTC appoint two representatives of the Commonwealth to serve on the WMATA Board of Directors (one voting member and one alternate).
- Secretary Connaughton included a table he stated shows that the Commonwealth is providing more funding for WMATA in FY 2011 than any individual NVTC jurisdiction. He stated his belief that this increase in funding, plus a recent commitment of resources to improve the performance of a federally mandated state safety oversight program, justifies his request for state representation on the WMATA Board.
- In his letter Secretary Connaughton implied that unless NVTC awards the two requested WMATA Board seats to the Commonwealth, \$50 million annually in state matching funds for WMATA capital previously committed would not be provided.

3

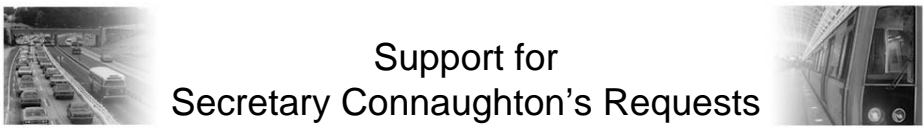


Secretary Connaughton's Requests



- On July 1, 2010, Secretary Connaughton wrote again to NVTC restating his request for state representation (one seat and one alternate) on the WMATA Board. He stated that the state seat would be filled by a transit professional and not an elected official.
- He cited several reports on WMATA that "have raised considerable issues regarding safety and security, funding and management that must be addressed."
- He wrote that Virginia is a WMATA funding partner with no voice.
- He concluded by acknowledging the ongoing work of the Board of Trade/MWCOG Task Force on WMATA Governance and stated that he was prepared to wait for the results.
- On July 1, 2010, the Commonwealth executed an agreement with WMATA and others to provide \$50 million annually for 10 years to match federal funds authorized by the Passenger Rail Investment and Improvement Act of 2009 (PRIIA).


4



Support for Secretary Connaughton's Requests

- Those who support the Secretary's request have suggested that it is more likely that the General Assembly will approve funding for WMATA in the future if legislators feel they have a direct link to the WMATA Board via one or more designated seats.


5



Reaction of NVTC's Jurisdictions

- In response to the Secretary's letters, various representatives of NVTC's local governments made the following points regarding the implied threat to withhold PRIIA funding:
 - ◆ The \$50 million binding state commitment for WMATA capital was made without preconditions and a \$300 million annual multi-state/federal deal will collapse if Virginia does not comply.
 - ◆ If the capital funding program collapses, needed safety investments will not be possible and WMATA's customers will suffer.
 - ◆ The \$50 million should not be tied to discussion of state representation on the WMATA board.
- These concerns have now been addressed by the Commonwealth.

6




Reaction of NVTC's Jurisdictions

The commission deferred action in June and again in July and September on Secretary Connaughton's request to provide state representation on the WMATA Board. Local representatives made the following points regarding the WMATA governance issues:

- ◆ The two new state representatives would replace two of NVTC's four current WMATA Board members;
- ◆ Local representatives are best equipped to respond to the concerns of their constituents who use and pay for WMATA through their local and state taxes, regional gas tax and fares and parking charges;
- ◆ NVTC's current WMATA Board appointees are directly accountable to their constituents who ride Metro. Three of the four are up for reelection in 2011. State appointed officials would not have the same accountability;


7



Reaction of NVTC's Jurisdictions

- ◆ The current Virginia members of the WMATA Board are all residents of (and elected officials in) Virginia. Consequently, it is not accurate to portray Virginia as having no voice in WMATA's governance.
- ◆ NVTC's current WMATA Board appointees are regular Metro riders, have lengthy experience on that Board, routinely make transportation funding decisions for their own local boards and are immersed in transportation and land use issues. Each serves on other regional transportation policy boards. At NVTC, they brief their fellow local and state elected officials on Metro issues each month and receive feedback;
- ◆ In January, 2010, the Commonwealth's representative to NVTC voted to confirm the appointments of NVTC's current four WMATA Board members;


8



Reaction of NVTC's Jurisdictions

- ◆ Local effort to fund WMATA has far exceeded that of the state from the beginning (the WMATA Compact was signed in 1967 and the first state aid for WMATA was received in FY 1973);
- ◆ Local effort to fund WMATA has totaled \$2.6 billion from FY 2001 through FY 2011 while state aid has been \$827.5 million;

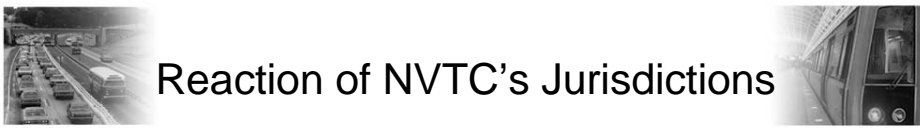
9



Reaction of NVTC's Jurisdictions

- ◆ State aid, while significant, has fluctuated greatly making it difficult to plan and budget, and is dependent on appropriations by the General Assembly and allocations by the Commonwealth Transportation Board. These groups respond to statewide priorities, which often conflict with those of Northern Virginia;
- ◆ State transit aid is based primarily on formulas and the amount received by NVTC for WMATA is dependent on funding requests from throughout the commonwealth. The transit aid is like many other programs returning assistance from the state to the localities in which taxes are originally collected. If state aid fluctuates, local governments must make up the difference.

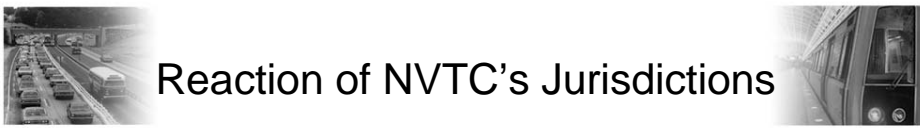
10



Reaction of NVTC's Jurisdictions

- ◆ Maryland currently appoints two voting members of the WMATA Board while providing 100% of Maryland's allocated subsidy. State priorities have differed from WMATA's local Maryland jurisdictions and earlier this year the state withheld vital WMATA funding and only restored it after intense public pressure;
- ◆ The D.C. government pays 100% of its allocated subsidy and appoints all four of its members. Virginia's state government provides far less funding than D.C. and Maryland and should not expect to replace Northern Virginia local officials based on that faulty analogy.
- ◆ In return for a promise of significant additional funding for WMATA, the federal government asked for and received places on the WMATA Board by adding to the total seats available. It did not try to replace existing local representatives.

11



Reaction of NVTC's Jurisdictions

- ◆ In Virginia, the state controls all new funding sources and, with the exception of HB3202 which was later declared unconstitutional by the Virginia Supreme Court, the General Assembly has repeatedly denied local efforts to impose additional local and regional taxes to support WMATA;
- ◆ The Commonwealth has failed to meet its own statutory target of funding 95% of eligible net transit expenses. Since FY 2001 it has a shortfall of \$831.6 million which exceeds its actual contributions. Before the state claims funding supremacy for WMATA it should make up its cumulative shortfall;
- ◆ Secretary Connaughton's May 26th letter implied that NVTC would not receive the \$50 million annual match for new federal capital assistance for WMATA (PRIIA) unless it accepted his terms. This calls into question whether the state commitment is reliable. The previous Secretary of Transportation and Governor made written commitments, without preconditions, citing state statutes. Would the Commonwealth insist on retaining its new seats on the WMATA Board even if it withheld vital funding?

12



Reaction of NVTC's Jurisdictions

- ◆ Adding to doubt about Virginia's intentions is the fact that DRPT would not commit to its PRIIA match beyond the first 10 years, as regional staffs crafted the financial analysis for TPB's updated Constrained Long Range Plan. Maryland and D.C. representatives were prepared to make such a commitment;
- ◆ In allocating state transit assistance to NVTC for WMATA, staff of DRPT demonstrated in the past a lack of understanding of WMATA, especially regarding its multi-year capital funding programs. In FY 2008, DRPT staff unfairly provided a significantly lower matching ratio for WMATA's Metro Matters capital projects based on a misunderstanding of its purpose. This cost NVTC's local jurisdictions \$2.3 million;
- ◆ For several years the Commonwealth had the opportunity to exercise leadership in achieving WMATA safety via the Tri-State Oversight Committee. The response to the federal mandate on the part of Virginia, Maryland and D.C. (there was no local Northern Virginia involvement) was, in the view of many, ineffective. There was no office or staff provided, for example.

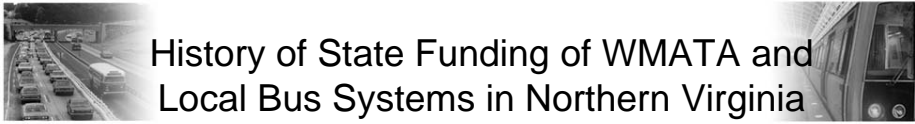
13



Reaction of NVTC's Jurisdictions

- ◆ There is some question about how two state representatives could be appointed from NVTC's members to serve on the WMATA Board because the Commonwealth currently has only one member of NVTC. Also, 15.2-4507 of the Virginia Code states that any "appointed member" of NVTC is authorized to serve on the WMATA Board. While 15.2-4503.1 of the Code specifies that local members and state legislators shall be "appointed," to the NVTC Board, the Chairman of CTB or his designee will "serve ex officio with voting privileges," with no mention of being "appointed" to the NVTC Board. (This legal issue is being researched);
- ◆ The Greater Washington Board of Trade and the Metropolitan Washington Council of Governments are conducting a review of WMATA governance issues. Even if local governments supported the Secretary's request, it would be premature to act now.

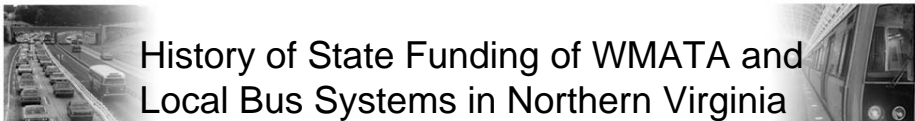
14



History of State Funding of WMATA and Local Bus Systems in Northern Virginia

- Among all the reasons cited above to reject Secretary Connaughton's request, the lack of a sustained funding effort by the Commonwealth, relative to the local effort of NVTC's local jurisdictions and WMATA customers, is paramount.
- Appendix Table 1 shows the history of state aid received by NVTC from the Commonwealth of Virginia through FY 2010, for all of Northern Virginia's public transit systems. WMATA comprises the vast majority, especially for operating assistance. Local bus systems did not begin to receive significant state assistance through NVTC until the late 1980's.
- It should be noted that the figures in Appendix Table 1 reflect aid actually received in each fiscal year by NVTC on a reimbursable basis, and will show timing differences from aid approved in the Commonwealth's six-year program.


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History of State Funding of WMATA and Local Bus Systems in Northern Virginia


- Appendix Table 1 shows that state funding has grown substantially from a modest beginning of \$4.4 million in FY 1973 to reach an estimated \$112 million in FY 2010. Especially in recent years, however, state aid has fluctuated sharply, which makes it difficult for NVTC's local jurisdictions to plan and budget.
- In the 38 year history, there were 13 years in which state aid received by NVTC dropped from the previous year. Ten of those years displayed a double-digit percentage reduction, the most recent of which was a drop to an estimated \$112 million in FY 2010 from \$166 million in FY 2009 (33%).

16



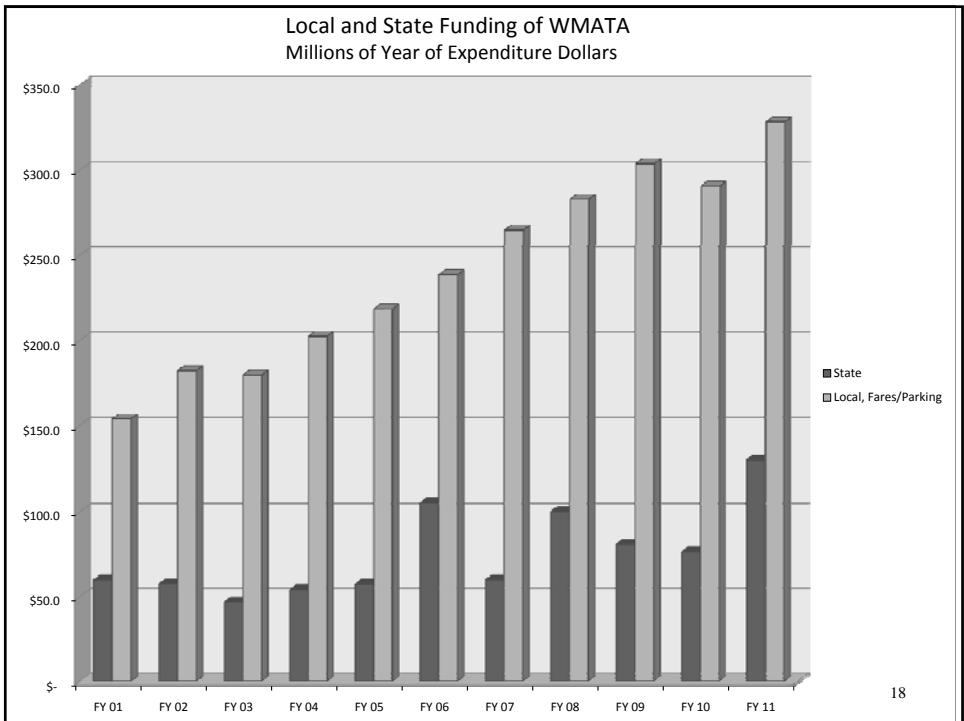
State and Local Funding of WMATA

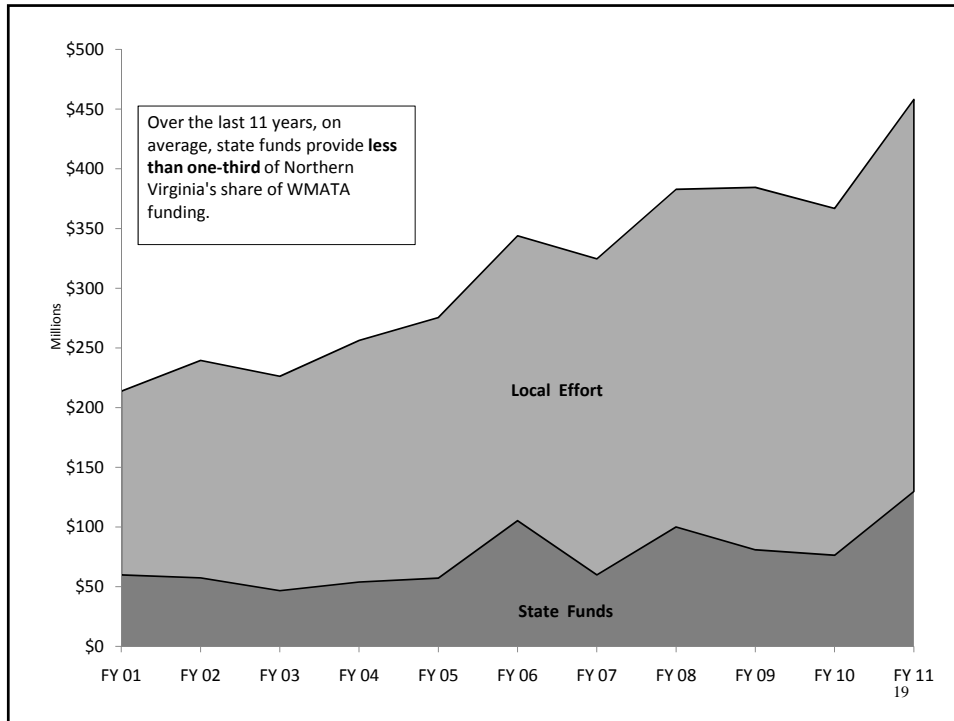
FY 2001-2011




- The next two slides and Appendix Table 2 show for the past decade the assistance for WMATA as allocated by the Commonwealth Transportation Board in its six-year program, compared to local effort to fund WMATA.
- Local effort includes General Fund contributions of NVTC's local governments, NVTC's two percent regional gas tax (changed to 2.1% in FY 2011) which is dedicated by statute entirely to WMATA, and fares and parking revenue paid by WMATA's customers for their Northern Virginia trips.
- Fares and parking revenue are an integral component of local effort because transit boards (usually consisting of local elected officials), must weigh the relative merits of applying their only two funding options: asking local tax payers to pay more subsidy or local riders (most of whom are also local tax payers) to pay higher fares. State and federal aid are beyond the direct control of local transit boards.
- The next two slides show annual comparisons of state and local effort. Each year local effort far exceeds that of the state. For example, the difference is estimated to be \$130 million (153%) in FY 2011 and \$214 million in FY 2010 (280%).


17







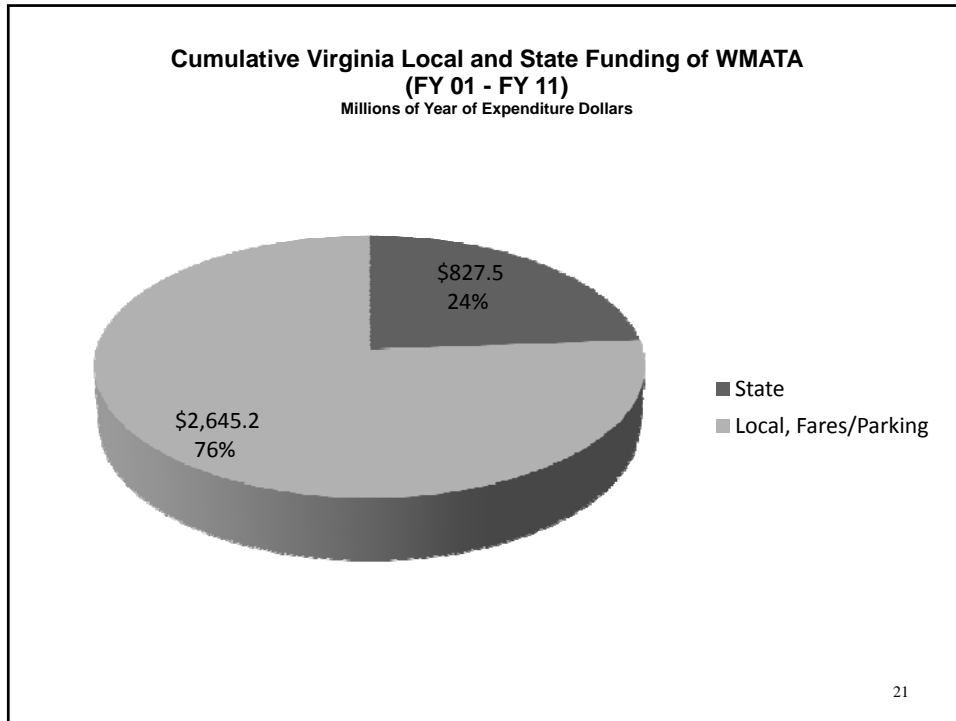
State and Local Funding of WMATA FY 2001-2011

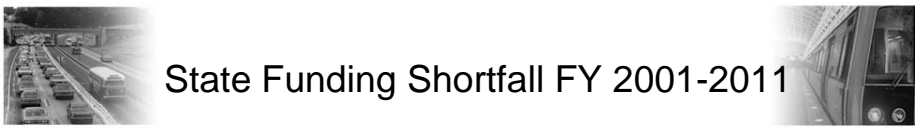


- As can be seen in Appendix Table 2, even with the infusion of \$50 million in state contributions in FY 2011, to match new federal “PRIIA” funds, the anticipated state share of combined state and local effort in FY 2011 is 28.3% compared to 71.7% for NVTC’s jurisdictions. In FY 2001, the Commonwealth also achieved a 28% share and reached 30.6% in FY 2006, but in the intervening years dropped as low as 18.5% (in FY 2007).

- Cumulatively, state funding shown in the six-year programs totals \$827.5 million (24%) and local effort totals \$2.6 billion (76%) from FY 2001 through FY 2011.

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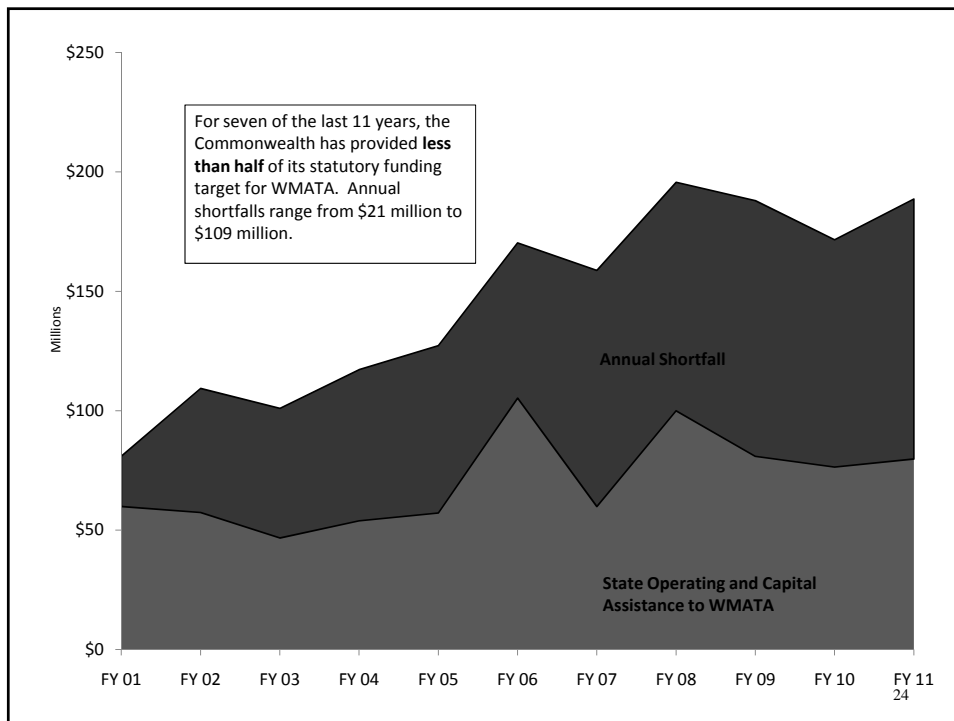
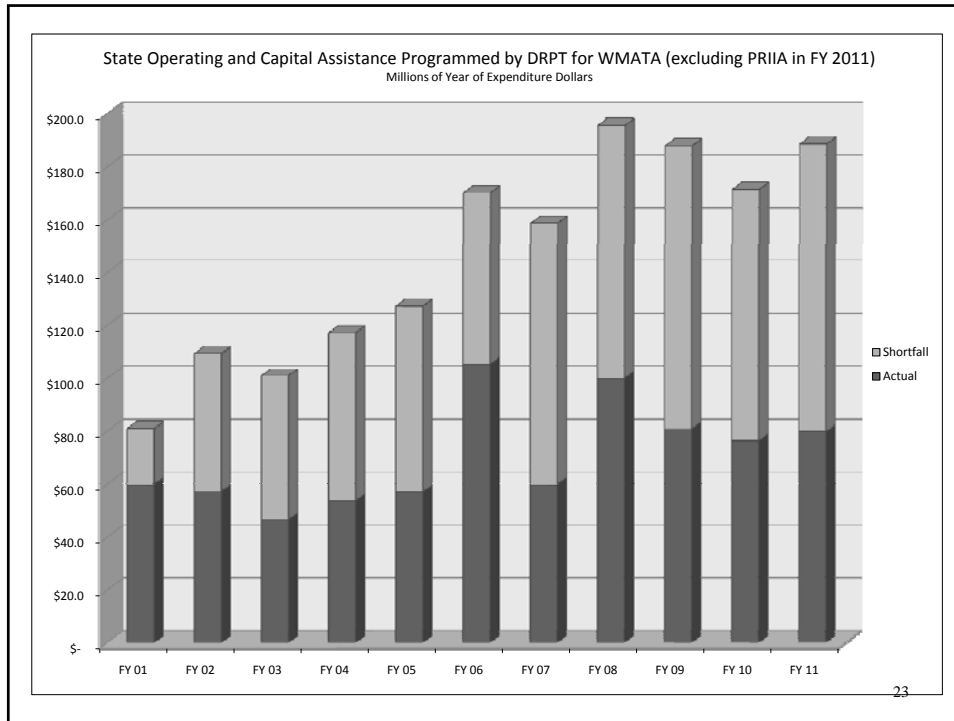




State Funding Shortfall FY 2001-2011

- For the past decade, the Commonwealth has failed to achieve its own statutory target for funding 95% of eligible net transit expenses of WMATA (and all other state transit systems). The target excludes wages and fringe benefits of transit operators, mechanics, maintenance workers and contract labor . These categories comprise as much as 50 to 60% of WMATA's annual operating expenses. Operator wages are also ineligible for federal assistance so funding falls entirely on local governments and customers.
- Annual shortfalls varying from \$109 million in FY 2011 to \$21.1 million in FY 2001 are shown in the next two slides and in Appendix Table 3.
- Of the 11 years shown, state shortfalls exceeded state aid actually provided in seven years.

22

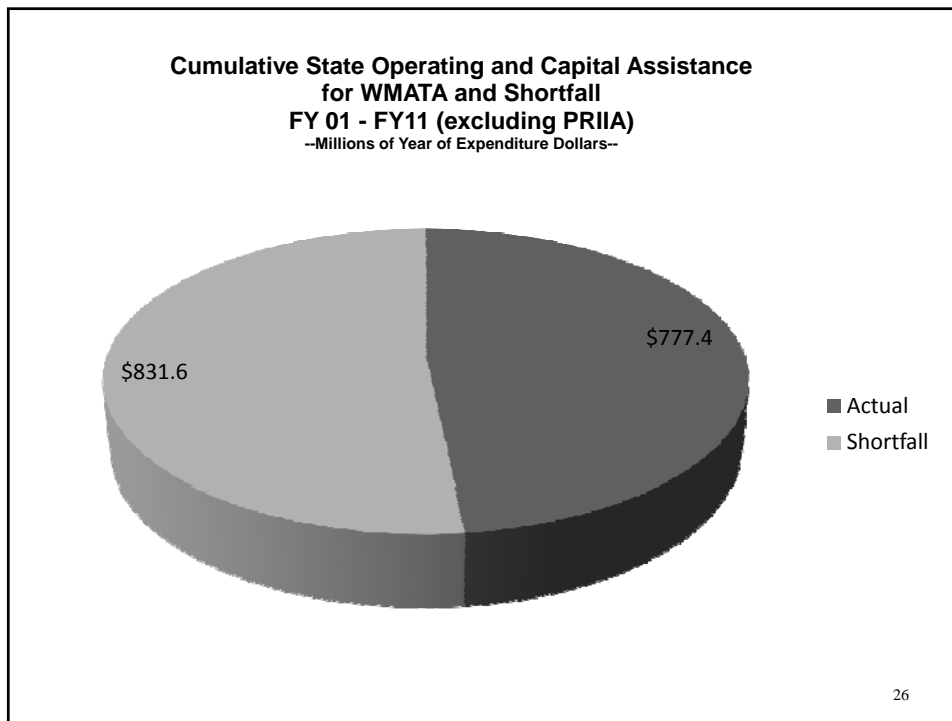




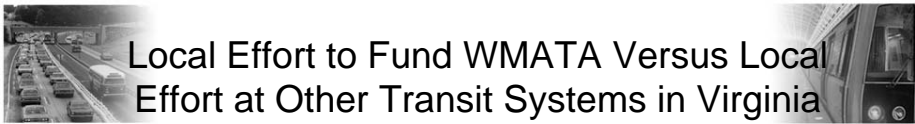
State Funding Shortfall FY 2001-2011

- Cumulatively, the state shortfalls total \$831.6 million and exceed the total amount of state aid for WMATA (\$777.4 million) during the period of FY 2001-2011, excluding the new \$50 million PRIIA match in FY 2011.
- To calculate the shortfall, the FY 2011 state PRIIA match of \$50 million was excluded, because the statutory target is 95% and those funds provide 100%. Consequently, they do not contribute to the shortfall.

25



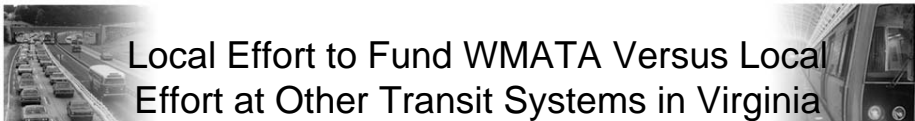
26



Local Effort to Fund WMATA Versus Local Effort at Other Transit Systems in Virginia

- Per capita local effort of NVTC's WMATA jurisdictions far exceeds that of any other transit system in Virginia (by a factor of almost 10).
 - ◆ Despite the ongoing challenges of the recession, for FY 2010 the Northern Virginia Transportation District has a local level of effort funding transit of \$211 per person. NVTC's five WMATA jurisdictions have a combined local effort of \$255 per person. The next largest effort is in the Richmond District at \$30 per person.
 - ◆ The statewide average excluding the Northern Virginia District is only \$19.56, so Northern Virginia's per capita level of local effort is more than 10 times greater than the rest of the Commonwealth.



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Local Effort to Fund WMATA Versus Local Effort at Other Transit Systems in Virginia

- ◆ If the state wishes to have half of Virginia's Board representation at WMATA based on a share of combined state and local funding effort of less than 30%, will it demand the same representation by replacing local officials with gubernatorial appointees on all other transit systems outside of Northern Virginia?
- ◆ For example, the Commonwealth has one seat (of a total of 17) on the Board of Directors of Hampton Roads Transit, while providing 31.7% of the combined state and local effort as of FY 2011.



28

Next Steps

- Increased capital funding for WMATA from the Commonwealth to match federal grants (Passenger Rail Investment and Improvement Act of 2008, also known as PRIIA) for the next 10 years is important and appreciated, yet the entire PRIIA commitment represents just about 10 percent of WMATA's immediate and long-term funding needs.
- Even when the Commonwealth's match, as well as other federal, state and local capital support for WMATA, is factored in the funding is insufficient to address all of WMATA's critical capital needs.
- A consensus is needed on how to provide sustainable transportation funding for WMATA. Assuring the long term success and viability of this key transportation asset is crucial to addressing concerns about WMATA governance, including the role of the federal government whose employees are the largest users of the Metro system.

29

Next Steps

- NVTC and its members should commit to working with the Commonwealth to establish an enhanced and supportive relationship in order to consider and resolve local and state roles in governance and funding of WMATA.
- Because the sustainability of WMATA is vital to the economic health of the Commonwealth, as well as NVTC's local governments, a broader focus is needed beyond seats on the Metro Board to include increased commitments to long-term financial support of WMATA.
- Working together, representatives of the Commonwealth and NVTC's local governments should educate the members of the Board of Trade/MWCOG study and the public about the need for sustainable investments to ensure WMATA's future.
- In discussions of WMATA governance and funding, NVTC's top priority should be maintaining sufficient representation for its local elected officials to ensure that customers' and taxpayers' interests are fully protected.

30



Conclusion

- While state aid for WMATA is significant, especially with new PRIIA matching funds as of FY 2011, local effort has far exceeded that of the Commonwealth.
- There are many other reasons for NVTC not to act now to replace two NVTC members of the WMATA Board with representatives of the Commonwealth.
- NVTC's jurisdictions should discuss WMATA governance with the commonwealth together with how to ensure WMATA's financial viability.
- For further financial information, contact Scott Kalkwarf, Director of Finance and Administration, at NVTC: scott@nvtcd.org
- Additional funding and transit performance data are available at www.thinkoutsidethecar.org

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APPENDIX

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APPENDIX TABLE 1---State Funds Received By NVTC to Support Transit in Northern Virginia
FY 1973-2010
(Millions of Year of Expenditure Dollars)

Fiscal Year	State Transit Assistance for NVTC Jurisdictions ¹	
	Amount	Year to Year % Change
2010 ²	\$112.4	(33%)
2009 ³	166.0	61
2008	103.4	37
2007	75.6	(24)
2006	99.7	47
2005	68.0	11
2004	61.3	(6)
2003	65.0	5
2002	62.2	(13)
2001	71.1	12
2000	63.5	7
1999	59.6	10
1998	54.3	(4)
1997	56.6	6
1996	53.5	2
1995	52.4	16
1994	45.0	4
1993	43.1	(17)
1992	51.9	23
1991	42.2	(16)
1990	50.2	15
1989	43.7	(14)
1988	51.1	77
1987	28.8	38
1986	20.9	2
1985	20.4	(2)
1984	20.9	1
1983	20.6	46
1982	14.1	156
1981	5.5	(62)
1980	14.5	202
1979	4.8	(68)
1978	15.0	317
1977	3.6	(72)
1976	13.0	117
1975	6.0	(43)
1974	10.6	141
1973	4.4	-

1. Excludes funds received for VRE.
2. Estimated.
3. Includes \$38.8 million special appropriations utilized in FY 2009 to opt out of Metro Matters Debt.

APPENDIX TABLE 2
State & Local Funding of WMATA According to DRPT Six-Year Improvement Programs
Millions of Year of Expenditure Dollars

	Operating		Capital		Total		PRIIA Match	Total	
	State	Local	State	Local	State	Local		State	Local
Including Fare and Parking Revenue:									
FY 11 Draft	\$ 51.2	\$ 304.1	\$ 28.6	\$ 24.3	\$ 79.8	\$ 328.4	\$ 50.0	\$ 129.8	\$ 328.4
					19.6%	80.4%		28.3%	71.7%
FY10 Revised	\$ 50.2	\$ 280.7	\$ 26.2	\$ 9.8	\$ 76.4	\$ 290.5	\$ -	\$ 76.4	\$ 290.5
					20.8%	79.2%		20.8%	79.2%
FY09 Revised	\$ 57.6	\$ 275.8	\$ 23.3	\$ 27.9	\$ 80.9	\$ 303.6	\$ -	\$ 80.9	\$ 303.6
					21.0%	79.0%		21.0%	79.0%
FY08 (a)	\$ 52.2	\$ 252.1	\$ 47.9	\$ 30.8	\$ 100.1	\$ 282.8	\$ -	\$ 100.1	\$ 282.8
					26.1%	73.9%		26.1%	73.9%
FY07	\$ 49.7	\$ 228.6	\$ 10.2	\$ 36.0	\$ 59.9	\$ 264.7	\$ -	\$ 59.9	\$ 264.7
					18.5%	81.5%		18.5%	81.5%
FY06 (b)	\$ 52.4	\$ 207.1	\$ 52.9	\$ 31.6	\$ 105.3	\$ 238.7	\$ -	\$ 105.3	\$ 238.7
					30.6%	69.4%		30.6%	69.4%
FY05	\$ 44.3	\$ 197.3	\$ 12.9	\$ 21.0	\$ 57.2	\$ 218.3	\$ -	\$ 57.2	\$ 218.3
					20.8%	79.2%		20.8%	79.2%
FY04	\$ 42.3	\$ 185.1	\$ 11.6	\$ 17.3	\$ 53.9	\$ 202.4	\$ -	\$ 53.9	\$ 202.4
					21.0%	79.0%		21.0%	79.0%
FY03	\$ 39.4	\$ 172.3	\$ 7.3	\$ 7.3	\$ 46.7	\$ 179.6	\$ -	\$ 46.7	\$ 179.6
					20.6%	79.4%		20.6%	79.4%
FY02	\$ 42.4	\$ 160.6	\$ 15.0	\$ 21.6	\$ 57.4	\$ 182.2	\$ -	\$ 57.4	\$ 182.2
					24.0%	76.0%		24.0%	76.0%
FY01	\$ 41.7	\$ 139.7	\$ 18.2	\$ 14.2	\$ 59.9	\$ 153.9	\$ -	\$ 59.9	\$ 153.9
					28.0%	72.0%		28.0%	72.0%

(a) includes \$20M special appropriation for rolling stock provided at 80%.
(b) includes \$40M special appropriation for railcars provided at 80%.

APPENDIX TABLE 3
State Funding Shortfalls for WMATA Capital and Operating Expenses
--Millions of Year of Expenditure Dollars--

	Capital				Operating				Total		
	Eligibility	Actual	Shortfall		Eligibility	Actual	Shortfall		Eligibility	Actual	Shortfall
FY 2011 (c)	50.2	28.6	(21.6)		138.5	51.2	(87.3)		188.7	79.8	(108.9)
FY 2010	34.2	26.2	(8.0)		137.4	50.2	(87.2)		171.6	76.4	(95.2)
FY 2009	48.6	23.3	(25.3)		139.4	57.6	(81.8)		188.0	80.9	(107.1)
FY 2008(a)	74.5	47.8	(26.7)		121.2	52.2	(69.0)		195.7	100.0	(95.7)
FY 2007	43.9	10.2	(33.7)		114.9	49.7	(65.2)		158.8	59.9	(98.9)
FY 2006(b)	66.9	52.9	(14.0)		103.4	52.4	(51.0)		170.3	105.3	(65.0)
FY 2005	32.2	12.9	(19.3)		95.1	44.3	(50.8)		127.3	57.2	(70.1)
FY 2004	27.5	11.6	(15.9)		89.7	42.3	(47.4)		117.2	53.9	(63.3)
FY 2003	13.9	7.3	(6.6)		87.1	39.4	(47.7)		101.0	46.7	(54.3)
FY 2002	34.8	15.0	(19.8)		74.6	42.4	(32.2)		109.4	57.4	(52.0)
FY 2001	30.8	18.2	(12.6)		50.2	41.7	(8.5)		81.0	59.9	(21.1)
(a) includes \$20M special appropriation for rolling stock provided at 80%.											
(b) includes \$40M special appropriation for railcars provided at 80%.											
(c) Excludes \$50M PRIIA match provided at 100%.											

Vital Signs Report

A Scorecard of Metro's

Key Performance Indicators (KPI)



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In July 2010, continued record high temperatures and severe storms negatively impacted the delivery of rail and bus services and the availability of escalators and elevators. An increase in road construction projects this summer also contributed to a decrease in bus on-time performance in July. Other notable performance achievements include increased reliability of the bus fleet with the acceptance of 30 new buses.

Crime was down system wide and another notable decrease, 10%, occurred in employee injury rates between June and July. To create a safety culture, many new safety initiatives focusing on prevention have been implemented, such as, assigning safety officers in bus facilities and rail yards and establishing an internal safety hotline to report safety concerns. Upcoming Performance Action Highlights:

- Implement performance tracking systems for Bus Services and Metro Transit Police to allow for quick performance monitoring and corrective actions.
- Increase inventory of key escalator and elevator parts to reduce the time units are out of service awaiting materials.
- Install DriveCam, a tool used to improve driving behavior and assess collision environment, in the entire Metrobus fleet.
- Maximize police presence in the transit system through several deployment strategies including the continuous use of uniformed and plain clothes officer presence in hot spots.

In June of this year Metro received a joint letter from the Mayor of the District of Columbia and the Maryland and Virginia Governors calling for improvements in performance management and offering to share best practices in this area. Metro staff has now had the opportunity to visit and learn from the Mayor's performance team and their use of CapStat. Metro staff are scheduled to visit Maryland's StateStat performance team and Maryland Department of Transportation performance staff to continue sharing best practices. Virginia's Governor McDonnell has recently written to applaud the publication of these Vital Signs Reports. Additionally, Metro staff is working to incorporate improvements recommended by the Riders' Advisory Council and the Jurisdictional Coordinating Committee. Those improvements will begin to be reported in October.

Strategic Framework Overview

There are five strategic goals that provide a framework to quantify and measure how well Metro is performing. Each of the goals have underlying objectives intended to guide all employees in the execution of their duties. This report is a scorecard of key performance indicators tracking individual measures, ratios, rates and statistics.

5 Goals

- | | |
|-------|---|
| Goals | <ol style="list-style-type: none"> 1. <u>Create</u> a Safer Organization 2. <u>Deliver</u> Quality Service 3. <u>Use</u> Every Resource Wisely 4. <u>Retain</u>, <u>Attract</u> and <u>Reward</u> the Best and the Brightest 5. <u>Maintain</u> and <u>Enhance</u> Metro's Image |
|-------|---|

12 Objectives

Goal	Objective
1	1.1 <u>Improve</u> customer and employee safety and security ("prevention")
	1.2 <u>Strengthen</u> Metro's safety and security response ("reaction")
2	2.1 <u>Improve</u> service reliability
	2.2 <u>Increase</u> service and capacity to relieve overcrowding and meet future demand
	2.3 <u>Maximize</u> rider satisfaction through convenient, comfortable services and facilities that are in good condition and easy to navigate
	2.4 <u>Enhance</u> mobility by improving access to and linkages between transportation options
3	3.1 <u>Manage</u> resources efficiently
	3.2 <u>Target</u> investments that reduce cost or increase revenue
4	4.1 <u>Support</u> diverse workforce development through management training and provision of state of the art facilities, vehicles, systems and equipment
5	5.1 <u>Enhance</u> communication with customers, employees, Union leadership, Board, media and other stakeholders
	5.2 <u>Promote</u> the region's economy and livable communities
	5.3 <u>Use</u> natural resources efficiently and reduce environmental impacts

Metro Service Area

Size	1,500 square miles
Population	3.5 million

Fiscal Year 2010 Actual Ridership

Bus	124 million
Rail	217 million
MetroAccess	2.4 million
Total	343.4 million

Fiscal Year 2011 Budget

Operating	\$1.5 billion
Capital	\$0.7 billion
Total	\$2.2 billion

Metrobus General Information

Size	11,750 bus stops
Routes	320
Fiscal Year 2011 Operating Budget	\$538 million
Average Weekday Ridership	414,100 (July 2010)
Highest Ridership Route in 2009	30's – Pennsylvania Ave. (16,330 avg. wkdy ridership)
Metrobus Fare	\$1.70 cash, \$1.50 SmarTrip®, Bus-to-bus Transfers Free
Express Bus Fare	\$3.85 cash, \$3.65 SmarTrip®, Airport Fare \$6.00
Bus Fleet	1,501
Buses in Peak Service*	1,242
Bus Fleet by Type	Compressed Natural Gas (461), Electric Hybrid (299), Clean Diesel (117) and All Other (624)
Average Fleet Age	7.5 years
Bus Garages	9 – 3 in DC, 3 in MD and 3 in VA

*As of July 2010

Metrorail General Information

Fiscal Year 2011 Operating Budget	\$822 million
Average Weekday Ridership	794,032 (July 2010)
Highest Ridership Day	Obama Inauguration on Jan. 20, 2009 (1.1 million)
Busiest Station in 2010	Union Station (34,713 average weekday boardings in April)
Regular Fare (peak)	Minimum - \$2.20 paper fare card, \$1.95 SmarTrip® Maximum - \$5.25 paper fare card, \$5.00 SmarTrip®
Reduced Fare (non-peak)	Minimum - \$1.85 paper fare card, \$1.60 SmarTrip® Maximum - \$3.00 paper fare card, \$2.75 SmarTrip®
Peak-of-the-peak Surcharge	\$.20 - weekdays 7:30 – 9 a.m. and 4:30 – 6 p.m., depending on starting time of trip
1 st Segment Opening/Year	Farragut North-Rhode Island Avenue (1976)
Newest Stations/Year	Morgan Boulevard, New York Avenue, and Largo Town Center (2004)
Rail Cars in Revenue Service**	1,118
Rail Cars in Peak Service**	850
Rail Cars by Series**	1000 Series (288), 2000/3000 (362), 4000 (100), 5000 (184) and 6000 (184)
Lines	5 – Blue, Green, Orange, Red and Yellow
Station Escalators	588
Station Elevators	238
Longest Escalator	Wheaton station (230 feet)
Deepest Station	Forest Glen (21 stories / 196 feet)
Rail Yards	9 – 1 in DC, 6 in MD and 2 in VA

**As of April 2010.

MetroAccess General Information

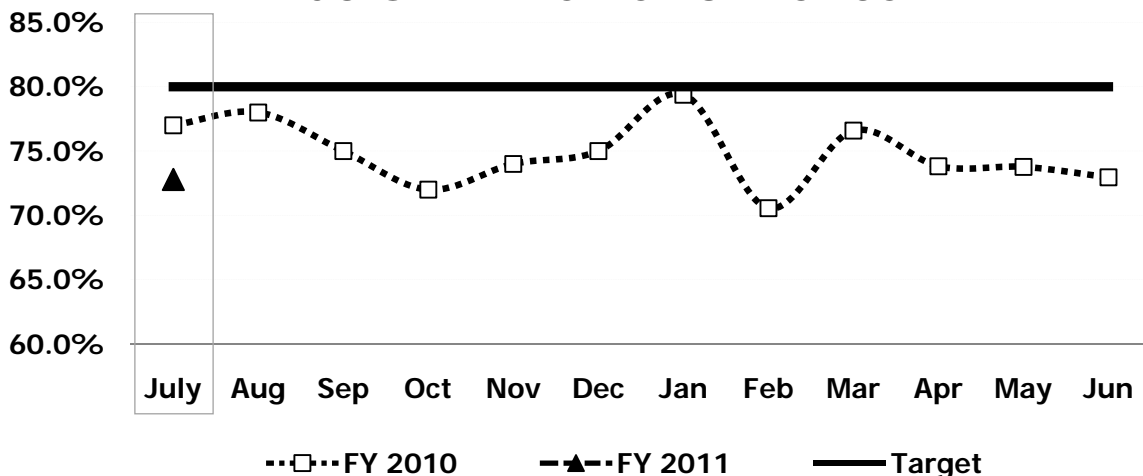
Fiscal Year 2011 Operating Budget	\$104 million
Average Weekday Trips	8,554 (June 2010)
MetroAccess Fare	Within ADA core service area - \$3.00; Outside ADA core service area - \$2.00 to \$4.00 supplemental fare
Paratransit Vehicle Fleet	600
Average Fleet Age	3 years
Paratransit Garages	7 (1 in DC, 4 in MD and 2 in VA)
Contract Provider	MV Transportation

Reason to Track: This indicator illustrates how closely Metrobus adheres to published route schedules on a system-wide basis. Factors which affect on-time performance are traffic congestion, inclement weather, scheduling, vehicle reliability, and operational behavior. Bus on-time performance is essential to delivering quality service to the customer

Why Did Performance Change:

- July's on-time performance continued a three month stretch of nearly three out of every four buses adhering to the published schedule. Consistent with the prior months, one out of every four buses ran late 75% of the time or early 25% of the time.
- In comparison to last year, bus on-time performance has been impacted by major construction. In particular the H street construction has impacted the X1, X2, X3, and S41 service. Construction also impacted the 32, 34, 36, A11, J13, K11, D51, and M6 routes along Pennsylvania Avenue. Construction at Silver Spring and Rosslyn bus transit hubs resulted in heavier traffic and detours, further impacting on-time performance.
- Detours on Douglas Bridge impacted the P17, P19, and A9 routes.

Bus On-Time Performance



Actions to Improve Performance

- The implementation of Bus Services' new automated performance reporting system gives supervisors a real-time view of on-time performance and Next Bus predictability which will allow for quicker monitoring and corrective actions.
- A new management succession program has graduated 15 trainees into the ranks of bus operations supervisor. Vacancies in bus supervisory positions responsible for on-the-street service management have been observed to negatively affect on-time performance.
- Service evaluation studies are underway for the B2, D12, D13, D14, 23 and 25 Routes.
- Metrobus Service Changes are being proposed to enhance ridership, meet current demands for service, and implement new services consistent with regional planning efforts.

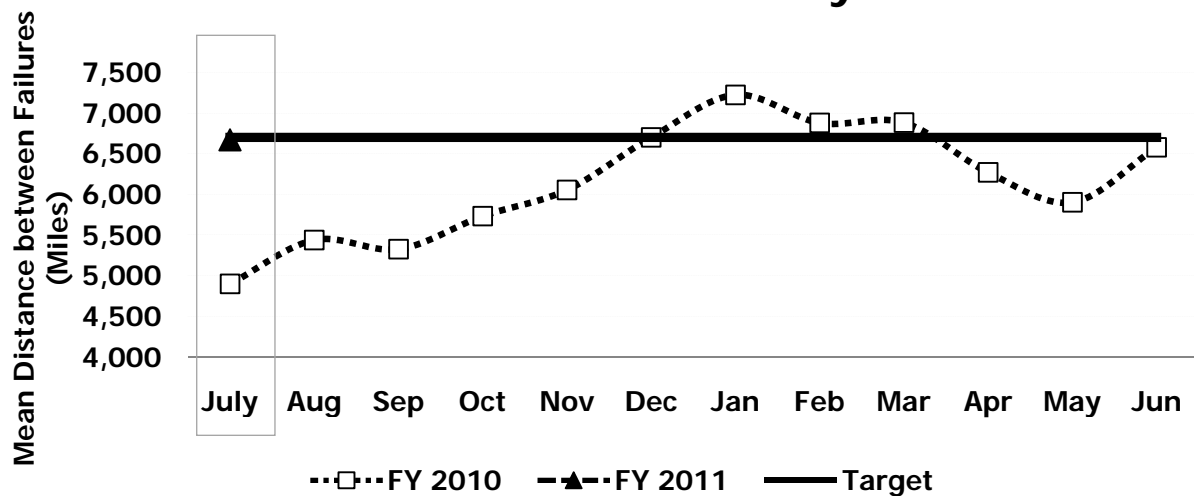
Conclusion: As federal stimulus funds have flowed to the local governments, summer road construction projects notably increased compared to last year. In spite of the additional resulting traffic and detours, Metro continues to deliver 3 out of 4 buses on-time.

Reason to Track: One source of reliability problems is vehicle breakdowns that cause buses to go out of service. This key performance indicator communicates service reliability and is used to monitor trends in vehicle breakdowns and to plan corrective actions. Factors that influence bus fleet reliability are the quality of a maintenance program, vehicle age, original vehicle quality, and road conditions. For this measure higher miles are better, meaning that the vehicle goes farther without breaking down.

Why Did Performance Change:

- July 2010 bus fleet reliability was significantly better than July of last year. July's bus fleet reliability performance is consistent with the prior month of June. Performance continues to improve as new, more reliable buses are rolled out and the older buses are retired. Replacement of 30 less reliable buses in July positively impacted bus reliability.
- The FY11 bus fleet reliability target was revised from 6,000 miles to 6,700 miles to reflect the anticipated reliability improvement due to the arrival of 96 new buses and awarding of a contract to purchase 52 more new buses in FY11.

Bus Fleet Reliability



Actions to Improve Performance

- Continue to place 148 new buses in service, removing the older, less reliable buses. Of the current procurement for 148 buses, 96 have been received and put into service.
- Last month it was stated that Bus Services will improve monitoring service interruptions to identify trends and develop actions to reduce or eliminate repeat failures. Careful attention has been placed on monitoring new management systems and other reporting tools to understand the nature of equipment failures to prevent breakdowns.

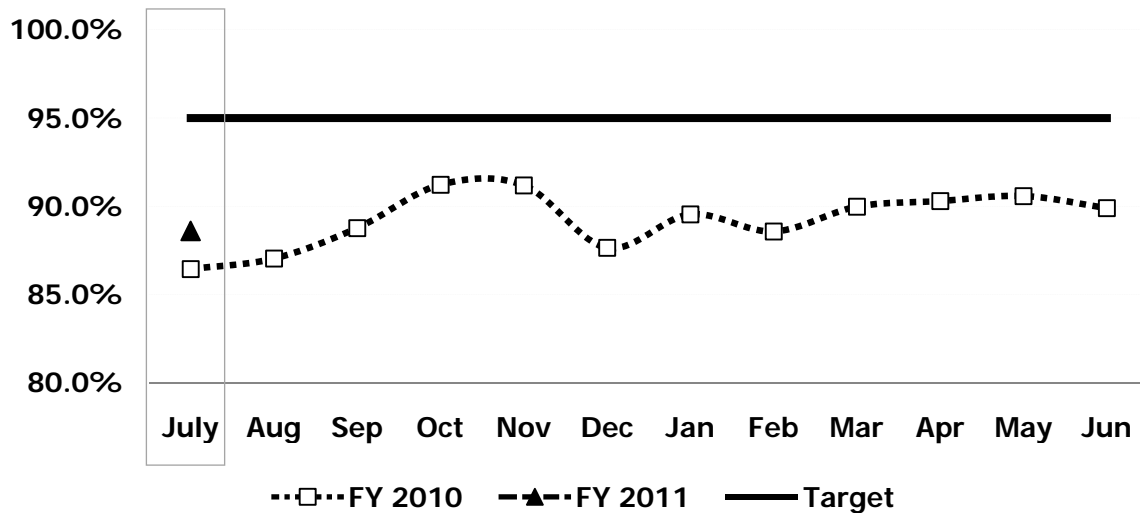
Conclusion: FY11 began with buses averaging 6,670 miles between breakdowns. As temperatures cool, bus fleet reliability is expected to increase even more.

Reason to Track: On-time performance measures the adherence to weekday headways, the time between trains. Factors that can affect on-time performance include track conditions resulting in speed restrictions, the number of passengers accessing the system at once, dwell time at stations, equipment failures and delays such as sick passengers or offloads. On-time performance is a component of customer satisfaction.

Why Did Performance Change:

- On-time performance in July 2010 was about the same as June 2010 and slightly better than July of last year.
- On July 2, the 4000 Series railcars were removed from service as a precautionary action to address a possible short in the car door motor circuitry that theoretically could have caused the doors to open when the train is moving. This reduced railcar availability through July 20th as car maintenance addressed the issue for every motor (each car has 12 motors).
- The Red Line schedule change was implemented June 27th. The change resulted in better adherence to the dispatch schedule and more consistent running time, improving service consistency and reliability.
- The most frequent type of delay lasting more than three minutes was door malfunction. Door malfunctions were reported 52 times with an average delay of 6 minutes per occurrence. Uneven passenger distribution onboard railcars and passengers holding doors at crowded platforms contribute to door malfunctions.
- Despite the continued record heat, the number of hot car incidents declined in July as compared with June. This was due to increased preventive maintenance on the air conditioning units in the vehicles.
- Severe thunderstorms caused downed trees and power lines which impacted power availability in rail stations and rail yards on the Red Line July 25-26 and the Red, Blue and Yellow Lines on July 29th.

Rail On-Time Performance



Actions to Improve Performance

- To ensure the heating and air conditioning systems are working properly, evaluate the feasibility of a more comprehensive and focused effort to take place in the fall and spring to supplement the routine inspections.
- Review policy of having cars wait at terminals with all doors open when it is hot outside. Closing the doors during the layover time will allow cars to cool off and will reduce strain on the air conditioning units.
- Provide staffing to assist with the boarding process when passenger loads are significant, to help even passengers per car and per doorway.

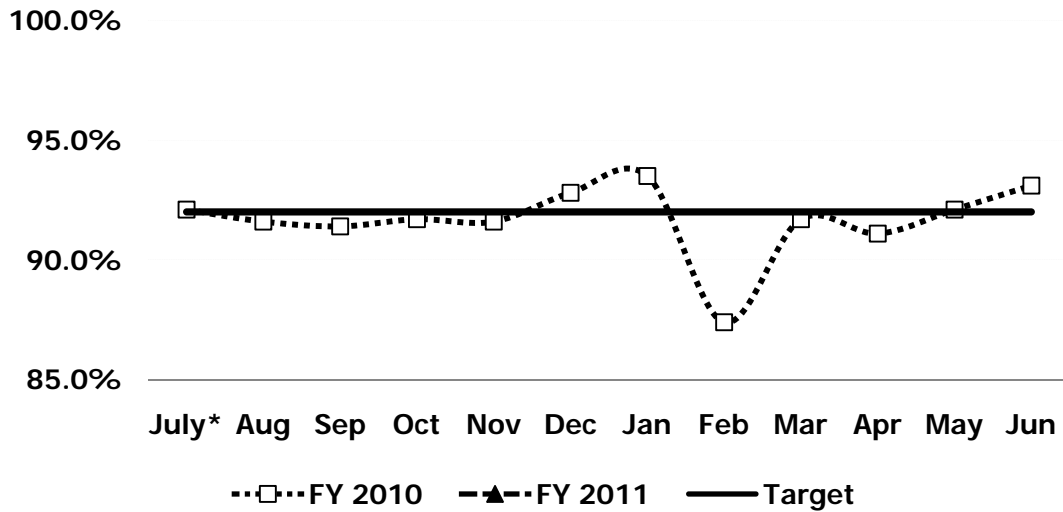
Conclusion: Metrorail continues to provide reliable rail transportation throughout the Metro region, in spite of significant railcar maintenance activities and serious weather events of July 25-26 and 29th.

Reason to Track: On-time performance is a critical measure of MetroAccess service reliability and customer expectations. Adhering to the customer's scheduled pick-up window is comparable to Metrobus adhering to scheduled timetables. Factors which affect on-time performance are traffic congestion, inclement weather, scheduling, vehicle reliability and operational behavior. MetroAccess on-time performance is essential to delivering quality service to customers.

Why Did Performance Change:

* July on-time performance data is not yet available.

MetroAccess On-Time Performance



Actions to Improve Performance

- Continue to monitor implementation of streamlined procedures and gains made from refresher training.
- Continue to ensure that all dispatchers are monitoring the delivery of service proactively, so that good on-time performance can be maintained.

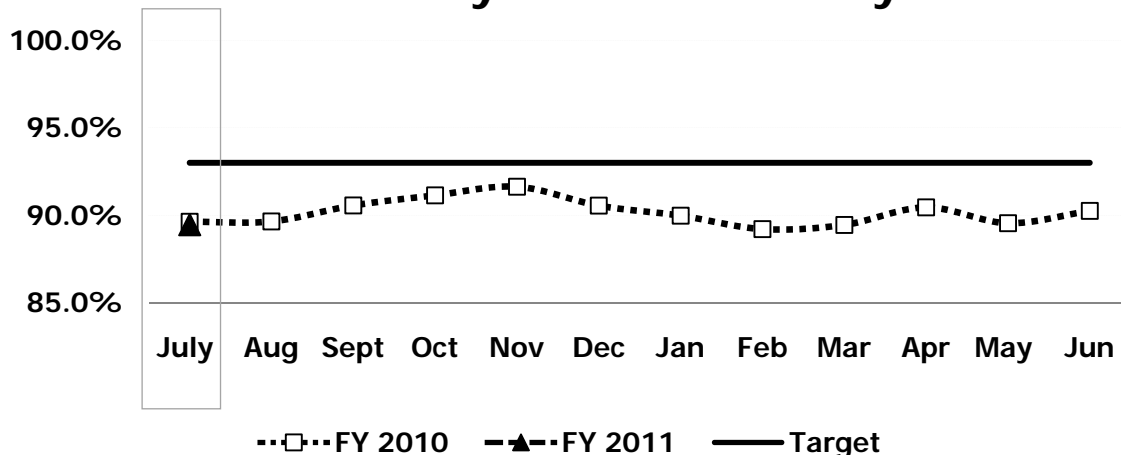
Conclusion: MetroAccess delivered 93.1% of trips on-time for June 2010, exceeding its target of 92.0%. MetroAccess on-time performance shows consistent delivery of service within customer expectations.

Reason to Track: Riders access Metrorail stations via escalators to the train platform. An out-of-service escalator requires walking up or down a stopped escalator, which can add to the rider's total travel time and may make stations inaccessible to some customers. Escalator availability is a key component of customer satisfaction with Metrorail service.

Why Did Performance Change:

- Despite a number of severe storms that caused power outages and water intrusion, July 2010 escalator system availability was consistent with July of last year. Water intrusion shorted switches and controllers and power outages/surges took 188 units out of service for several hours. Metro customers experienced the most outages on July 25-26, when approximately 20% of Metro escalators experienced outages. Overall availability only decreased slightly (1% which "equals" six escalators) between June 2010 and July 2010.
- Repair work at the Dupont Circle station had a significant impact on availability, with escalators 80% available in July.
- Major rehabilitation work continued in July, with nineteen escalators out of service. During the month, work began on platform escalators at Virginia Square, Judiciary Square and Union Station while work was completed on platform escalators at Woodley Park and Franconia-Springfield and an entrance escalator at Gallery Place-Chinatown putting these escalators back in service.
- The outside assessment of elevator/escalator maintenance continued in July with preliminary assessments prepared for Bethesda, Woodley Park-Zoo/Adams Morgan and Foggy Bottom-GWU stations.

Escalator System Availability



Actions to Improve Performance

- At Dupont Circle station, complete maintenance to improve reliability of escalators, including repairs resulting from July 12th motor fire. As a result of the incident, Metro identified a number of areas for improving response to ensure the safety of customers. Examples include better on-scene communications and improved crowd management.
- Replace escalator components damaged as a result of water intrusion during July storms.
- Focus staff on parts inventory planning in order to increase inventory of key parts and reduce the time units are out of service awaiting materials. This includes identifying suppliers to fabricate parts for escalators built by manufacturers' no longer in business.
- Continue to proactively identify maintenance issues through inspections in order to reduce units going out of service unexpectedly.

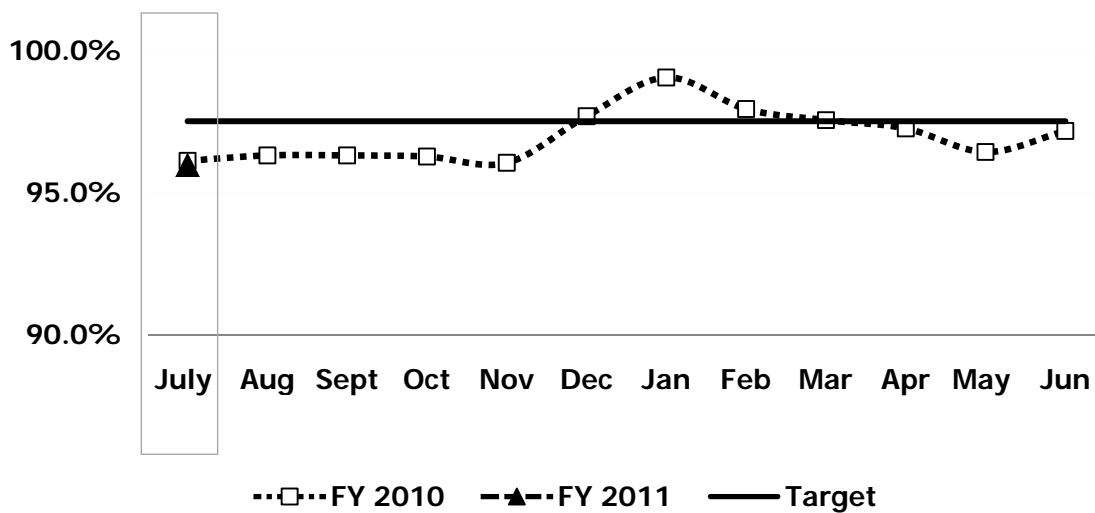
Conclusion: Although faced with severe weather and necessary rehabilitation work, Metrorail escalators were available for 314,560 hours in July (equivalent to an average of 526 out of 588 escalators in operation systemwide). This represents only a 1% decrease in availability from June to July when an average of 532 units were available.

Reason to Track: Metrorail elevators provide an accessible path of travel for persons with disabilities, seniors, customers with strollers, travelers carrying luggage and other riders. When an elevator is out of service, Metro is required to provide alternative services, which may include a shuttle bus service to another station.

Why Did Performance Change:

- July 2010 elevator system availability is consistent with July of last year. Availability decreased from June to July by 1.2% which “equals” three elevators. The reduction was experienced because of an increase in unscheduled service calls and the impact of severe weather.
- Thirty-two elevators went out of service in July due to weather conditions. The storm caused water intrusion (elevator pits filling with water that must be drained before putting units back into service) and power surges/outages damaged electronic equipment. High temperature days also caused equipment damage due to increases in motor room temperatures.
- The outside assessment of elevator/escalator maintenance continued in July with preliminary assessments prepared for Bethesda, Woodley Park-Zoo/Adams Morgan and Foggy Bottom-GWU stations.

Elevator System Availability



Actions to Improve Performance

- Focus staff on parts inventory planning in order increase inventory of key parts and reduce the time units are out of service awaiting materials.
- Continue to proactively identify maintenance issues through inspections in order to reduce units going out of service unexpectedly.

Conclusion: Despite a number of severe storms that caused power outages and water intrusion, Metrorail elevators were available for 136,560 hours in July. This is equivalent to an average of 228 out of 238 elevators in operation system-wide. This is a decrease of 1.2% in July from June. Metro has an additional 39 elevators located at Metro maintenance and vehicle storage facilities.

KPI: Customer Injury Rate (Metrorail & Metrobus) (June)

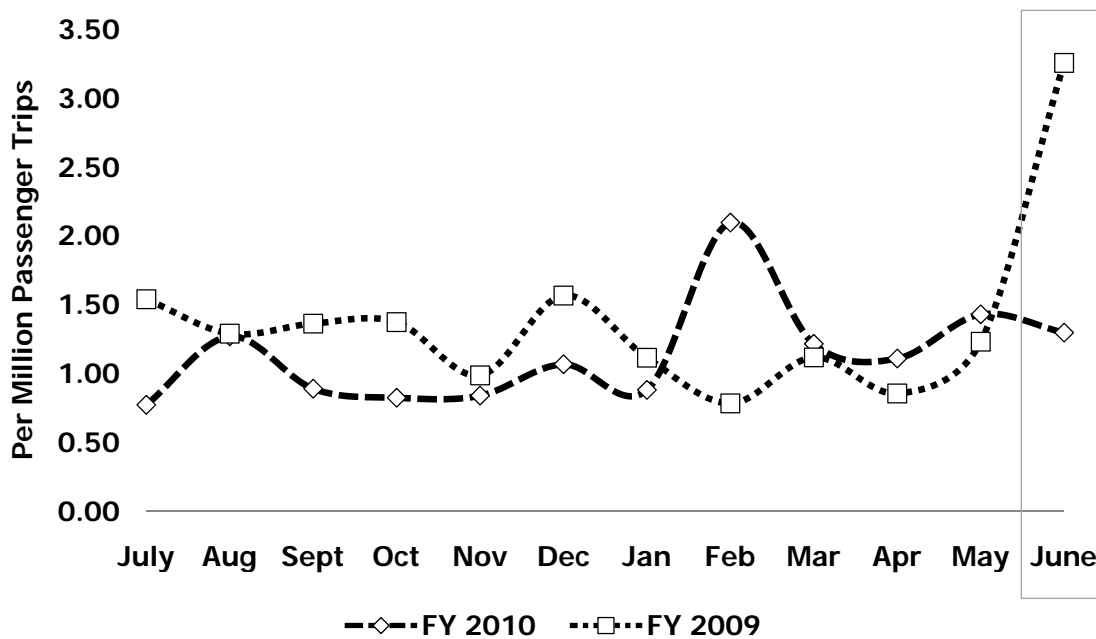
Objective 1.1 Improve Customer and Employee Safety and Security

Reason to Track: Customer safety is the highest priority for Metro and a key measure of quality service. Customers expect a safe and reliable ride each day. The customer injury rate is an indicator of how well the service is meeting this safety objective.

Why Did Performance Change:

- This month marked the one year anniversary of the June 22nd rail collision.
- The overall customer injury rate decreased in June 2010 by 0.13 injuries per million trips, or one less injury for every 8 million passenger trips provided.
- In June, the highest rate of customer injuries occurred among bus passengers. The bus customer injury rate for June 2010 is 1.43 injuries per million trips.

Customer Injury Rate



Actions to Improve Performance

- Developed a new Safety Measurement System designed to aid in root cause analysis.
- Worked with National Transportation Safety Board and the Tri-State Oversight Committee to close 202 of 256 safety action plans or followed through on recommendations that were received by these agencies.
- DriveCam, a tool used to improve driving behavior and assess collision environment, will be installed in the entire Metrobus fleet.

Conclusion: Safety remains Metro's number one priority and everyone at Metro is committed to preventing accidents.

KPI: MetroAccess Passenger Injury Rate (July)
(Per 100,000 Passengers)

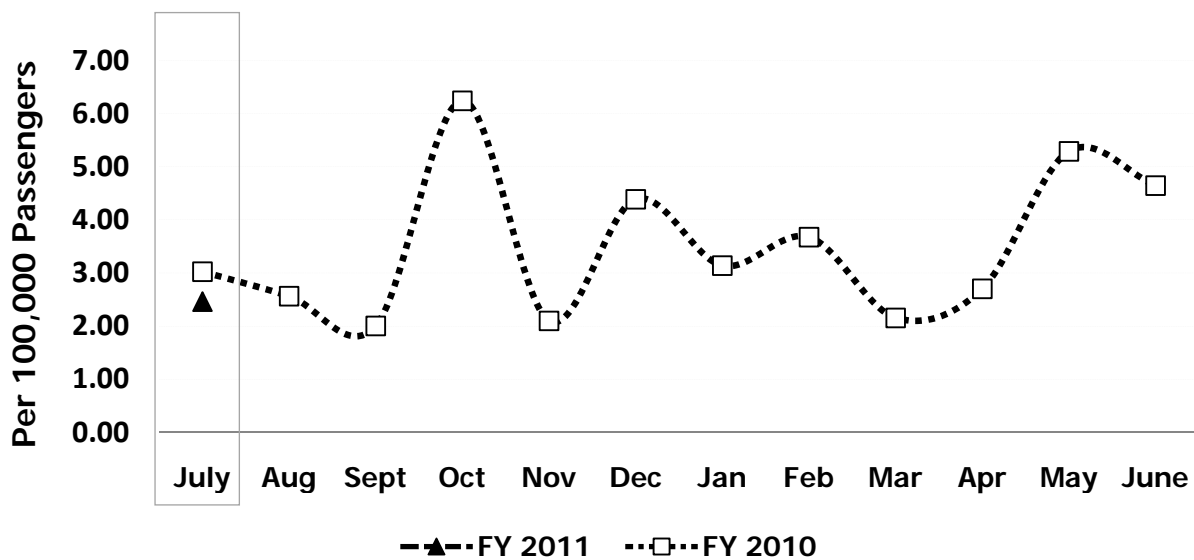
Objective 1.1 Improve Customer and Employee Safety and Security

Reason to Track: Safely transporting passengers is the highest priority for Metro. MetroAccess transports customers with disabilities who require the most assistance of all of Metro's riders.

Why Did Performance Change:

- There were five passenger injuries on MetroAccess in July 2010, a significant reduction from the ten injuries in June. Of the five injuries in July, three of the passenger injuries occurred during separate non-preventable collisions, one occurred during a preventable collision and one was related to passenger assistance. All reported injuries resulted in either an observatory visit to a medical facility or treatment for minor injuries. Enhanced training has resulted in improved proficiency in assisting passengers, resulting in fewer injuries.

MetroAccess Passenger Injury Rate



Actions to Improve Performance

- Road Supervisors will increase to 700 total safety conversations and road observations per week. The objective is to eliminate at risk behavior by drivers. The success of this program will be demonstrated through a downward trend in passenger assistance related injuries.
- Weekly fliers will be distributed to MetroAccess operators on collision avoidance, defensive driving, and passenger assistance.
- MetroAccess operators will continue to receive enhanced refresher training in defensive driving, which includes the following modules: following distance, intersections, distracted driving, fixed objects/mirror settings, railroad crossings, and pre-trip/post trip safety checks, and passenger assistance.
- MetroAccess Safety Director will continue to conduct four-hour safety seminars with all division general managers and safety, operations, and maintenance management personnel. Topics include hiring, training, and risk-reducing techniques.

Conclusion: While MetroAccess has recorded an improved passenger injury rate for the month of July 2010 over previous months, there will continue to be an emphasis placed on decreasing passenger injuries through increased operator/supervisor interaction, safety awareness campaigns, and employee training.

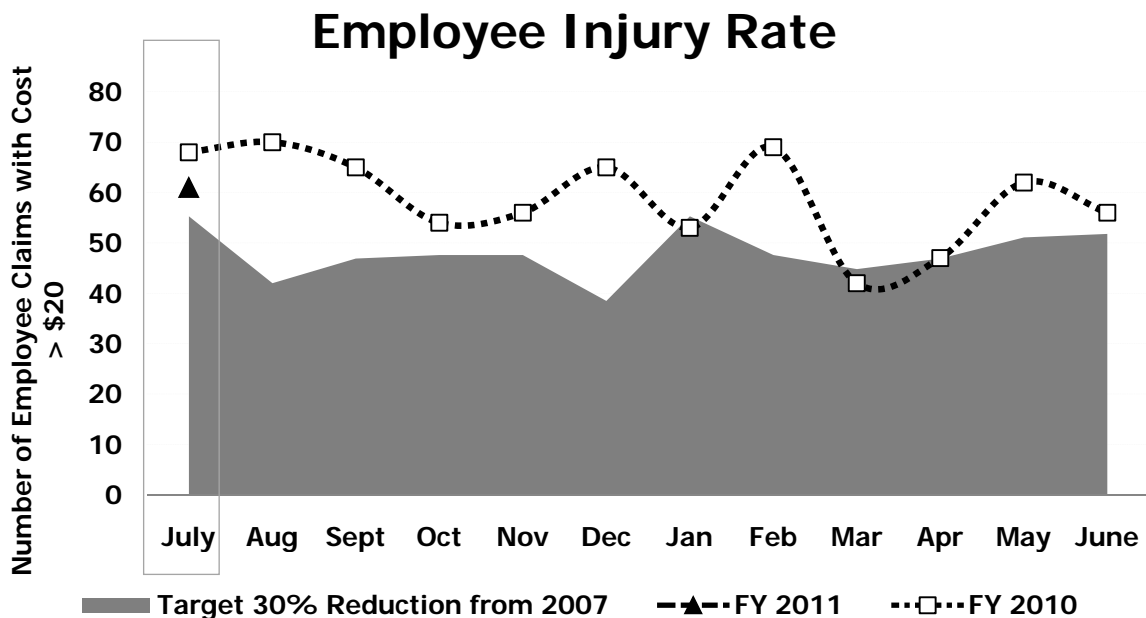
KPI: Employee Injury Rate (July) (Worker's Compensation Claims with Cost of More than \$20)

Objective 1.1 Improve Customer and Employee Safety and Security

Reason to Track: Worker's compensation claims are a key indicator of how safe employees are in the workplace. This measure captures all of the types of claims filed where there is a cost of more than \$20.

Why Did Performance Change:

- Compared to July of last year, July 2010 employee injuries decreased by 10%. Many new safety initiatives to create a safety culture focused on prevention were implemented, such as assigning safety officers in bus facilities and rail yards, establishing an internal safety hotline to report safety concerns, and conducting an assessment of Metro's safety culture.
- About a third of July 2010 injuries were sustained by Bus Transportation employees. Although bus transportation has the largest share of injuries, for the last three years that injury rate has decreased by 9.8% and avoided 101 injuries.
- Collisions represent the largest single injury cause (approximately 30%), followed by upper body muscle straining (20%) and slip and falls (18%).



Actions to Improve Performance

- Metro, in particular Bus Transportation, will focus on employees with two or more incidents in the past 24 months to identify and correct hazards in the workplace and address other issues that may impact the employees' ability to work safely.

Conclusion: Metro has lowered employee injuries over the past year and continues to implement key safety priorities.

**KPI: Crime Rate (June)
(Per Million Passengers)**

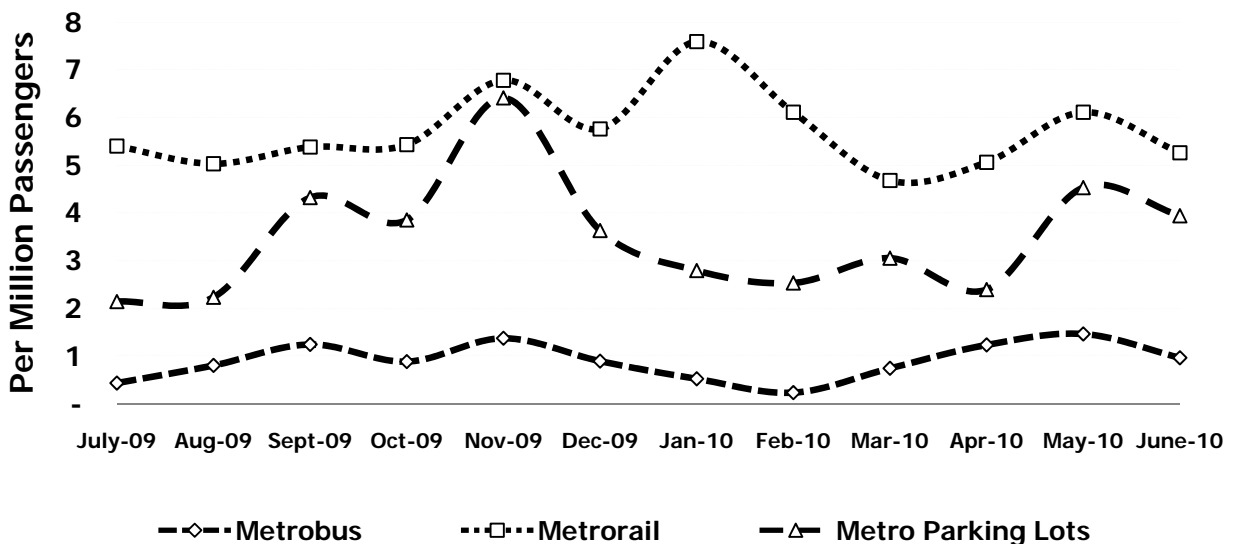
Objective 1.2 Strengthen Metro's Safety and Security Response

Reason to Track: This measure provides an indication of the perception of safety and security customers experience when traveling the Metro system. Increases or decreases in crime statistics can have a direct effect on whether customers feel safe in the system.

Why Did Performance Change:

- The June 2010 Metro crime rate decreased in all transit venues.
- Robberies decreased 20% which was largely attributed to a 28% reduction in small electronic device robberies.
- Outdoor crimes continue to drive the number of larcenies. In June, half of larcenies were thefts from autos (54 of 111, 49%), primarily GPS devices from parked vehicles. The balance were largely bicycle thefts (44 of 111, 40%).
- Aggravated assaults returned down to monthly trends of between 7 and 10 events reported.
- Patrol commanders used various deployment strategies to reduce crime in partnership with local, state and federal law enforcement agencies, including high visibility details in stations and decoy cars in parking lots.

Crime Rate



Actions to Improve Performance

- The MTPD uniformed patrol division is coordinating deployment strategies to maximize police presence in the transit system. Deployment strategies include the continuous use of uniformed and plain clothes officer presence in hot spots, such as New Carrollton and Branch Avenue to address motor vehicle crimes and in downtown core stations including Gallery Place and L'Enfant Plaza for robberies and youth disorder.
- MTPD is initiating "MetroStat" to target deployments strategies to trends in criminal activity.
- Continue aggressive public awareness campaign to educate customers and reduce robberies of small electronic devices. This includes an advertising campaign on trains and in stations and rider tips on Metro's website.

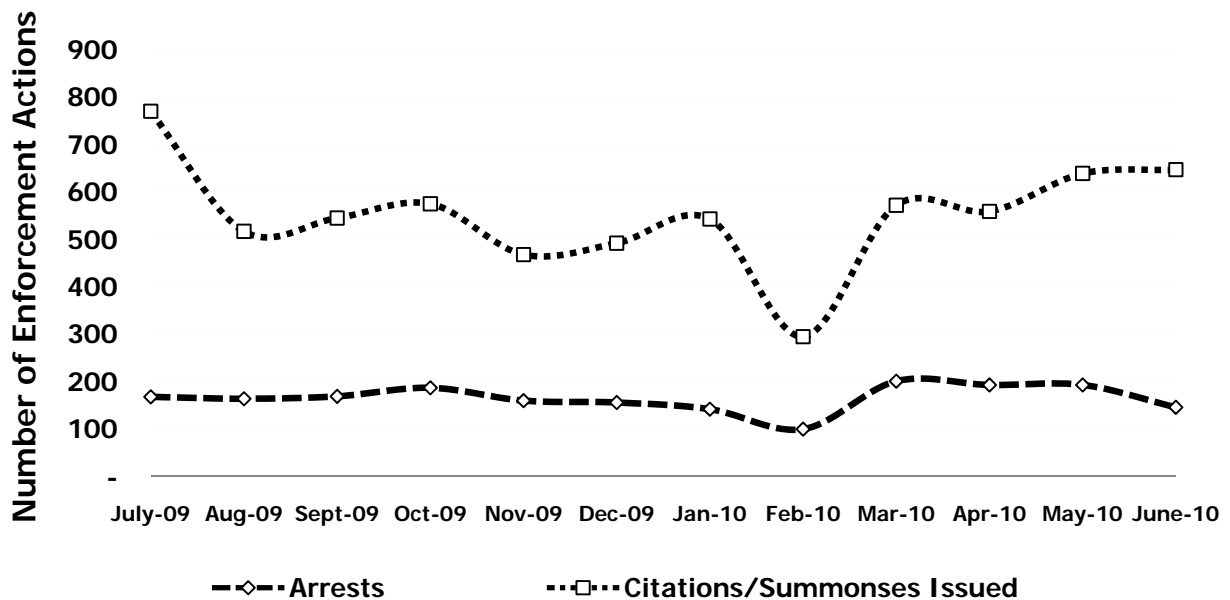
Conclusion: The crime rate reduced in June for Metrobus, Metrorail and Parking Lots as MTPD focused on crime prevention through uniform police presence in hot spot stations and customer education.

Reason to Track: This measure reflects actions by the Metro Transit Police Department to keep the Metro system safe. This includes arrests of individuals breaking the law within the Metro system and citations/summonses issued by transit police officers. Examples of citations/summonses include fare evasion and public conduct violations.

Why Did Performance Change:

- Arrests were down from 193 in May to 146 in June. During June, a number of these arrests were made by officers patrolling platforms in an effort to reduce robberies of small electronic devices.
- Citations/summonses stayed consistent with May, with citations exceeding over 600 in each month. Almost 7% more citations/summonses were issued for public conduct ordinances in FY2010 (July 1, 2009 to June 30, 2010) compared to FY2009. The target was a 5% increase for FY2010.
- Fare evasion citations made up 58% of June 2010 citations/summonses. Compared with the same month in 2009, fare evasion citations increased by 25%.

Arrests, Citations and Summonses



Actions to Improve Performance

- Continue focusing attention on station platforms and trains to reduce robberies of small electronic devices during rush hours.
- Deploy youth disorder details to maintain order in stations and trains particularly during evenings and weekends. Continue attention on decreasing public conduct offenses by issuing citations/summonses.

Conclusion: MTPD's targeted efforts to patrol platforms, address youth disorder and decrease public conduct offenses can be seen in recent arrest, citation and summon trends.

General Manager 6-Month Action Plan (July)

	Actions Through:						
	Apr	May	Jun	Jul	Aug	Sep	Oct
Create a Safer Organization							
Fill safety department vacancies			✓				
Increase safety training							
Close out safety-related audit findings							
Develop incident tracking, safety management reporting system							
Encourage near-miss reporting, publicize employee hotline	✓						on-going
Strengthen whistleblower protection				✓			
Complete new right-of-way worker protection manual				✓			
Revise rail safety rules and procedures handbook			✓				
Assess safety-related internal controls				✓			
Initiate thorough assessment of safety culture			✓				on-going
Deliver Quality Service							
Increase training for front-line employees and supervisors							
Create transparent performance tracking & reporting systems	✓						on-going
Revise inspection & maintenance procedures in operations			✓				on-going
New schedule adjustment on Red Line to fix running time.			✓				
External assessment of elevator and escalator maintenance and repair program							
Continually re-emphasize safety and State of Good Repairs as top priorities			✓				on-going
Use Every Resource Wisely							
Educate policymakers, customers, public about funding roles		✓					on-going
Implement approved FY2011 budget			✓				on-going
Transition to next 6-year capital program			✓				on-going
Respond to NTSB recommendations with capital budget impact							
Stakeholder discussion on long-term fiscal outlook			✓				on-going
<p><u>Summary of results to date:</u></p> <p>Each action has been assigned to specific members of the executive staff. Detailed execution steps have been laid out with clear due-dates. The GM is constantly monitoring the progress being made on each task and maintaining accountability for results.</p>							
<p><u>Scorecard Key -</u></p> <p>Accomplished <input checked="" type="checkbox"/></p> <p>On schedule <input type="checkbox"/></p> <p>Requires attention <input checked="" type="checkbox"/></p>							

Jurisdictional Measures

FY 09
Actual

Output:	Revenue Vehicle Miles (Millions)	
Metrorail		71.803
Metrobus		41.168
Output:	Passengers Per Revenue Vehicle Mile	
Metrorail		3.10
Metrobus		3.25
Efficiency:	Operating Cost Per Revenue Vehicle Mile	
Metrorail		\$10.60
Metrobus		\$12.19
Efficiency:	Farebox Recovery Ratio	
Metrorail		66.5%
Metrobus		22.1%
MetroAccess		4.2%
WMATA Systemwide		49.6%
Efficiency:	Operating Cost Per Passenger Trip	
Metrorail		\$3.42
Metrobus		\$3.75
MetroAccess		\$37.64
Outcome:	Annual Ridership (Millions)	
Metrorail (linked trips)		222.858
Metrobus (unlinked trips)		133.773
MetroAccess		2.109
Outcome:	Maryland Annual Ridership (Millions)	
Metrorail		43.828
Metrobus		39.266
MetroAccess		1.303
Outcome:	District of Columbia Annual Ridership (Millions)	
Metrorail		127.536
Metrobus		70.407
MetroAccess		0.535
Outcome:	Virginia Annual Ridership (Millions)	
Metrorail		51.494
Metrobus		22.789
MetroAccess		0.266

Jurisdictional Measures

Metrobus in Fairfax County	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Estimate	FY11 Estimate
Metrobus Routes	87	100	91	75 ¹	75
Trips Originating in Fairfax County	9,272,000	10,040,500	9,440,351	10,445,132	9,629,158
Platform Hours	372,266	395,999	407,844	371,721	395,662
Platform Miles	7,065,260	7,310,086	6,565,966	6,662,941	7,330,351
Operating Subsidy	\$36,723,400	\$36,744,578	\$42,761,346	\$40,219,382	\$40,650,118
Operating Subsidy/ Platform Mile	\$5.20	\$5.03	\$6.51	\$6.04	\$5.55
Operating Subsidy/ Platform Hour	\$98.65	\$92.79	\$104.85	\$108.20	\$102.74
Operating Subsidy Per Trip	\$3.96	\$3.66	\$4.53	\$3.85	\$4.22
Percent Change in Fairfax County Trips	0.0%	8.3%	-6.0%	3.0%	-7.8%

Metrorail in Fairfax County	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Estimate	FY11 Estimate
Fairfax County Ridership	28,815,191	28,432,596	29,012,470	30,164,141	29,592,719
Operating Subsidy	\$17,496,099	\$19,266,866	\$17,334,537	\$24,137,403	\$16,999,647
Operating Subsidy Per Metrorail Passenger	\$0.61	\$0.68	\$0.60	\$0.80	\$0.57
Percent Change in Metrorail Ridership	-3.3%	-1.3%	2.0%	3.0%	3.0%

¹ FY10 Metrobus Routes as of April 2010

Produced by jurisdictional request based on available data.

Vital Signs Report

Definitions for Key Performance Indicators

Bus On-Time Performance – Metrobus adherence to scheduled service.

Calculation: For delivered trips, difference between scheduled time and actual time arriving at a time point based on a window of no more than 2 minutes early or 7 minutes late. Sample size of observed time points varies by route.

Bus Fleet Reliability (Bus Mean Distance between Failures) – The number of revenue miles traveled before a mechanical breakdown. A failure is an event that requires the bus to be removed from service or deviate from the schedule.

Calculation: Number of failures / miles

Rail On-Time Performance by Line – Rail on-time performance is measured by line during weekday peak and off-peak periods. During peak service (AM/PM), station stops made within the scheduled headway plus two minutes are considered on-time. During non-peak (mid-day and late night), station stops made within the scheduled headway plus no more than 50% of the scheduled headway are considered on-time.

Calculation: Number of Metrorail station stops made up to the scheduled headway plus 2 minutes / total Metrorail station stops for peak service. Number of Metrorail station stops made up to 150% of the scheduled headway / total Metrorail station stops for off-peak service.

MetroAccess On-Time Performance – The number of trips provided within the on-time pick-up window of the trips that were actually dispatched into service (delivered). This includes trips where the vehicle arrived, but the customer was not available to be picked up. Vehicles arriving at the pick-up location after the end of the 30-minute on-time window are considered late. Vehicles arriving more than 30 minutes after the end of the on-time window are regarded as very late.

Calculation: The number of vehicle arrivals at the pick-up location within the 30-minute on-time window / the total number of trips delivered.

Elevator and Escalator System Availability – Percentage of time that Metrorail escalators or elevators in stations and parking garages are in service during operating hours.

Calculation: Hours in service / operating hours. Hours in service = operating hours – hours out of service (both scheduled and unscheduled). Operating hours = revenue hours per unit * number of units.

Customer Injury Rate (per Million Passenger Trips) – The number of customers injured and requiring medical transport from the rail and bus system for every one million passenger trips. Customer injuries per million passenger trips is used to demonstrate the relative proportion of safe service which is provided.

Calculation: Bus passenger injuries, rail passenger injuries, rail facility injuries, including escalator injuries / (passenger trips / 1,000,000).

MetroAccess Passenger Injury Rate (per 100,000 Passengers) – The number of passengers injured and requiring medical transport for every one hundred thousand passengers transported by Metro Access.

Calculation: Passenger injuries requiring medical transport / total passengers.

Employee Injury Rate (Worker's Compensation Claims with Cost > \$20) – The number of worker's compensation claims made by employees per month. This measure compares the base year of FY 2007 and the target reduction of 30% fewer than the base year number of claims, and is a measure of improving the safe behavior of employees throughout the agency.

Calculation: Number of Worker's Compensation Claims with Cost > \$20 per month as compared with the target of 30% less than the number of claims made in FY 2007 by month.

Crime Rate (per Million Passengers) – Crimes reported to Metro Transit Police Department on bus, rail, or at parking lots, Metro facilities, bus stops and other locations in relation to Metro's monthly passenger trips. Reported by Metrobus, Metrorail, and Metro parking lots.

Calculation: Number of crimes / (passenger trips / 1,000,000)

Arrests, Citations and Summonses – The number of arrests and citations/summonses issued by the Metro Transit Police Department. Examples of citations/summonses include minor misdemeanors, fare evasion and public conduct violations.

KPI: Bus On-Time Performance / Target = 80%

	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Avg. thru July
FY 2010	77.0%	78.0%	75.0%	72.0%	74.0%	75.0%	79.4%	70.6%	76.6%	73.8%	73.8%	73.0%	77.0%
FY 2011	72.8%												72.8%

KPI: Bus Fleet Reliability (Bus Mean Distance Between Failures) / Target = 6,700 Miles (Revised in July 2010)

	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Avg. thru July
FY 2010	4,898	5,437	5,325	5,732	6,054	6,700	7,223	6,878	6,882	6,270	5,902	6,578	4,898
FY 2011	6,670												6,670

Bus Fleet Reliability (Bus Mean Distance Between Failure by Fleet Type)

Type (~ % of Fleet)	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Avg.
CNG (31%)	7,739	7,851	8,105	7,362	12,258	9,347	8,935	8,853	7,842	7,905	9,059	9,093	8,696
Hybrid (20%)	8,962	8,520	9,973	10,980	10,167	11,859	10,666	10,546	9,499	8,844	9,944	10,161	10,010
Clean Diesel (8%)	13,015	11,150	12,345	10,052	11,137	9,806	9,911	11,109	7,990	7,345	7,933	10,547	10,195
All Other (41%)	3,739	3,679	3,872	4,393	4,187	5,225	4,928	4,804	4,562	4,102	4,517	4,332	4,362

KPI: Rail On-Time Performance by Line / Target = 95%

	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Avg.
Red Line	83.1%	88.0%	92.2%	91.9%	88.5%	89.0%	87.9%	88.9%	90.0%	91.0%	90.1%	88.5%	89.1%
Blue Line	86.5%	86.8%	89.6%	90.0%	86.4%	88.2%	87.4%	88.2%	88.9%	88.3%	87.5%	86.0%	88.0%
Orange Line	90.4%	92.5%	92.2%	92.4%	87.1%	90.1%	88.7%	92.2%	92.1%	91.4%	90.4%	88.8%	90.9%
Green Line	90.1%	89.3%	90.2%	89.8%	86.8%	90.5%	89.4%	91.1%	90.7%	91.0%	90.8%	90.3%	90.0%
Yellow Line	89.6%	88.1%	91.0%	91.8%	89.4%	91.6%	91.4%	91.4%	90.4%	90.7%	89.8%	88.6%	90.5%
Average (All Lines)	87.0%	88.8%	91.2%	91.2%	87.6%	89.5%	88.6%	90.0%	90.3%	90.6%	89.9%	88.6%	89.5%

KPI: MetroAccess On-Time Performance / Target = 92%

	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Avg. thru July
FY 2010	92.1%	91.6%	91.4%	91.7%	91.6%	92.8%	93.5%	87.4%	91.7%	91.1%	92.1%	93.1%	92.1%

KPI: Escalator System Availability / Target = 93%

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Avg. thru July
FY 2010	89.6%	89.7%	90.6%	91.1%	91.6%	90.6%	90.0%	89.2%	89.5%	90.5%	89.6%	90.3%	89.6%
FY 2011	89.5%												89.5%

KPI: Elevator System Availability / Target = 97.5%

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Avg. thru July
FY 2010	96.1%	96.3%	96.3%	96.3%	96.0%	97.7%	99.0%	97.9%	97.5%	97.3%	96.4%	97.2%	96.1%
FY 2011	96.0%												96.0%

KPI: Customer Injury Rate (per million passenger trips)*

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Avg. thru June
FY 2009	1.54	1.29	1.36	1.37	0.99	1.57	1.12	0.78	1.12	0.86	1.23	3.26	1.37
FY 2010	0.77	1.27	0.89	0.82	0.84	1.07	0.88	2.10	1.22	1.11	1.43	1.30	1.14

*Revised to include escalator injuries and reflect the revision of FY 2010 belated bus ridership data.

Customer Injuries by Mode/Facility

Bus Passenger Injury Rate (per million passenger trips)

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Avg. thru June
FY 2009	1.32	1.02	0.67	1.13	1.47	0.86	0.79	0.49	0.71	0.80	1.47	0.89	0.97
FY 2010	0.93	1.16	1.23	0.79	1.33	0.75	0.42	1.41	1.46	1.11	1.26	1.43	1.11

Rail Passenger Injury Rate (per million passenger trips)

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Avg. thru June
FY 2009	0.38	0.22	0.39	0.41	0.06	0.18	0.27	0.12	0.26	0.05	0.05	4.04	0.54
FY 2010	0.10	0.22	0.17	0.16	0.18	0.00	0.06	0.15	0.10	0.19	0.22	0.20	0.15

Rail Transit Facilities Occupant Injury Rate (per million passenger trips)*

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Avg. thru June
FY 2009	1.28	1.24	1.43	1.12	0.62	1.83	1.03	0.84	1.10	0.84	1.04	0.55	1.08
FY 2010	0.58	1.12	0.50	0.68	0.37	1.25	1.09	2.31	0.99	0.91	1.31	1.03	1.01

*Revised to include escalator injuries.

Vital Signs Report
Performance Data (cont.)

September 2010

KPI: Metro Access Passenger Injury Rate (per 100,000 passengers)

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Avg. thru July
FY 2010	3.03	2.57	2.01	6.24	2.10	4.39	3.14	3.68	2.16	2.70	5.29	4.65	3.03
FY 2011	2.46												2.46

KPI: Employee Injury Rate (Workers Compensation Claims with Cost > \$20) / Target = 30% Reduction from 2007

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Avg. thru June
FY 2007	79	60	67	68	68	55	79	68	64	67	73	74	69
FY 2009	61	72	59	60	40	61	48	52	80	44	57	67	58
FY 2010	68	70	65	54	56	65	53	69	42	47	62	56	59

* FY 2010 revised to reflect claims filed late.

Vital Signs Report
Performance Data (cont.)

September 2010

KPI: Crime Rate (per million passenger trips)

	July-09	Aug-09	Sept-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	June-10	Avg.
Metrobus	0.43	0.80	1.24	0.88	1.37	0.89	0.52	0.23	0.74	1.23	1.46	0.96	0.90
Metro rail	5.40	5.03	5.38	5.43	6.78	5.76	7.59	6.11	4.68	5.06	6.11	5.26	5.72
Metro Parking Lots	2.14	2.23	4.32	3.85	6.41	3.63	2.79	2.53	3.05	2.39	4.53	3.94	3.48

Crimes by Type*

	July-09	Aug-09	Sept-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	June-10	Avg.
Robbery	73	70	81	96	104	89	122	81	86	91	89	71	88
Larceny	74	52	92	80	110	59	51	27	69	66	97	111	74
Motor Vehicle Theft	15	10	8	10	12	7	6	5	6	9	13	13	10
Attempted Motor Vehicle Theft	2	2	7	6	7	3	1	1	6	9	9	5	5
Aggravated Assault	8	11	9	7	8	7	10	7	7	9	15	7	9
Rape	0	0	0	0	0	0	2	2	0	0	0	0	0
Burglary	0	0	0	0	0	0	1	0	0	0	1	0	0
Homicide	0	0	0	0	1	0	0	0	0	0	0	0	0
Arson	0	0	0	0	0	0	0	0	0	0	0	0	-
Total	172	145	197	199	242	165	193	123	174	184	224	207	185

Monthly crime statistics can change as a result of reclassification following formal police investigation.

KPI: Metro Transit Police Arrests, Citations and Summonses

	July-09	Aug-09	Sept-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	June-10	Avg.
Arrests	168	164	169	187	160	156	142	100	201	193	193	146	165
Citations/Summonses Issued	770	517	545	575	468	492	543	295	572	559	639	647	552
Arrests, Citations and Summonses	938	681	714	762	628	648	685	395	773	752	832	793	717

Vital Signs Report
Performance Data (cont.)

September 2010

Metrobus Ridership (millions)

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Avg. thru July
FY 2009	12.1	11.7	11.9	12.3	10.2	10.5	10.2	10.2	11.3	11.2	10.9	11.3	12.1
FY 2010	11.8	11.2	11.4	11.3	9.8	9.3	9.6	7.1	11.0	10.8	10.3	10.5	11.8
FY 2011	10.4												10.4

Metrorail Ridership (millions)

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Avg. thru July
FY 2009	21.0	18.5	18.2	19.7	16.1	16.4	18.5	16.6	19.1	20.3	18.4	20.1	21.0
FY 2010	20.5	17.9	17.8	19.0	16.4	16.0	16.5	13.4	20.3	20.8	18.3	20.3	20.5
FY 2011	20.2												20.2

MetroAccess Ridership (100,000s)

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Avg. thru July
FY 2009	1.63	1.62	1.69	1.82	1.57	1.73	1.58	1.72	1.91	1.97	1.90	1.93	1.6
FY 2010	1.98	1.95	1.99	2.08	1.90	1.82	1.91	1.36	2.32	2.22	2.08	2.15	2.0
FY 2011	2.03												2.0

Rick Taube

From: Stewart Schwartz [stewart@smartergrowth.net]
Sent: Friday, September 24, 2010 9:05 AM
To: district31@senate.virginia.gov; DelAEbbin@house.state.va.us; czimmerman@arlingtonva.us; William.Euille@alexandriava.gov; hntrmill@fairfaxcounty.gov; leedist@fairfaxcounty.gov; chairman@fairfaxcounty.gov; paul.smedberg@alexandriava.gov; rob.kupricka@alexandriava.gov; jfisette@arlingtonva.us
Cc: Rick Taube; Kaia Quintana
Subject: FW: Sec. Connaughton Still Seeks WMATA Seats
Attachments: 2010.08.30 WMATA Governor Letter.pdf; 2010.06.18 Letter to Governor McDonnell and Congress re WMATA Board - Final.doc; 2010.07.01 Testimony to WMATA Governance Commission Final.docx

NVTC:

As you recall, the smart growth/transit/conservation community sent a letter in June (attachment 2) to the Governor and Congressional Delegation in opposition to the transfer of NVTC seats on WMATA to the State of Virginia (second attachment to this email). Secretary Connaughton responded to us via mail in the first week of September (attachment one). It appears that his position has not changed and that he is not agreeing to NVTC's (70% local/30% state) assessment of the funding contributions.

The Coalition for Smarter Growth continues to support the majority position of the NVTC in favor of the current arrangement.

Please also see the notes (attachment three) we used in our testimony to the BOT/COG Committee on WMATA Governance. We remain very concerned that the business community seeks an all appointed board similar to MWAA.

Between the secret meetings of the BOT WMATA commission, a separate push by Til Hazel's 2030 Group to change regional governance and the push by the State of Virginia to take WMATA seats, we fear loss of the comprehensive, responsive leadership that comes from having local elected officials and our own Senators and Delegates – who think regionally – in charge of our major regional institutions.

You should also review the Vancouver and Toronto debates posted on the COG website under WMATA Governance – Resources. In both regions the regional BOT supported shifts to appointed boards, and in the case of Vancouver – transfer of authority to the provincial level.

Stewart

Stewart Schwartz
Executive Director, Coalition for Smarter Growth
202.244.4408, ext 121
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www.smartergrowth.net
Twitter: [betterDCregion](https://twitter.com/betterDCregion)

Named twice as one of the Washington region's most effective non-profits by the Catalogue for Philanthropy!



COMMONWEALTH of VIRGINIA

Office of the Governor

Sean T. Connaughton
Secretary of Transportation

August 30, 2010

Stewart Schwartz
Executive Director
Coalition for Smarter Growth

Roger Diedrich
Smart Growth Transportation Chair
Sierra Club, Virginia Chapter

Allen Muchnick
President
Arlington Coalition for Sensible
Transportation

1415 Oronoco Street
Alexandria, Virginia 22314-2152

Dear Mr. Schwartz, Mr. Diedrich and Mr. Muchnick,

Thank you for your email regarding the Washington Metropolitan Area Transit Authority (WMATA), specifically your concerns about funding for the Metro system and representation on WMATA's Board of Directors.

The Commonwealth shares your belief in the importance of WMATA's role in enhancing travel options in the Northern Virginia region, and has a long history of financial and policy support for Metro. Most importantly, the Commonwealth is also committed to helping ensure reliable, safe and accessible public transit options in Virginia.

The Commonwealth has committed to provide WMATA \$50 million this year as part of a \$500 million investment in capital improvements over the next 10 years. This investment will serve as Virginia's share of the match to the \$1.5 billion in federal funds provided under the Passenger Rail Investment and Improvement Act (PRIIA). This funding is in addition to the \$75-\$80 million in capital and operating funding that the Commonwealth provides for WMATA annually.

With the addition of the PRIIA funds, the Commonwealth is a 52 percent funding partner in WMATA; however, the Commonwealth is not represented on the WMATA Board of Directors. The Commonwealth must be represented on the Board to act as a steward for public funds and to help ensure that it can fulfill its commitment to the public to provide safe, reliable transportation choices. The Commonwealth will continue to work with the Northern Virginia Transportation Commission (NVTC), local elected officials and WMATA to strengthen our partnership and improve WMATA's safety, security and operations.

Thank you for your support for WMATA.

Sincerely,

Sean T. Connaughton

SC:kb

cc: Thelma D. Drake, DRPT Director

June 18, 2010

Governor Robert McDonnell
Office of the Governor
1111 East Broad Street, Third Floor
Richmond, VA 23319

Senator Mark Warner
459A Russell Senate Office Building
Washington, DC 20510

Senator Jim Webb
248 Russell Senate Office Building
Washington, DC 20510

Congressman Jim Moran
2239 Rayburn House Office Building
Washington, DC 20515

Congressman Frank Wolf
241 Cannon House Office Building
Washington, DC 20515

Congressman Gerry Connolly
327 Cannon House Office Building
Washington, DC 20515

Dear Governor McDonnell, Senators Warner and Webb, and Representatives Moran, Wolf, and Connolly:

We are writing to express our very serious concern and opposition to changing the Northern Virginia representation on the Washington Metropolitan Area Transit Authority (WMATA) Board of Directors. Northern Virginia's representatives have stood out on the WMATA Board of Directors for their commitment to the success of Metro, to transparency to the public, and to funding the level of transit service our region deserves. Because our local elected officials at WMATA are also responsible for local land use decisions, they have ensured that transit and land use are linked, helping to create billions of dollars of transit-oriented development and tax revenues for the state of Virginia.

The primary problem faced by our Metro system has been years of chronic underfunding of preventative maintenance and replacement of its aging infrastructure. In our view, the state of Virginia has never provided adequate support for transit capital and operating needs, while local taxpayers and riders have provided the lion's share of funding for our transit needs including Metro. The combination of fares paid by riders, local gas taxes, and local property tax support

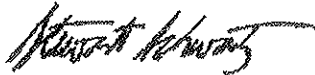
for Metro is significantly more than has been provided by the state. In the case of our major new transit capital project, Dulles Rail, virtually the entire cost is funded by the federal government, local property taxes and locally paid tolls.

The threat to withhold the \$50 million in state match for the hard-won federal funding threatens the entire carefully constructed \$300 million package of funding for Metro. Withholding of the funds will cause the State of Maryland and the District of Columbia to withhold their share of the funds and cause the federal government to freeze their payments. This funding is urgently needed now for the aging system, as maintenance problems have continued in the year since the tragic accident.

Improving accountability and safety at Metro is important, but the Governor's proposed change would neither strengthen efforts to increase accountability nor improve safety at Metro. Replacing local public officials elected by the people of Northern Virginia with appointees would weaken Metro's accountability to the people it serves. For comparison, few Northern Virginians know that there is a Metropolitan Washington Airports Authority now controlling the tolls they are paying on the Dulles toll road, much less who those appointed board members are. Yet, they do know that they can call up their local elected officials about Metrorail and Metrobus issues and get a rapid response.

We urge you to support continued management of Metro by northern Virginia's local elected officials on behalf of northern Virginians, and to return the focus to providing the critical funds that WMATA needs. At the same time, we should continue the process of hiring a strong Metro manager and strengthening the structure, transparency, procedures and safety culture of the organization.

Respectfully,



Stewart Schwartz
Executive Director
Coalition for Smarter Growth

Roger Diedrich
Smart Growth and Transportation Chair
Sierra Club's Virginia Chapter

Allen Muchnick
President
Arlington Coalition for Sensible Transportation



COALITION FOR SMARTER GROWTH

September 17, 2010

Testimony to the COG/BOT Commission on WMATA Governance

Stewart Schwartz, Executive Director

Thank you for inviting me to speak to you today. First I would like to congratulate two elected officials here who won big elections on Tuesday. Second, I would like to thank the Board of Trade for the key role they played in winning the 10 year capital funding commitments from the federal government and the states. Lastly, I would like to commend COG for its HUD regional sustainability grant proposal, its "Region Forward" report and Compact, and its Climate Report. David Robertson, COG's Executive Director, deserves special credit for his collaborative work with all stakeholders to generate new levels of consensus in support of sustainable and equitable development in the region.

As you know I have been very critical of how this panel was established and by its failure to include rider representatives and members of non-business stakeholder groups, therefore my appearance should not be seen as endorsement of the panel. It is a great loss to this panel not to be able to tap into some of the great expertise that we now find among the riders and whose intelligent and creative analysis you can see in outlets such as Greater Greater Washington.

In addition, those of us invited to speak today are at a significant disadvantage in not having had the opportunity to hear or review the testimony of others you have had before the panel. I really don't know what to say about the rather thin minutes of your meetings. As a military veteran and also as someone who has participated for 14 years in local, regional, and state government, I am deeply disappointed by the closed nature of this committee. At the core of good governance in the modern era are transparency, inclusiveness, and constructive participation.

I am further concerned that most of the research resources that are posted are dominated by examples of appointed, non-elected boards or cases where regional Boards of Trade appear to have played a role in pushing a shift from elected boards to appointed boards. This is certainly the case in Vancouver and Toronto.

I. What is your overall view on the effectiveness of WMATA's governance?

It is very good, but not excellent. They have a core group of very committed officials, although I'm not happy about those who miss too many meetings as has been reported this year.

Northern Virginia's elected representatives have stood out on the WMATA Board of Directors for their commitment to the success of Metro, to transparency to the public, and to funding transit service to limit or eliminate service cuts. During the debate over fare hikes and service cuts, it was much harder to get the attention of the appointed officials and even going straight to the Maryland Governor did not result in as quick a response as we received from the local elected officials.

Because our local elected officials at WMATA are also responsible for local land use decisions, they

have ensured that transit and land use are linked, helping to create billions of dollars of transit-oriented development and tax revenues for the state of Virginia.

I would like to offer an important aside: this week a TPB report demonstrated that land use – mixed-use, mixed-income, walkable/bikeable and transit-oriented centers – did much more to reduce VMT, per capita VMT and pollution, while maximizing walk, bike and transit trips. In contrast, a \$52 billion, 1650 mile toll lane scenario increased driving trip lengths and overall VMT, significantly increased CO2 emissions and harmful NOx and particulate pollution, and indicated it would contribute to additional sprawl.

I am joined by many others in arguing that the primary problem faced by our Metro system and by the WMATA Board has been years of chronic underfunding – affecting preventative maintenance and replacement of its aging infrastructure. When you have to battle for funding and simultaneously try to address accumulating breakdowns in the system, it is naturally a challenge for the governing body and it also makes it difficult to do long range planning.

There is a real challenge for DC since it must serve as both a state and a local government, while trying to strengthen a tax base which in earlier decades was undermined by suburban flight. For the local Virginia representatives their contribution has to compete with other general service needs.

Meanwhile, in our view, the state of Virginia has never provided adequate support for transit capital and operating needs, while local taxpayers and riders have provided the lion's share of funding for our transit needs including Metro. The add-on taxes were sought and won by northern Virginia Senators and Delegates and draw from our taxpayers and drivers, not from the general state coffers. The combination of fares paid by riders, local gas taxes, and local property tax support for Metro is significantly more than has been provided by the state. I think the NVTC estimate is that local fares, property taxes, parking fees, and the add-on gas taxes paid over 70% of the funding contributed from Virginia. In the case of our major new transit capital project, Dulles Rail, virtually the entire cost is funded by the federal government, local property taxes and locally paid tolls, not by the state.

You simply cannot separate WMATA governance from the funding sources or from long-term planning issues. What worries me about the Vancouver story is that it appears to be an effort to grab control by British Columbia officials in order to fund major transit extensions using tax revenues from the more urban jurisdictions instead of investing in enhanced transit where it would be most effective. The powerplay took place after their transit board had resisted a particular extension due to cost and impact on other priorities.

A Board dominated by appointees from the states here could do something similar. In fact we have already seen this. Virginia managed to pull the Dulles Rail project from WMATA and then proceeded to transfer it and public toll revenues to the appointed and much less accountable MWAA. The additional operating costs are expected to strain the system, and DC believes it is paying too much through the formula to support service on that long extension. Particularly for Phase II, if the ridership per linear mile is much less than denser areas of the region it could add to the cost burdens on the system. The Toronto report talked about how suburban extensions had undermined the finances of their transit system.

In fact, I am concerned that with dominant control by the states through appointees, we could have many periods where less urban or less metropolitan oriented Governors will not adequately fund the system or will pursue unsustainable extensions rather than supporting the core system and linking denser land use to the system.

Moreover, I will be honest in saying that appointed boards are almost always dominated by corporate leaders, and major campaign donors who do not represent the perspectives of all stakeholders.

2. How would you characterize the Board's involvement in management and operational issues (including safety and customer service) – too much, too little, or just about right? If you believe they are not at the right level of involvement, what solutions would you propose?

I don't spend enough time at the Board meetings to give you a definitive answer, but I can share a few thoughts.

Because many of the board members from DC and Virginia are local elected officials they hear from their constituents who are riders about customer service and other issues. They naturally want to seek answers from the staff. I think that they should be involved in watch-dogging customer service, which most of us feel can be improved.

Operational performance also receives attention from constituent riders and it is appropriate for the Board to ask questions about that performance.

On the other hand, I see the value of potentially having a professional technical board below the elected board with oversight of maintenance and operational issues. Many of these issues might be better addressed at this level and not have to rise to the elected board level.

Some of us are concerned that long-term policy issues are not receiving enough attention, in part because the Board has had to be so focused on funding challenges and the concerns they are hearing about service breakdowns. Some have said that the budget process is broken and that policy debates and parochial issues underlie the budget debates and drag the budget process out. Having more secure and dedicated funding and a commitments that extend up to six years out, would allow for more certainty in planning, maintenance and service, ease and shorten the annual budget debates and allow more time for the Board to address significant policy issues.

3. How would you characterize the overall relationship between the WMATA Board and the organization's senior management (including the General Manager)? How can the nature of that relationship be improved?

I don't feel I am fully qualified to answer this question. We have partner groups who have spent much more time observing the Board's interactions with the General Manager than I have.

I would say that the most important thing the Board can do is to hire a very strong manager – not just a manager but a leader who inspires and motivates the agency staff. That would mean having the Board give the General Manager some room to maneuver. But the Board should also set specific goals and standards that it would like to see met, such as in customer service, in communications to the Board and the public, and in safety.

I mentioned previously that I have been particularly concerned about the revelations of a lack of an open safety culture within WMATA staff and operations. I am pleased to see that the Board is establishing a dedicated safety committee but so much comes down to leadership and installation of a culture of safety.

As a former Naval Aviator, I can state that squadrons needed to achieve the daily mission while also ensuring the highest standards of safety. Safety cultures are critically important, with everyone

playing a role and having a responsibility to identify and report safety risks, procedural problems and the like. Nothing could get a Commanding Officer fired faster than a breakdown in the safety culture. Strong safety cultures can be established and maintained through good leadership but include empowerment of all members of the team.

As a matter of fact, focusing on issues like the safety culture within the agency would seem far more critical than a focus on the Board. Other issues worthy of commissioned research are whether the best maintenance systems and procedures are in place.

4. What are the ideal qualifications of Board members? How effective is the current WMATA Board member selection process in ensuring that these qualifications are present? Are there alternative methods of member selection that should be explored?

A.

Elected

Those who serve should represent the jurisdictions that provide the funding

Should be Metrorail and Metrobus riders

Ideally they would have a mix of expertise – finance/budgeting; operations etc.

Be those who have the time to dedicate to the role

B.

I believe that in some but not all cases, the local elected boards select their members with the strongest interest and experience with transit issues.

C.

- 1) I prefer an all elected body for the Board but I'm not sure we should change the current format that has 2 voting members from each of the jurisdictions – VA, MD, DC and FED. If we make a change, I recommend consideration of direct election of three rider representatives (addition of at least one at-large rider representative from each jurisdiction (MD, DC, VA)). These representatives could be paid at the scale equivalent to elected officials, but because they would have more time, they could provide more dedicated time to governance issues – chairing key committees for example. Note that riders – through fares provide 87% of rail operating costs and 37% of bus for a 60% average -- the equivalent of \$700 million to \$800 million per year.
- 2) Another option is a larger hybrid board than we have today, amending the current board to add one elected official from Montgomery and one from Prince George's provided it is tied to the addition of local funding. If the State of Maryland continues to provide the significant share of Md funding, it would keep its one appointed voting seat. This would make 3 seats for Maryland. And in Virginia, the state could add one seat. Meanwhile DC would be given one seat to maintain equality. Perhaps in this case we add one regionally elected rider representative to the two Federal officials.
- 3) Another option is the dual board: a policy board with a separate technically oriented, operations and safety board. The policy board would decide long range plans, fares, budgets and service patterns. The oversight board would monitor the operations, maintenance and safety of the agency and perhaps have the power to intervene. Having sufficient staff to support the two boards would be important.

5. How do you assess the pros and cons of the presence of elected officials on the WMATA Board?

Northern Virginia's representatives have stood out on the WMATA Board of Directors for their commitment to the success of Metro, to transparency to the public, and to funding transit service. Because our local elected officials at WMATA are also responsible for local land use decisions, they have ensured that transit and land use are linked, helping to create billions of dollars of transit-oriented development and tax revenues for the state of Virginia. Local elected officials are closer to and more accountable to their constituents, who are also often Metro riders.

Appointees do not share that accountability, and while the Governors are elected officials they are geographically and hierarchically more removed from the voters and riders. Through hard-earned experience, I can certainly say that the appointed state Secretaries of Transportation, no matter of which party and which state do not have to be responsive to public input like local elected officials.

Jim, I hope you don't mind, but our meeting during the summer offered an important insight which I wish to share. When I spoke of local official accessibility, you disagreed and noted that you could pick up the phone and talk to the Governor whenever needed and could get a quick response. Exactly I said, the Board of Trade and Chambers of Commerce and other major corporate leaders have that option, other stakeholder and civic groups do not.

When I was last before you I listed a number of names that the general public had never heard of – the members of the Metropolitan Washington Airport Authority. I see that current or past representatives of MWAA have had two opportunities to testify to you and that information on their history is featured in the research you have collected. Today, MWAA now not only controls airport ticket tax revenues, but also millions of dollars per year in Dulles Toll Road revenues. Where and when they meet is not immediately apparent from their website. Their board doesn't receive 1/10th of the media attention that the WMATA Board does -- attention that increases accountability and ensures more open decision-making.

Pros and Cons of an Elected Board:

Pro:

Accountable

Accessible

Responsive

Link land use and transportation

Riders

The longest serving ones have achieved high levels of expertise

Con:

Parochial issues can intervene – suburban parking and fees vs. bus fares for lower income riders

Less time because of local responsibilities and a lot on their plates, but private business leaders or state officials can be equally busy

Not guaranteed to be transit or finance experts but this criteria could be specified as preferred for the local appointees

Risk of looking at smaller short term issues instead of long term policy issues

Risk of thinking locally rather than regionally

In the end, the Board's challenges can simply be a question of personalities. We have good examples of bodies where officials work well together and have built up trust.

6. What are your views on the impact of the “veto” (the requirement that the majority vote on any issue include at least one Director or alternate from each signatory) on the Board’s decision-making process?

I believe that the veto is important in our three state region to avoid having one of the three lose out on a critical issue. Whether it should be available for all issues, or only for certain types of budget or service issues, I can’t say for sure, but restricting its use to certain issues may be appropriate. I would argue that the veto is most important for protecting DC, based on the experience in too many regions of the country where the core city has been disempowered and ganged up on by the suburbs.

Final General Comment:

We are protective of the role of local elected officials and the degree of independence of both the WMATA Board and the NVTC from the power of the state DOT’s. WMATA and NVTC vigorously defend transit, in comparison to the decisions on state transportation priorities that are still dominated by the state DOT’s and whose priorities are handed to the TPB to staple together. I believe that Toronto may have established a combined policy and planning board, while devolving transit oversight to an appointed board. But until we can be sure that a consolidated regional board wouldn’t dilute support for transit, and that it will be fully committed to a sustainable network of transit-oriented centers, we don’t think we are ready to move to a consolidated policy board.

Another alternative that the Board of Trade and other Chambers of Commerce have periodically talked about is a consolidated regional transportation authority headed by appointed officials. We are concerned about this as well – we feel it would take power from elected officials, reduce public transparency and accountability, and focus on building projects rather than on implementing integrated land use and transportation solutions.

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AGENDA ITEM #5

TO: Chairman Hudgins and NVTC Commissioners
FROM: Rick Taube
DATE: September 30, 2010
SUBJECT: Proposed Government Reform Commission Recommendation to Consolidate NVTC/PRTC/NVTA

At a hearing of the Simplification and Operations Committee of the Government Reform Commission on August 4, 2010 in Richmond, Assistant Virginia Transportation Secretary Matt Strader presented proposed legislative changes. Included in his list of recommendations to the Reform Commission was a call to consolidate NVTA, NVTC and PRTC to achieve greater efficiencies, create a more unified approach and save staff and legislator time preparing for meetings. NVTC, PRTC, NVTA and VRE all previously opposed this suggestion in comments submitted to the Reform Commission, and Fairfax County expressed concern.

At NVTC's September 2nd meeting, staff provided materials that examined the subject in detail. At that meeting, the commission authorized Chairman Hudgins to meet with Secretary Connaughton. That meeting occurred on September 10th, together with the chairmen of PRTC, NVTA and VRE. Secretary Connaughton made no commitment to revise or delete his recommendation to the Reform Commission. It is expected that the Reform Commission will adopt its recommendations on October 13th and release its interim report on October 15th. Regardless of what the Reform Commission decides, it is possible that legislation will be introduced in January, 2011 to accomplish such a consolidation or restructuring of NVTC and the other agencies. NVTC's legislative agenda should anticipate such action.

Another matter of interest to NVTC being considered by the Reform Commission is Governor McDonnell's proposal to privatize the commonwealth's liquor stores and use the proceeds to support transportation. It is expected that the Reform Commission will vote on that proposal on October 4th with the results to be announced on October 15th. A copy of Secretary Connaughton's presentation on the proposed Virginia Transportation Infrastructure Bank is attached for your information.

In light of these developments, the commission should consider an appropriate response and provide direction to staff. Otherwise, staff will pursue "watchful waiting."





COMMONWEALTH of VIRGINIA
Office of the
SECRETARY of TRANSPORTATION

**Virginia Transportation Infrastructure
Bank (VTIB)**

Sean T. Connaughton
Secretary of Transportation
September 8, 2010



Current Situation

- **Public funds for transportation are insufficient**
- **Private funding is limited**
- **Credit is becoming essential**
 - **State restricted by debt capacity**
 - **Federal Transportation Infrastructure Finance and Innovation Act (TIFIA) loan program is oversubscribed**
 - **State's federally chartered State Infrastructure Bank is small**
 - **Virginia Toll Facilities Revolving Account has modest resources**

Transportation Infrastructure Infrastructure and Innovation Act of 1998 (TIFIA)

- Can provide up to one third of costs
- 30 Year loans with a 4.6% interest rate
- It is estimated that for every \$1 in TIFIA loan, it leverages \$10 in credit assistance and \$30 in loan assistance
- I495 Beltway HOT Lanes project has a TIFIA loan
- TIFIA applications currently pending for I95/395 HOT Lanes, Midtown Tunnel, and Dominion Boulevard
- Applications for TIFIA far exceed available funds

Proposed - VTIB

- **Amend Code to establish Virginia Transportation Infrastructure Bank (VTIB)**
- **Capitalized solely with state funds**
- **Not subject to federal regulations**
 - **Reduces project costs**
 - **More timely project delivery**
- **Similar to Literary Fund and Virginia Resources Authority Loans**

Function - VTIB

- **Low interest loans with maturity date of 20-30 years**
- **Direct loans to localities, governmental entities and authorities, railroads, transit companies, and private sector companies**
- **Construction and capital maintenance of the Commonwealth's transportation infrastructure and transit systems**

Funding - VTIB

- **Initial Funding –**
 - **Proceeds from privatization of ABC stores**
- **Additional funding –**
 - **Year-end General Revenues – formula driven**
 - **Appropriations of the General Assembly**
 - **Possible dedicated revenue streams**
- **Repaying Loans –**
 - **Tolls, user fees, other dedicated revenue (special assessments, tax increment financing), local taxes and fees**

Eligibility - VTIB

- **Project Selection**
 - **Dependent on quality of application**
 - **Application process to be developed**
 - **Application criteria – creditworthiness, regional or statewide significance, economic benefits, availability of dedicated revenue sources, identified in State or regionally planning process**
- **Projects**
 - **Construction, reconstruction, rehabilitation, or replacement of any interstate, state highway, toll road, tunnel, local road, or bridge within the jurisdiction of the Commonwealth**
 - **Construction, reconstruction, rehabilitation, replacement, or acquisition of any transit and passenger or freight rail facility or vehicle**
 - **Port Facilities**

Grants - VTIB

- **Counties, cities, and towns may apply for grants**
- **Limited use**
 - **Not repaid – no revolving funds**
- **Projects of local and regional significance**
 - **Rural projects will be given priority**
- **Economic benefit – beyond job creation during construction**

Leveraging - VTIB

- **Interest subsidies**
- **Subsidies for PPTA projects**
- **Direct loans**
- **Diversified loan portfolio**
- **Credit enhancement**
- **Leverage in capital markets**
- **Bond issuance**
- **Sum sufficiency**

Project Savings

Financing \$100 million with Private Activity Bonds priced to yield 7%* would incur interest costs of approximately \$140 million, assuming a term of 20 years with annual payments and bullet principal payments at maturity.

State Infrastructure Bank Loan Alternatives

SIB Interest Rate	Interest Cost with SIB	Potential Project Savings
6%	\$120 Million	\$20 Million
5%	\$100 Million	\$40 Million
4%	\$80 Million	\$60 Million
3%	\$60 Million	\$80 Million
2%	\$40 Million	\$100 Million

*Based on last major toll road financing, Texas Private Activity Bond Surface Transportation Corporation (LBJ/IH-635), June 2010, Private Activity Bonds priced to yield 7-7.25%

Benefits - VTIB

- Provides financing to projects of any size
- Revolving nature
 - Projects completed - loans repaid – funds lent for other projects
- Leverage federal and other State resources
- Attract public and private investment in transportation
- Will not implicate the state's creditworthiness

Questions?

TO: Chairman Hudgins and NVTC Commissioners
FROM: Rick Taube
DATE: September 30, 2010
SUBJECT: NVTC and Other Items

A. TransAction 2040 Plan Update.

Negotiations are continuing with Cambridge Systematics, Inc. NVTA has acted to significantly reduce funding (to \$500,000 from \$1.2 million). This necessitates refining the scope of work. Local and regional staffs are cooperating in that effort. When agreement is reached on the refined scope of work, NVTC's Executive Director will proceed to execute the contract documents (after legal review). That action is expected soon and a kick-off meeting with Cambridge Systematics is set for October 14th.

B. Streetcar Coalition TIGER II Grant Application.

NVTC staff submitted the pre-application by the June 26, 2010 deadline and the full application by the August 23, 2010 deadline. Several public and private-sector co-sponsors have joined in the effort.

NVTC also was a partner in Fairfax County's application for funding for the I-66/Vienna ramp.

No announcement has been made yet of grant awards.

C. I-95/395 HOT Lanes.

NVTC wrote to Secretary Connaughton after the commission's July 1, 2010 meeting, requesting an opportunity to meet to address several issues in order for the region to unify its support of the project. A meeting has occurred with representatives from Arlington, Alexandria and Fairfax County. Those jurisdictions have created a document describing the issues to be resolved.

In the meantime, as shown in the attached news item from WTOP, the project remains controversial.



D. Pentagon Transit Center Security Issues.

Shortly after NVTC's July 1st letter and a similar letter from WMATA were sent, Pentagon officials convened a meeting of interested parties. WMATA Board members and several staff participated. Pentagon officials explained their short and long-term objectives and listened to the concerns of the transit systems. Several accommodations were promised to lessen the impact of the proposed security changes on transit systems. Transit systems were kept informed as the Pentagon's plan was revised. Staff met again on site with Pentagon officials on August 27th to review the final plan. The National Capital Planning Commission reviewed the final plan at its meeting on September 2nd.

The Pentagon then circulated signage plans for review. The contract to provide companies for the walkways has been let with installation promised in about a month. The actual implementation of the security plan began on September 27th without incident.

NVTC's Chairman Hudgins sent the attached letter to the Pentagon officials thanking them for their responsiveness and cooperation.

E. Multi-Region Vanpool Incentive Program.

Federal and state funds are now available in approved grant agreements. NVTC is managing the funds on behalf of itself and FAMPO/GWRC. The contract has been executed with VHB, Inc. and the notice to proceed has been issued. DRPT staff will serve as project manager to ensure regional impartiality. Two focus groups of vanpool operators were conducted in late September as a prelude to an extensive online survey.

F. Governor's Transportation Conference (December 8-10, 2010).

The conference, titled "Reforming and Revitalizing Transportation in Virginia" will be held at the Hotel Roanoke. More details are available at www.vatransconf.org.

G. VDOT Audit.

Descriptions of the audit findings and plans to respond are attached. Governor McDonnell announced that the audit uncovered \$1.45 billion available for projects in the six-year program.



HOT lanes project fueled by war of words

September 20, 2010

WASHINGTON - Frustration of the stalled High Occupancy Toll lanes project on Interstates 95 and 395 has produced a war of words among Virginia state lawmakers.

Arlington County sued Virginia, the U.S. Department of Transportation and the Federal Highway Administration over the toll lanes project, saying the project was approved before there was a full environmental review and over project discrimination against poorer minority populations.

Republican Bill Howell, speaker of Virginia's House of Delegates, and senior Democrat Chuck Colgan have written a letter to Arlington Board Chairman Jay Fisette calling on the board to drop the suit's "outrageous claims of conspiracy and racism."

Several Arlington legislators say VDOT and Gov. Bob McDonnell should be focusing on more obvious issues, such as the environmental impact the express lanes from the Pentagon to Spotsylvania County will have.

Delegate Bob Brink of Arlington says McDonnell should come to the negotiating table to try to work things out.

"It's very regrettable, as far as I'm concerned, that the parties didn't take advantage of that year to resolve these issues," says Brink.

The existing HOV lanes along the I-95/395 corridor would be used for the HOT lanes project, and private developer would build a new set of lanes down to Massaponax.

Cars with three or more people and motorcycles would be allowed to use the lanes for free, but all others would have to pay a toll. That toll would rise and fall based on the amount of congestion in the lanes. The idea is that the higher the toll goes, the thinner the traffic and thus the faster the ride.

WTOP's Hank Silverberg contributed to this story.

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back



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Vice Chairman
Hon. William D. Euille

Secretary/Treasurer
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Virginia General Assembly
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Del. David B. Albo
Del. Adam P. Ebbin
Del. Joe T. May
Del. Thomas D. Rust

Executive Director
Richard K. Taube

September 3, 2010

Mr. Chris Layman
Deputy Chief, Public Affairs
Pentagon Force Protection Agency
9000 Defense Pentagon
Washington, DC 20301-9000

Dear Mr. Layman:

At its meeting of September 2, 2010, the Northern Virginia Transportation Commission reviewed the status of proposed security improvements at the Pentagon and their potential effects on transit customers. We noted that the National Capital Planning Commission had approved the revised changes earlier in the day.

Since we wrote to Pentagon officials in June of this year expressing concerns about the unintended adverse consequences for transit customers likely to result from the initial plan for security improvements, we have been pleased and impressed with the responsiveness and courtesy of you and your colleagues at the Pentagon. You heard our concerns, proposed workable solutions and kept us informed and involved. We believe the outcome will be favorable to all concerned as implementation proceeds.

We trust this experience will serve as a valuable model for future Pentagon actions that impact transit customers at the Pentagon. On behalf of NVTC's elected officials and our region's transit systems, we look forward to continuing our close working relationship.

Please share our appreciation with all of the many individuals at the Pentagon who worked with you to produce this favorable outcome.

Sincerely,

A handwritten signature in cursive script, appearing to read "Cathy Hudgins".

Catherine Hudgins
Chairman

cc: Hon. Gerry Connolly
Hon. Jim Moran
Hon. James Webb
Hon. Mark Warner
Hon. Frank Wolf
Jack Requa (WMATA)
Shane Dettman (NCPC)



Local

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Pentagon Metro security changes won't disrupt commutes

By: [Markham Heid](#)
Examiner Staff Writer
September 20, 2010

Defense Department officials have revised their plans to install new security measures near the Pentagon Metro Station, saving the station's 30,000 daily commuters from major headaches.

Pentagon officials in July announced plans to heighten safety by moving existing security checkpoints farther away from the Pentagon and closer to existing bus bays.

But members of the Northern Virginia Transportation Commission, a group of elected and appointed officials who oversee local transportation services, protested the changes, saying they would slow commutes and limit the ability of disabled passengers to access Metro elevators.

The move was announced roughly four months after a gunman approached the Pentagon alongside Metro commuters and opened fire on nearby security officers, wounding two.

"This might be ideal for the Pentagon and Pentagon security, but we have to look out for the safety and concerns of our passengers," NVTC and Metro board of directors member Jeff McKay said shortly after Pentagon officials announced their initial plans for security changes in July.

But after weeks of discussions, Defense Department officials acquiesced to the transportation commission's protests and drafted new plans that are less disruptive to local bus and rail commuters.

The National Capital Planning Commission has approved the Defense Department's new plan to install four additional security checkpoints and one new screening facility near the Pentagon Metro Station.

Metro passengers no longer will be able to use one covered walkway on the Pentagon's south side. But the Defense Department has agreed to erect a new canopy to protect an alternative pathway from the elements, and passengers will retain access to all elevators and escalators.

"The Pentagon was very much empathetic to the points we were raising," NVTC and Metro board member Cathy Hudgins said. "We had meetings that allowed us to see the problem, and together we created solutions."

McKay agreed.

"It shows that when good minds come together you can come up with a solution that benefits everyone," McKay said. "[The Defense Department] needs Metro to get their employees to and from that building. So it was in their best interest to find a solution that made everyone happy."

Pentagon officials plan to install the new security measures and commuter canopies in the next two months.

mheid@washingtonexaminer.com

More from Markham Heid

- [Pentagon Metro security changes won't disrupt commutes](#)
- [Officials fight over Dulles Rail station location](#)
- [Area scrounging to find \\$3.83b for second leg of Dulles rail project](#)
- [My Washington: Alexandria councilman follows his kids' lead](#)
- [Metro puts SmarTrip price drop on hold](#)

Topics

[Markham Heid](#) , [Metro](#) , [Pentagon](#) , [Defense Department](#) , [security](#)



[Man arrested in Prince George's County slaying](#)

Police have arrested an Oxon Hill man in connection with an August slaying in Prince George's County. John H. Dunn, 28, of the 900 block of Marcy Avenue, has been charged...

—[Emily Babay](#)

[Police seek help in probe of Capitol Heights shooting](#)

Prince George's County police are seeking the public's help in their investigation of an early morning killing in Capitol Heights. Around 3:50 a.m. Saturday, police...

—[Scott McCabe](#)

[Feds taking on distracted driving 'epidemic'](#)

U.S. Transportation Secretary Ray LaHood opened the second national Distracted Driving Summit on Tuesday by announcing an initiative to prohibit truck drivers from texting on...

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Office of Public Affairs News Release

IMMEDIATE RELEASE

**No. 13-10
September 22, 2010**

New Pedestrian Traffic Pattern at Pentagon Metro Entrance

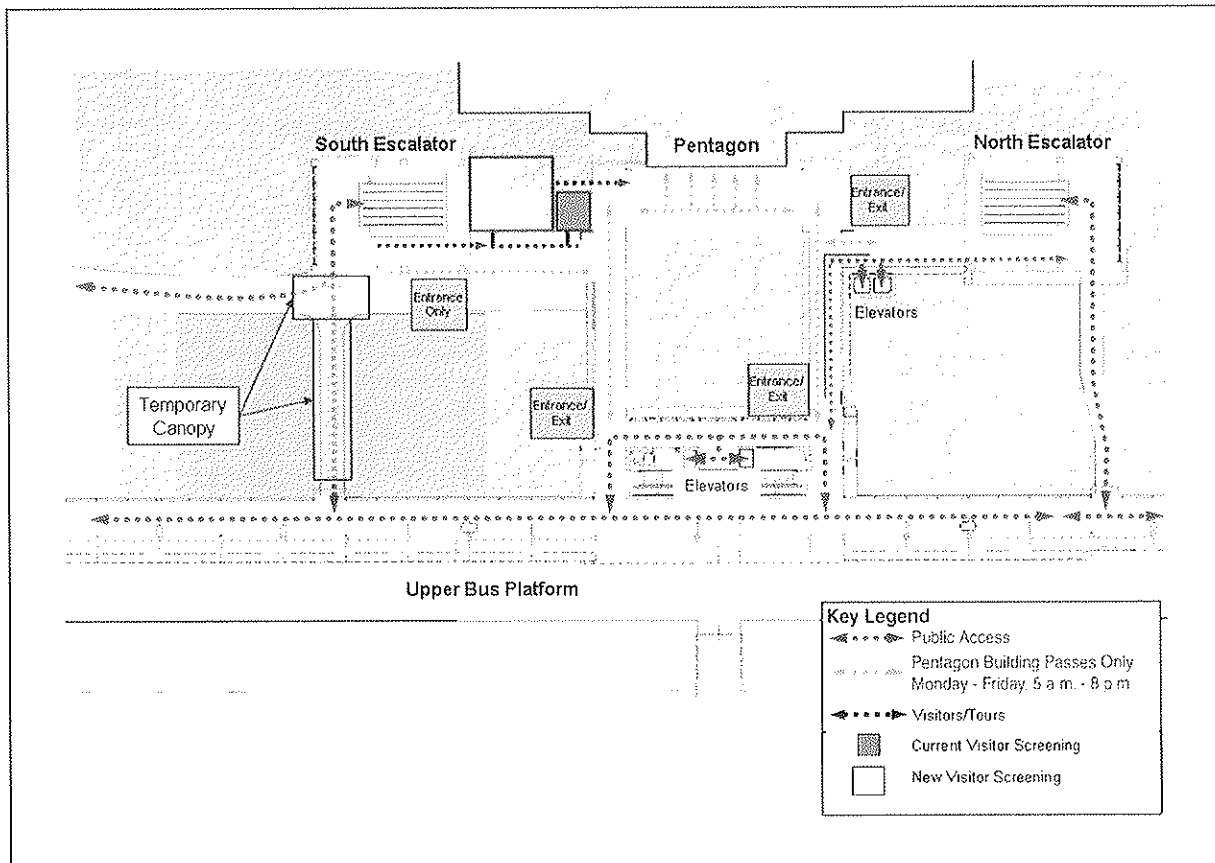
On Monday, the Pentagon Force Protection Agency will extend Pentagon employee checkpoints farther away from the building entrance between the hours of 5 a.m. to 8 p.m., Monday through Friday. These new security measures will cause a change to the pedestrian traffic flow at the Pentagon Metro Entrance. (see below diagram)

Between the hours of 5 a.m. and 8 p.m., Monday through Friday, public access will be restricted from walkways closest to the metro entrance of the Pentagon.

In addition, a temporary visitor screening facility and canopy are being constructed near the Pentagon Metro Entrance and will be completed by October 2010.



The walkway restrictions, canopy, and visitor pre-screening facility are all temporary until new visitor and employee screening facilities are constructed, scheduled for 2012.

- END -



New pedestrian traffic pattern around Pentagon Transit Center, Metrorail station

For immediate release: September 22, 2010

 SHARE  PRINT

Signage will guide pedestrians to Metrorail station escalators, elevators

Pentagon Metrorail station and Pentagon Transit Center customers will encounter a new pedestrian traffic pattern near the Pentagon's main visitor entrance starting on Monday, Sept. 27, as Pentagon officials adjust their security measures.

The Pentagon Force Protection Agency will extend Pentagon employee checkpoints farther away from the building entrance from 5 a.m. to 8 p.m., Monday through Friday. This security enhancement will limit public access to two center walkways leading to the Pentagon's visitor entrance. The restrictions will be in place until new Pentagon visitor and employee screening facilities are constructed in 2012.

Metro, Pentagon and local elected officials worked together to ensure the security enhancements provide safeguards for Pentagon employees, visitors and Metro customers, while minimizing the impact on Metro riders.

Signs around the Metrorail station and Pentagon Transit Center will help guide customers between the station and Pentagon bus platform. Customers will continue to exit or enter the station using either the north or south escalators, or the elevator, which is near the north escalators. Signs inside the station will direct visitors to both the Pentagon and Pentagon Memorial to exit the station via the south escalators, which provide the most direct route to the Pentagon visitor screening area and the memorial.

When approaching the Metrorail station escalators from the Pentagon Transit Center's upper bus platform, pedestrians will continue to have unrestricted access to the walkways that lead directly to the rail station's north and south escalators. However, Metro customers will no longer have access to the left center walkway (near the station's south escalators), which leads directly to the Pentagon's visitor entrance. That walkway will be accessible only to Pentagon building pass holders. Metro customers will continue to have access to the right, center walkway (near the station's north escalators); however, barriers will restrict Metro customers to one side of the walkway. This path is covered by a canopy and provides the most direct route to the Metrorail station's elevators. Customers can use all walkways on weekends and after 8 p.m. on weekdays.

Next month, Pentagon officials will install a temporary canopy over the walkway that leads to the south escalators. Until the canopy is installed, a temporary sign inside of the station will direct customers to the north escalators during inclement weather.

About 32,000 trips are taken to/from the Pentagon Metrorail station each weekday. About 1,500 weekday bus trips are taken via the Pentagon Transit Center, which serves Metrobus riders.

News release issued at 4:36 pm, September 22, 2010.



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The Washington Post

Pentagon security changes mean new pedestrian paths at rail, bus stops

By Katherine Shaver
Washington Post Staff Writer
Wednesday, September 22, 2010; 9:25 PM

Metro passengers who walk between the Pentagon rail station and the bus platform will be required to use new walkways beginning Monday as part of Pentagon plans to move employee checkpoints farther from the building to increase security, Metro officials said Wednesday.

Pentagon officials have said they needed to add security checkpoints farther from the busy building entrance where gunman John Patrick Bedell opened fire March 4. That checkpoint has been only a few feet from the entrance where about 6,700 employees pass through during the morning crunch, they said.

When approaching the Metrorail station from the upper bus platform, Metro passengers may continue to use walkways that lead directly to the rail station's north and south escalators. However, only people with Pentagon building passes will be allowed to use the left center walkway near the rail station's south escalators that lead directly to the Pentagon visitor entrance, Metro said.

Metro passengers may continue to use the walkway near the station's north escalators but will be restricted to one side. That walkway, which is covered, also provides the most direct route to the Metrorail station's

elevators, officials said.

A temporary canopy will be installed in October to protect Metro riders using the walkway to get to the south escalators. Until then, passengers will be directed to use the north escalators during bad weather.

The restrictions are in effect on weekdays between 5 a.m. and 8 p.m.

Pentagon officials agreed to change their original security plan announced in July after transit officials and Northern Virginia leaders complained that it would cut off public access from the rail station's only set of elevators and leave Metro customers without a covered walkway in bad weather, said Kala Quintana, public outreach director for the Northern Virginia Transportation Commission. The commission was also concerned that Pentagon employees waiting

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The Washington Post

Pentagon security changes mean new pedestrian paths at rail, bus stops

at the security checkpoint would back up into the bus area, she said.

Quintana said Pentagon officials were "very responsive" after meeting with commission members, Metro officials and local bus agencies.

"We understood they needed to step up security, but we also need to serve the public," Quintana said.

The Pentagon Metrorail station handles about 32,000 trips each weekday, Metro said.


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**Virginia Department of Transportation
Performance Audit
Summary**

September 23, 2010

Overview of Performance Audit

- **Governor calls for performance audit of VDOT**
- **Purpose of the audit is to:**
 - **Provide an independent assessment of VDOT's organizational structure, programs, and operations;**
 - **Determine whether VDOT is operating efficiently and effectively in carrying out its mission; and**
 - **Develop findings and recommendations designed to reduce duplication of effort, increase programmatic efficiencies, and effect cost savings wherever possible.**
- **Cherry, Bekaert & Holland selected to conduct the audit on April 26, 2010 – estimated cost = \$424,000**
- **Audit identifies over 50 recommendations that may accelerate the planning and delivery of over \$1 billion in maintenance and construction projects**

Findings/Recommendations

Funding

- **Obligate federal funds earlier during the year**
 - 6 months into FFY10, only 5% of federal funds obligated
- **Improve project monitoring of inactive projects (\$130 million on average)**
- **Obtain FHWA approval to use toll credits (over \$400 million in credits)**
 - Not additional funds – allow VDOT to use 100% federal funds and eliminate state match requirement
 - Portion of CPR bonds available for other uses
- **Eliminate federal revenue reserve to allow better leveraging of existing resources (\$524 million)**
- **Revise reserve cash and funding policies to reduce from 5 ½ month reserve to 60-day reserve (\$200 million)**

Findings/Recommendations

Maintenance

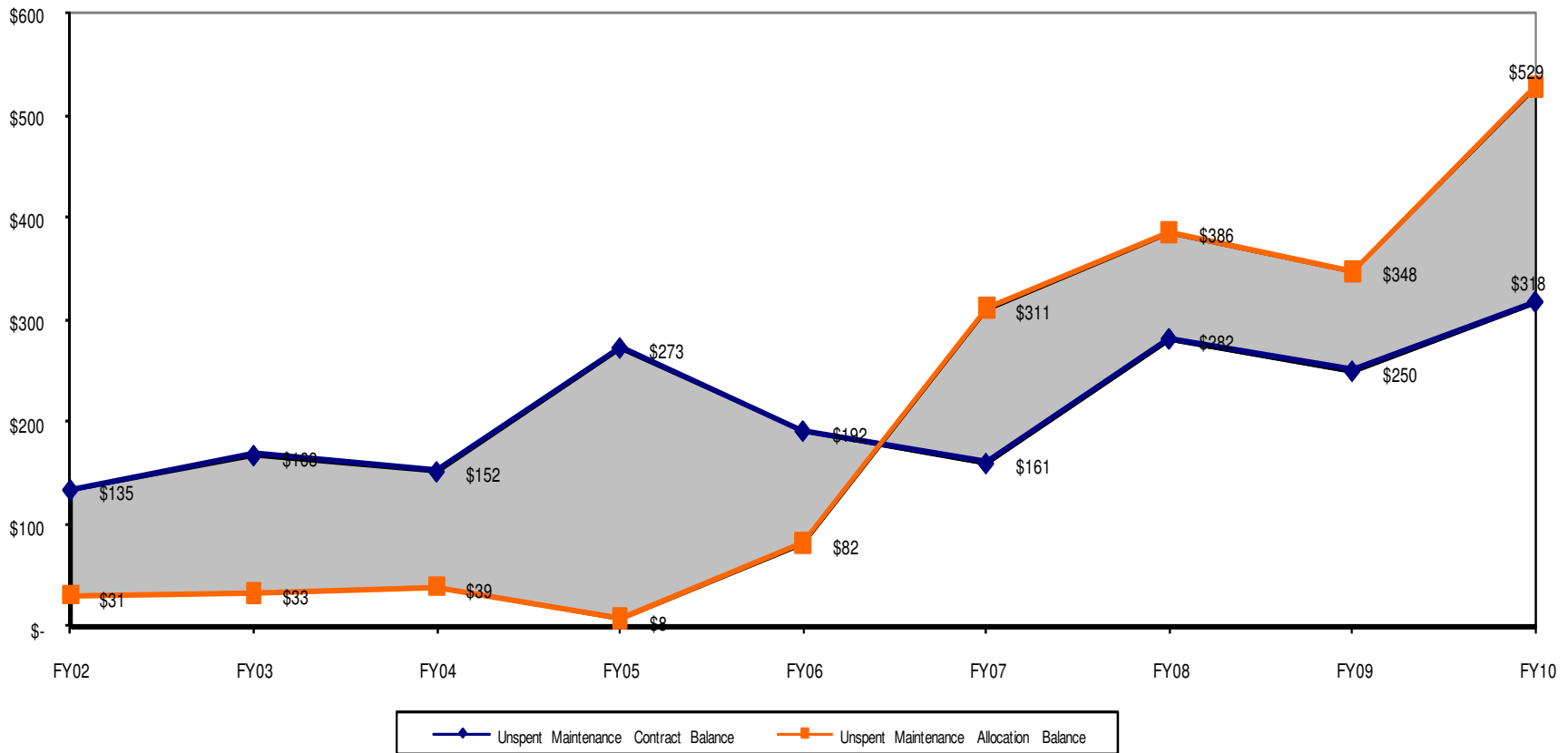
- **VDOT spent \$488 million less than available maintenance project allocations in FY10**
- **VDOT carried over \$529 million in unspent maintenance allocations in FY11**
- **Formalize district budget review process to ensure strategic directions and condition assessments are addressed**
- **Monitor plans and budgets with objective of spending available funds**
 - **FY10 – districts planned to spend \$505 million less than allocated**
- **Revise policy to federalize only maintenance projects needed to meet federal funding goals**
- **Plan maintenance work to use budgets and accelerate maintenance work to reduce carryover**
 - **Carryover balances grew from \$8 million in FY05 to \$529 million in FY10**

Carryover Trends 2002-2010 (in millions)

Fiscal Year	Original Approved Allocation	Final Allocation (including carryover)	Expenditures	Balance	Percent of Unspent Final Allocations
2002	\$ 871.9	\$ 871.0	\$ 840.1	\$ 30.9	3.55%
2003	878.5	935.1	901.8	33.3	3.56%
2004	933.2	918.4	879.2	39.2	4.27%
2005	993.8	1,032.4	1,024.4	8.0	0.77%
2006	1,080.0	1,102.8	1,021.0	81.8	7.42%
2007	1,185.7	1,282.8	971.7	311.1	24.25%
2008	1,257.6	1,583.7	1,197.3	386.4	24.40%
2009	1,186.4	1,578.5	1,230.1	348.4	22.07%
2010	1,312.4	1,660.8	1,131.7	529.1	31.86%

Unspent Maintenance Balances to Unspent Maintenance Contracts (at June 30th in millions)

The following graph shows the shift in policy of how VDOT manages maintenance projects:



Findings/Recommendations

Project Development and Execution

- **Currently use same process regardless of size or complexity**
- **Designate certain construction and maintenance project types for state funding only and develop risk-based approach to reduce time and costs**
- **Improve communication between districts and Central Office and the transportation industry**
- **Develop project management performance metrics and increase district and Central Office monitoring**
- **Shorten procurement time for obtaining consultant engineers**

Findings/Recommendations

Operations relating to safety and congestion mitigation

- Analyze effects of reduction in safety service patrols to determine negative impact on congestion, safety, or environment
- Improve connectivity and redundancy between Transportation Operations Centers, and provide technology funding, better leverage and market available technologies and innovation

Compliance with Blueprint Initiative

- Make business process improvements and design structure and staff size based on analysis
- Monitor and assess use of contractors and consultants for effective utilization, cost savings and outsourcing alternatives
- Implement Planning and Investment Management group in each district to plan and utilize resources to maximum benefit of Commonwealth

Actions Under Way to Address Audit Recommendations

- **Advertise/award \$800 to \$900 million of maintenance and construction contracts from June to December 31, 2010**
- **Advertise/award 261 projects in the SYIP totaling \$471 million from January 1, 2011 through June 30, 2011**
- **Develop \$450 million in paving- and maintenance-related projects to close gap between allocations available and awarded contracts**
 - **\$200 million in contracts currently under development**
 - **Remaining \$250 million under contract by spring 2011**
- **Improve process of obligating federal funds**
- **Obtain FHWA approval to use over \$400 million in toll credits**
- **Revise Six-Year Improvement Program to add back \$524 million of federal reserves**
- **Recommend to CTB that \$60 million is dedicated annually to preliminary engineering to support construction program**

Actions Under Way to Address Audit Recommendations

- **Work with localities and MPOs to advance locally administered projects and safety projects using federal funds**
- **Use \$200 million of the construction cash balance to advance projects in the SYIP**
- **Monitor construction projects financed with federal funds and move unused balances to active projects - \$130 million on average**
- **Implement staff changes to improve management team:**
 - **Districts report to new Chief Deputy**
 - **New Chief of Planning and Programming – more emphasis on construction**
 - **New Chief Financial Officer**
 - **New PPTA office**
 - **Restore emergency staff to proper levels**

Recommendations to Better Leverage Current Resources

(shown in millions)

Proposed actions	Immediate Impact (12 months or less)	Longer Impact (longer than 12 months)	Total
Utilize excess construction cash	\$200		\$200
Add federal reserves to the SYIP	84	\$440	524
Let more maintenance project contracts	200		200
Release federal inactive balances	130		130
Total	\$614	\$440	\$1,054
Utilizing toll credits may allow more flexibility with CPR bonds		Over \$400	Over \$400
Total with funding/credits	\$614	\$840	\$1,454



FACT SHEET

2010 PERFORMANCE AUDIT

BACKGROUND

Governor McDonnell called for a comprehensive audit of VDOT.

Cherry, Bekaert & Holland was selected to conduct the performance audit on April 26, 2010.

- Estimated cost \$424,000

The overall purpose of the performance audit is to:

- Provide an independent assessment of VDOT's organizational structure, programs and operations
- Determine whether VDOT is operating efficiently and effectively in carrying out its mission
- Develop recommendations designed to reduce duplication of effort, increase efficiency, and identify cost savings

VDOT is one of the largest procurement agencies in the state, spending over \$2 billion annually on contractual services. Citing studies by the Federal Highway Administration and the American Association of State Highway Transportation Officials, every \$100 million spend on highway construction and maintenance projects adds 3,000 jobs created or supported, \$250 million in economic activity and \$25 million in taxes that go back to Virginia coffers.

RESULTS SUMMARY

The audit contained more than 50 recommendations that could have a \$1 billion impact to the planning and execution of work in VDOT's maintenance and construction program. The audit recommendations focus on accelerating the spending of \$1 billion in available resources to address Virginia's critical transportation needs.

The money identified in the audit is not \$1 billion in new money for transportation, rather a better way to leverage current resources.

The 50 recommendations are in the areas of:

- Funding
- Maintenance
- Project development
- Operations
- VDOT's recently completed reorganization efforts

No fraud or abuse was identified.

The report cites several major contributing factors that led VDOT to its current situation:

- A change in philosophy in managing maintenance projects which ignored the annual aspects of the maintenance budget
- Loss of focus created over the 18-month period of implementing a plan to cut staffing and services and reorganize the agency

- Shrinking revenues which caused VDOT to become extremely conservative in committing available funds
- Burdensome internal processes and financial controls for project development

FUNDING

Funding transportation projects is complex with multiple funding sources and rules. The following recommendations are aimed at better leveraging existing funding to move projects quicker:

- Obligate federal funds earlier during the year.
 - VDOT received \$826 million in federal funds in federal fiscal year 2010 (FFY10)
 - 6 months into FFY10, only 5% of this amount had been obligated
- Improve monitoring of inactive projects (\$130 million on average).
 - \$163 million in federal obligations on inactive projects were released in FFY10 (20% of annual obligation)
- Improve monitoring of safety and regional projects
 - Over \$100 million in projects not being moved to construction quickly
- Obtain approval from FHWA to use toll credits (over \$400 million in credits)
 - Toll credits do not represent additional funds; rather, toll credits allow VDOT to use 100% federal funds on a project and eliminates the state match requirement
- Eliminate the \$524 million federal revenue reserve to better leverage existing resources
 - The revenue reserve addressed the uncertainty in federal revenue because a transportation bill has not been approved
 - Adding back these reserves to the budget will accelerate the planning of projects in the Six-Year Improvement Program
- Revise reserve policies to reduce from a 5.5-month reserve to a 60-day reserve (\$200 million)

MAINTENANCE OF SYSTEM ASSETS

The combined maintenance budget for FY09 (\$1.186 billion) and FY10 (\$1.312 billion) is \$483 million less than the needs assessment (\$2.981 billion) for the same period. However, there is an increasing trend of not using maintenance allocations in the year budgeted.

During fiscal year 2010, \$355 million was spent on maintenance projects. However, this level of expenditures was \$488 million less than available allocations and \$142 million less than fiscal year 2009 maintenance project expenditures. As a result, VDOT had \$529 million of FY10 allocations unspent at June 30, 2010. The following recommendations are intended to reverse that trend:

- Formalize a district budget review process to ensure strategic directions and condition assessments are addressed
- Actively monitor the district spend plans and budgets to spend all available funds
 - In FY10, the districts planned to spend \$505 million less than what was allocated to them
- Federalize only the maintenance projects needed to meet federal funding goals
 - In FY10, all federally eligible maintenance projects (over \$500 million) were prepared as if they would receive federal funding while only \$186 million of maintenance projects used federal funding.
- Plan maintenance work to meet budgets and accelerate maintenance work to reduce the growing carryover balance
 - Carryover balances have grown from \$8 million in FY05 to \$529 million in FY10

PROJECT DEVELOPMENT

The current project development process uses essentially the same process for approvals, reviews, certifications, verifications and controls for all projects regardless of project size or complexity. The recommendations are aimed at streamlining the processes:

- Review and designate certain construction and maintenance projects that rarely receive federal funding for state-only funding to deliver these projects faster

- Implement a risk-based approach that would shorten the project development process by simplifying the rules on smaller, low-risk projects
- Improve the project development communication between the districts and Central Office
- Develop project management performance metrics and increase district and Central Office monitoring
- Improve the functionality project scheduling tools
- Shorten the procurement time for obtaining consultant engineers
- Establish routine communication with the transportation industry to speed up decision-making, reduce bottlenecks, and identify other ways to get projects developed and delivered faster

OPERATIONS

Effectively operating the roads is a key to providing safe and reliable transportation to users of the highways. The recommendations relate to better service to the traveling public, incident and congestion management:

- Analyze reductions to safety service patrols to determine if there has been a negative impact on congestion, safety, or the environment.
- Develop a marketing plan to the general public of VDOT's congestion mitigation capabilities, especially in high congestion areas
- Improve connectivity and redundancy between the Transportation Operation Centers
- Provide technology funding from the private or public sector to spur innovation, and to improve emergency response and congestion mitigation

VDOT REORGANIZATION INITIATIVE

VDOT has met the reorganization and operational goals set by the General Assembly. However, it is difficult to determine how the staffing and reorganizational changes will affect VDOT's ability to achieve its mission. The audit recommends that VDOT:

- Continue to make business improvements by first assessing processes and desired service levels and then designing the structure and staff size based on the analysis
- Ensure there are adequate emergency response staffing levels
- Analyze the use of contractors and consultants for effectiveness, cost savings, and alternative approaches to outsourcing
- Fully implement the Planning and Investment Management group in each district to adequately plan for and use resources to maximize benefits to the commonwealth
- Use the Safety and Performance Management Division to conduct post-implementation reviews for continuous improvement

ACTIONS UNDER WAY TO ADDRESS AUDIT RECOMMENDATIONS

VDOT has already begun efforts to address issues raised as part of this review:

- Advertise and award \$800 to \$900 million of maintenance and construction contracts from June, 2010 to December 31, 2010.
 - At the September 2010 CTB meeting, over \$130 million in construction contracts were awarded
- Advertise and award 261 projects in the Six-Year Program totaling \$471 million dollars from January 1, 2011 through June 30, 2011
 - In the next 45 days, VDOT will review projects to be delivered in FY12 and FY13 to try to advance projects into the current fiscal year ending June 30, 2011 by using design-build and by using more on-call design consultants to supplement staff shortages
- Develop \$450 million in paving- and maintenance-related projects to close the gap between available allocations and awarded contracts. Over \$200 million of contracts are under development now. The remaining \$250 million will be under contract by the spring of 2011.
- Authorized hiring an 19 additional staff to work on “no-plan” maintenance projects to assure that projects are delivered on time

- Improve the process of obligating federal funds.
 - Negotiating with FHWA to obtain programmatic approval of paving schedule projects to be advertised in October, November and December
 - Federalize only the maintenance projects needed to meet federal obligation strategy
 - Develop federal strategy to obligate funds prior to the beginning of the federal fiscal year
- Obtain FHWA's approval to use over \$400 million in toll credits to meet state matching requirements. While the toll credits are not new funds, they will enable VDOT to use these credits to match federal revenues.
- Revise the Six-Year Improvement Program to add back in the \$524 million in federal reserves
- Recommend to the CTB that \$60 million of funding be dedicated annually for preliminary engineering to support the construction program, ensuring that projects are available to use existing federal funds
- Aggressively work with localities and Metropolitan Planning Organizations to advance locally administered projects and safety-related projects using federal funds
- Use \$200 million of the construction cash balance to advance projects in the Six-Year Improvement Program—a one-time addition of allocations to the program
- Monitor federally funded construction projects and move unused balances to active projects
- Continue to implement staff changes to improve the management team
 - Appointed a Chief Deputy Commissioner overseeing nine districts to bring more focus and direction on maintenance spending, project delivery and emergency response
 - Created a new Chief of Planning and Programming to put more focus on the development of our long-term construction program
 - Hire a new Chief Financial Officer to focus on the overall financial condition of VDOT and to enhance financial controls, stewardship and accountability
 - Hire a leader for the recently created PPTA office to bring more emphasis to our nationally recognized PPTA program
 - Hire a new State Construction Engineer and State Maintenance Engineer to provide clear leadership to implement the recommendations in those areas
 - Hired two new District Maintenance Engineers, which will be key to developing a maintenance, operations, and financial plan that will use existing resources to provide maintenance services
 - Authorized hiring 19 field staff to develop plans for projects
 - Hiring staff to restore the emergency staff to the proper levels

OBSERVATIONS

- VDOT leadership was consumed by implementing the reorganization recommendations. As a result, they failed to watch the big picture and overcorrected by slowing the rate of expenditures.
- VDOT has reduced staffing by over 1,000 employees, the largest staff reduction of any state agency. Its current staffing level is at approximately 6,900, the lowest level since the 1960s. The staff reductions, along with overly restrictive rules, have made it difficult to get projects on the street rapidly.
- Employees are skilled and dedicated. In spite of the staffing shortfalls, VDOT has been able to successfully obligate over \$694 million in ARRA funding. The ARRA funding was in addition to the FY10 federal obligation of over \$800 million.
- In addition to the VDOT performance audit conducted by Cherry, Bekaert, & Holland, the audits of Virginia Transportation Research Council and PPTA are complete. The audit by JLARC on the planning and programming function is under way.
- With the conclusion of these external reviews, VDOT is poised to rebuild the organization to be more efficient and effective in its core mission of planning, building, operating, and maintaining Virginia's transportation system.



AGENDA ITEM #7

TO: Chairman Hudgins and NVTC Commissioners
FROM: Rick Taube and Scott Kalkwarf
DATE: September 30, 2010
SUBJECT: NVTC Motor Fuels Tax Issues

NVTC and jurisdiction staffs have discussed continuing concerns about the accuracy of allocations among jurisdictions of the new 2.1% motor fuels tax on distributors. In reviewing the monthly reports since the new tax was levied (January, 2010 with NVTC's initial receipts in March, 2010), there are strong indications that taxpayers are not correctly specifying the jurisdictions in which the fuel is sold.

NVTC depends on the accuracy of these allocations because it distributes the proceeds each year on a point-of-sale basis, using shares determined by actual collections from the previous year. This method is included in NVTC's approved allocation resolution in order to allow jurisdictions more accurately to budget at the beginning of each year. For FY 2011, the allocation factors for FY 2010 will be used but are believed currently to be inaccurate. For example, the city of Fairfax has a significantly larger share (up 50%) as does Falls Church (up 60%).

The tax is collected and audited by the Virginia Department of Taxation (TAX) with NVTC paying the administrative expenses. TAX auditors typically review transactions that occurred several months if not years in the past.

On August 23rd, NVTC, PRTC and local staff attended a meeting in Richmond with TAX officials to reiterate the above concerns and try to agree on a cooperative approach to solve the problem. Acting Commissioner Burns and several senior TAX officials attended. They heard the concerns and agreed to cooperate to address them. A follow-up session was held at PRTC to examine materials developed by commission staffs that document the problem. A summary of that meeting is attached, showing that tax officials are willing to use materials developed by the commission as well as their own techniques to identify problems and address them more quickly than their traditional one to three year audits. A letter from Acting Commissioner Burns describes his department's commitment to working with the commissions "to address both short-term and long-term issues regarding the change in the collection of this tax."



Among the approaches recommended by commission staff is collecting information from retail gas station owners about the distributors, to use as a cross check against tax forms filed by the distributors, in order to clearly establish the correct jurisdictions to which to credit the tax revenues. NVTC is obtaining the current retail locations from its jurisdictions for this purpose. While tax officials believe this approach does not jeopardize required confidentiality and they are willing to use it as a cross check with distributors, they are currently unwilling to follow up directly with the retailers, citing the fact that they haven't done it before and have limited staff. Actually, in Falls Church (one of the problem jurisdictions) there are only seven retailers. NVTC staff hopes to persuade tax officials to alter their position on this approach, even if it is simply to allow NVTC staff to gather the information.



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Department of Taxation

August 30, 2010

Mr. Rick Taube, Executive Director
Northern Virginia Transportation Commission
4350 N. Fairfax Drive, Suite 720
Arlington, VA 22203

Dear Mr. Taube:

I want to take this opportunity to thank you for taking the time to meet with us on August 23, 2010 to discuss the Motor Vehicle Fuels Sales Tax law change implemented January 1, 2010. I appreciate the concerns raised and your willingness to work with the Department of Taxation (TAX) in resolving these matters.

TAX is committed to working with you to address both short-term and long-term issues regarding the change in the collection of this tax. Moreover, I have been informed that a meeting is scheduled on September 7, 2010 with Scott Kalkwarf to discuss some short term strategies to address the local allocation issues.

We will continue to develop the audit program that will provide the best compliance of the motor vehicle fuels sales tax and ensure that localities in the transportation district receive their correct allocation of tax. Dennis Akers is the point of contact for this program and can be contacted at dennis.akers@tax.virginia.gov or (703) 490-2664.

If you have any questions, please don't hesitate to contact me at 804-786-3587.

Sincerely,

A handwritten signature in black ink, appearing to read "Craig M. Burns".

Craig M. Burns
Acting Tax Commissioner

Cc: Mr. Scott Kalkwarf, Director of Finance and Administration
Mr. Richard C. Dotson, Assistant Tax Commissioner
Mr. Dennis Akers



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Update on Discussions with Taxation about Fuel Tax Collections / Postings

An information item appearing in this month's Commission agenda summarizes the meeting discussion PRTC and NVTC staff had with Taxation in Richmond on August 23rd to discuss fuel tax collection / posting concerns. The information item closed by noting that a follow-up meeting was scheduled for September 7th at PRTC, and pledged that an update would be provided at the Commission meeting.

The focus of the September 7th meeting was the "suggestion" list PRTC and NVTC staff produced and provided to Taxation at the August 23rd meeting (which was among the attachments to the information item), and more particularly the three "now" suggestions that Taxation staff received favorably at the meeting (numbered 1, 3, and 4 on the "suggestions" list). Our update summarizes what was discussed at the September 7th meeting with regard to each of these three suggestions:

Suggestion 1: NVTC and PRTC prepare monthly analyses of tax collections by taxpayer, period and jurisdiction that can be provided to Taxation staff for follow-up purposes. For the jurisdictions where apparent allocation errors are occurring, Taxation could "casually" contact via telephone the largest distributors that may be most likely responsible and ask them to check their allocations.

- Taxation will use information furnished by the Commissions to make casual contacts of the biggest distributors per jurisdiction, and distributors of those jurisdictions with the largest apparent allocation errors.
- Taxation staff acknowledged this approach should allow at least the largest apparent allocation issues to be explored quicker than through audits.
- Taxation asked for Commissions to request and forward lists of retail sites that sell gas from each of the localities, which it will use to cross check with Taxation records and zip code records.
- Taxation is in the process of lining up a couple of audits.

Suggestion 3: Taxation could casually (or formally) contact largest retailers in each jurisdiction via telephone or by visit to determine the distributors. Taxation may then be able to estimate sales for the larger stations to compare to reporting by distributors to flag possible misallocations.

- In the initial meeting in August, Taxation staff indicated this was a suggestion to possibly explore further. However, the Taxation director of field audit staff who attended both meetings expressed concerns related to taxpayer confidentiality, so Taxation will discuss further before determining whether this can be done.

Suggestion 4: Taxation could review the NVTC and PRTC monthly analyses for unusual allocations. This will not catch consistent misallocations, but it may flag activity that needs to be investigated.

- Taxation will review information furnished by the Commissions as well as internally generated reports to help flag items for further inquiry.

NVTC

Northern Virginia Transportation Commission

NVTC

AGENDA ITEM #8

TO: Chairman Hudgins and NVTC Commissioners
FROM: Scott Kalkwarf and Colethia Quarles
DATE: September 30, 2010
SUBJECT: NVTC Financial Items for August, 2010

The financial reports for August, 2010 are attached for your information.



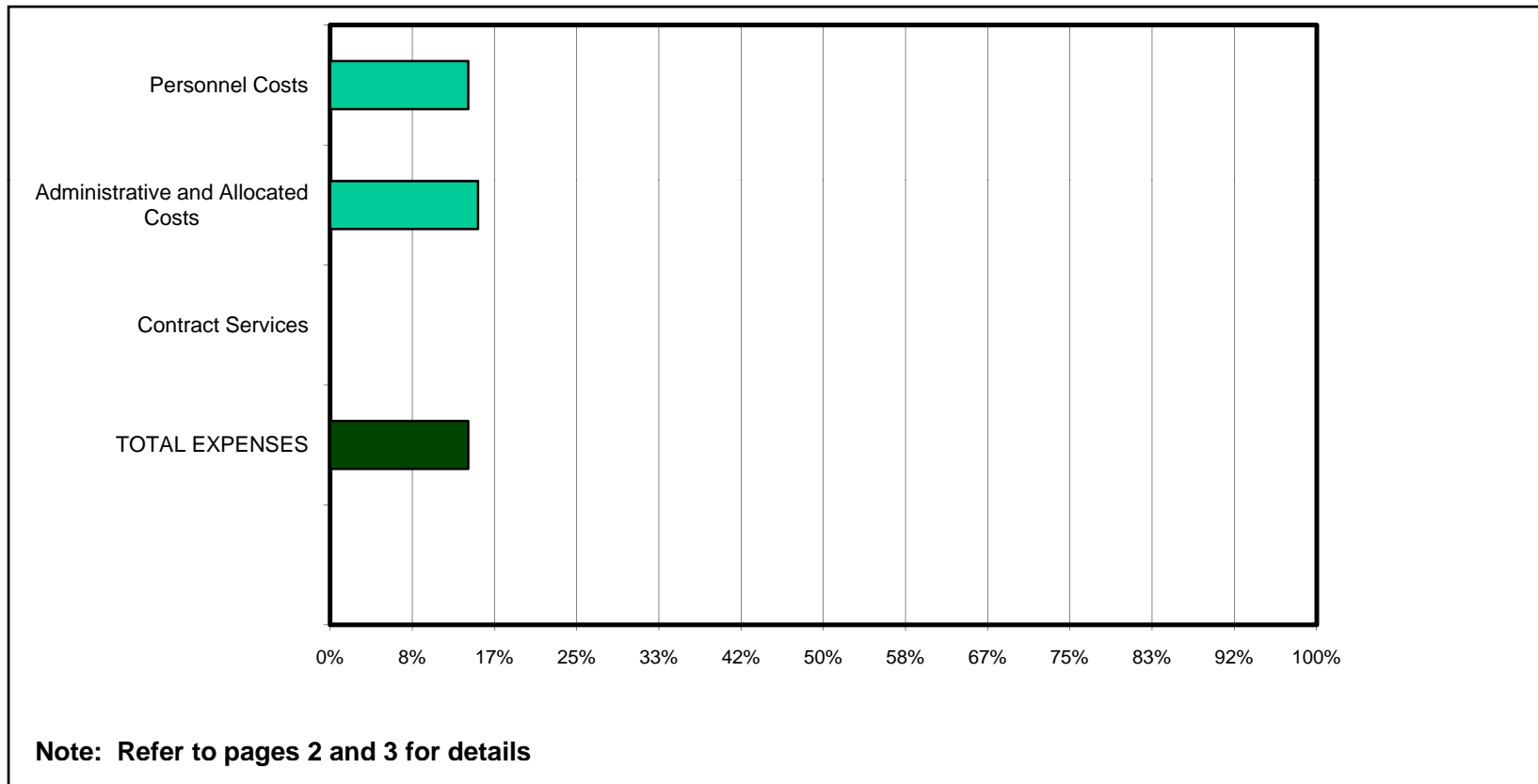
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Northern Virginia Transportation Commission

Financial Reports

August, 2010

Percentage of FY 2011 NVTC Administrative Budget Used
August, 2010
(Target 16.67% or less)



**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
G&A BUDGET VARIANCE REPORT
August 2010**

	<u>Current Month</u>	<u>Year To Date</u>	<u>Annual Budget</u>	<u>Balance Available</u>	<u>Balance %</u>
<u>Personnel Costs</u>					
Salaries	\$ 51,284.01	\$ 105,546.42	\$ 737,900.00	\$ 632,353.58	85.7%
Temporary Employee Services	-	-	-	-	
Total Personnel Costs	51,284.01	105,546.42	737,900.00	632,353.58	85.7%
<u>Benefits</u>					
Employer's Contributions:					
FICA	3,583.97	8,936.94	52,400.00	43,463.06	82.9%
Group Health Insurance	6,349.29	11,209.18	80,200.00	68,990.82	86.0%
Retirement	6,240.00	11,480.00	73,700.00	62,220.00	84.4%
Workmans & Unemployment Compensation	93.75	187.50	2,950.00	2,762.50	93.6%
Life Insurance	296.68	593.36	4,300.00	3,706.64	86.2%
Long Term Disability Insurance	252.81	505.62	3,950.00	3,444.38	87.2%
Total Benefit Costs	16,816.50	32,912.60	217,500.00	184,587.40	84.9%
<u>Administrative Costs</u>					
Commissioners Per Diem	200.00	1,250.00	16,850.00	15,600.00	92.6%
<i>Rents:</i>					
Office Rent	16,036.60	32,117.40	182,180.00	150,062.60	82.4%
Parking	600.00	1,200.00	11,200.00	10,000.00	89.3%
<i>Insurance:</i>					
Public Official Bonds	-	-	4,100.00	4,100.00	100.0%
Liability and Property	-	-	2,300.00	2,300.00	100.0%
	-	-	1,800.00	1,800.00	100.0%
<i>Travel:</i>					
Conference Registration	-	183.43	6,300.00	6,116.57	97.1%
Conference Travel	-	-	-	-	0.0%
Local Meetings & Related Expenses	-	183.43	2,000.00	2,000.00	100.0%
Training & Professional Development	-	-	4,000.00	3,816.57	95.4%
	-	-	300.00	300.00	100.0%
<i>Communication:</i>					
Postage	276.24	725.32	10,200.00	9,474.68	92.9%
Telephone - LD	-	18.70	4,000.00	3,981.30	99.5%
Telephone - Local	-	83.44	1,300.00	1,216.56	93.6%
	276.24	623.18	4,900.00	4,276.82	87.3%
<i>Publications & Supplies</i>					
Office Supplies	775.02	1,562.39	13,500.00	11,937.61	88.4%
Duplication	-	13.35	3,000.00	2,986.65	99.6%
Public Information	775.02	1,549.04	10,000.00	8,450.96	84.5%
	-	-	500.00	500.00	100.0%

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
G&A BUDGET VARIANCE REPORT
August 2010**

	<u>Current Month</u>	<u>Year To Date</u>	<u>Annual Budget</u>	<u>Balance Available</u>	<u>Balance %</u>
<i>Operations:</i>	79.95	546.90	8,000.00	7,453.10	93.2%
Furniture and Equipment			-	-	0.0%
Repairs and Maintenance			1,000.00	1,000.00	100.0%
Computers	79.95	546.90	7,000.00	6,453.10	92.2%
<i>Other General and Administrative</i>	417.78	611.97	5,350.00	4,738.03	88.6%
Subscriptions	-	-	-	-	0.0%
Memberships	205.00	205.00	1,300.00	1,095.00	84.2%
Fees and Miscellaneous	212.78	406.97	2,950.00	2,543.03	86.2%
Advertising (Personnel/Procurement)	-	-	1,100.00	1,100.00	100.0%
Total Administrative Costs	<u>17,785.59</u>	<u>36,997.41</u>	<u>246,480.00</u>	<u>209,482.59</u>	<u>85.0%</u>
	<u>Contracting Services</u>				
Auditing	-	-	20,000.00	20,000.00	100.0%
Consultants - Technical	-	-	-	-	0.0%
Legal	-	-	-	-	0.0%
Total Contract Services	<u>-</u>	<u>-</u>	<u>20,000.00</u>	<u>20,000.00</u>	<u>100.0%</u>
 Total Gross G&A Expenses	 <u>\$ 85,886.10</u>	 <u>\$ 175,456.43</u>	 <u>\$ 1,221,880.00</u>	 <u>\$ 1,046,423.57</u>	 <u>85.6%</u>

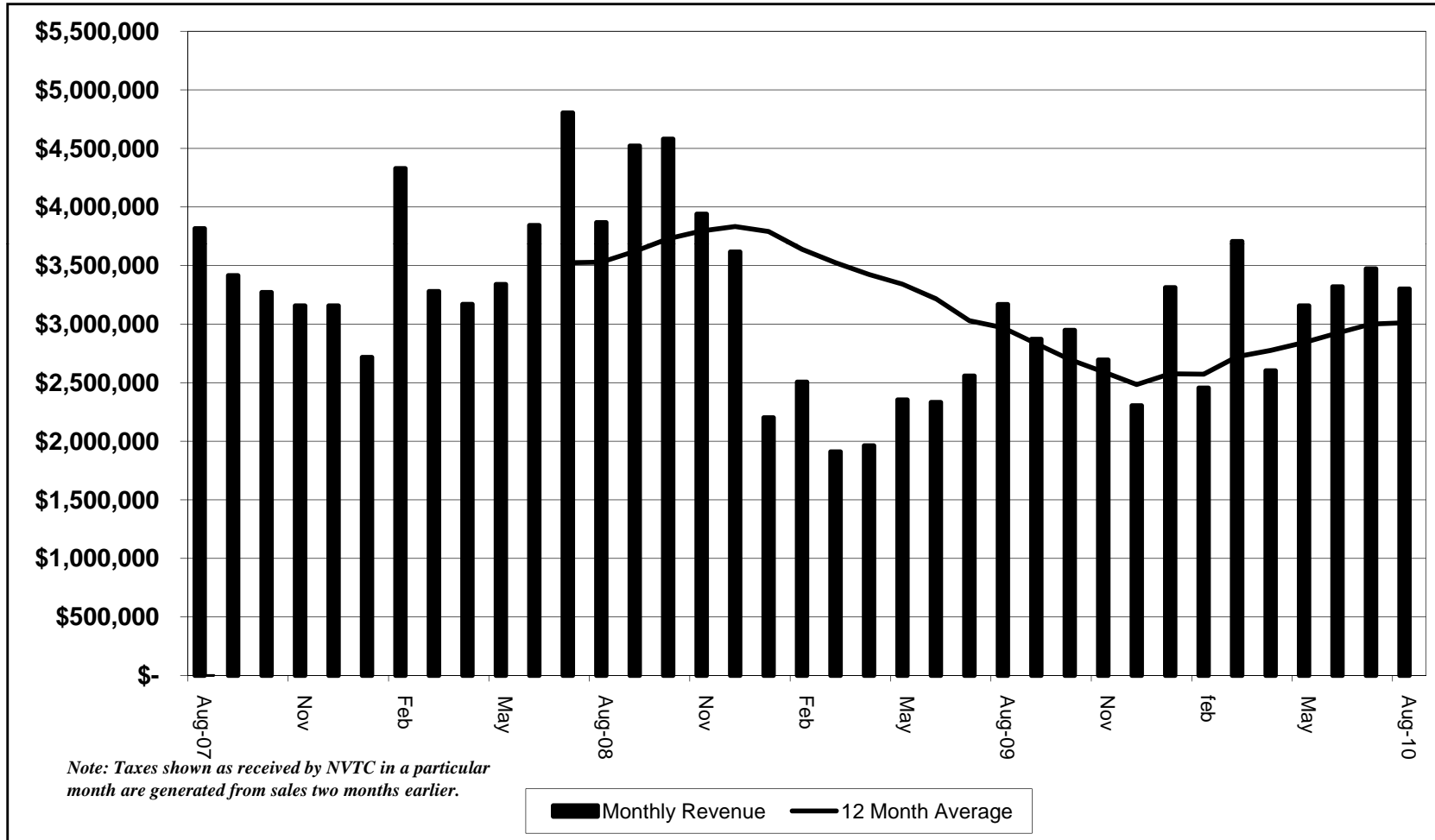
**NVTC
RECEIPTS and DISBURSEMENTS
August, 2010**

<u>Date</u>	<u>Payer/ Payee</u>	<u>Purpose</u>	<u>Wachovia (Checking)</u>	<u>Wachovia (Savings)</u>	<u>VA LGIP</u>	
					<u>G&A / Project</u>	<u>Trusts</u>
RECEIPTS						
3	DRPT	ITS project grant receipt			\$ 6,190.00	
3	DRPT	Capital grant receipts				99,023.00
3	DRPT	Intern grant receipt			3,454.00	
9	City of Fairfax	G&A contribution		2,911.00		
16	Dept. of Taxation	Motor vehicle fuels sales tax receipt				3,300,282.27
17	City of Falls Church	G&A contribution		2,595.00		
19	DRPT	FTM/Admin grant receipts			773,080.00	10,166,893.00
20	DRPT	FTM/Admin grant receipt				21,394.00
20	DRPT	Capital grant receipts				14,659.00
23	DRPT	Capital grant receipt				6,410.00
30	DRPT	Capital grant receipt				1,318,400.00
31	DRPT	Capital grant receipt				4,810,640.00
31	Banks	Interest earnings		17.90	89.83	27,895.85
			<u>-</u>	<u>5,523.90</u>	<u>782,813.83</u>	<u>19,765,597.12</u>
DISBURSEMENTS						
1-31	Various	G&A expenses	(84,799.96)			
11	Loudoun County	Other capital				(45,737.00)
11	Arlington County	Other operating				(1,538,452.00)
31	Wachovia Bank	Service fees	(47.85)	(12.51)		
			<u>(84,847.81)</u>	<u>(12.51)</u>	<u>-</u>	<u>(1,584,189.00)</u>
TRANSFERS						
20	Transfer		150,000.00		(150,000.00)	
			<u>150,000.00</u>	<u>-</u>	<u>(150,000.00)</u>	<u>-</u>
NET INCREASE (DECREASE) FOR MONTH			<u>\$ 65,152.19</u>	<u>\$ 5,511.39</u>	<u>\$ 632,813.83</u>	<u>\$ 18,181,408.12</u>

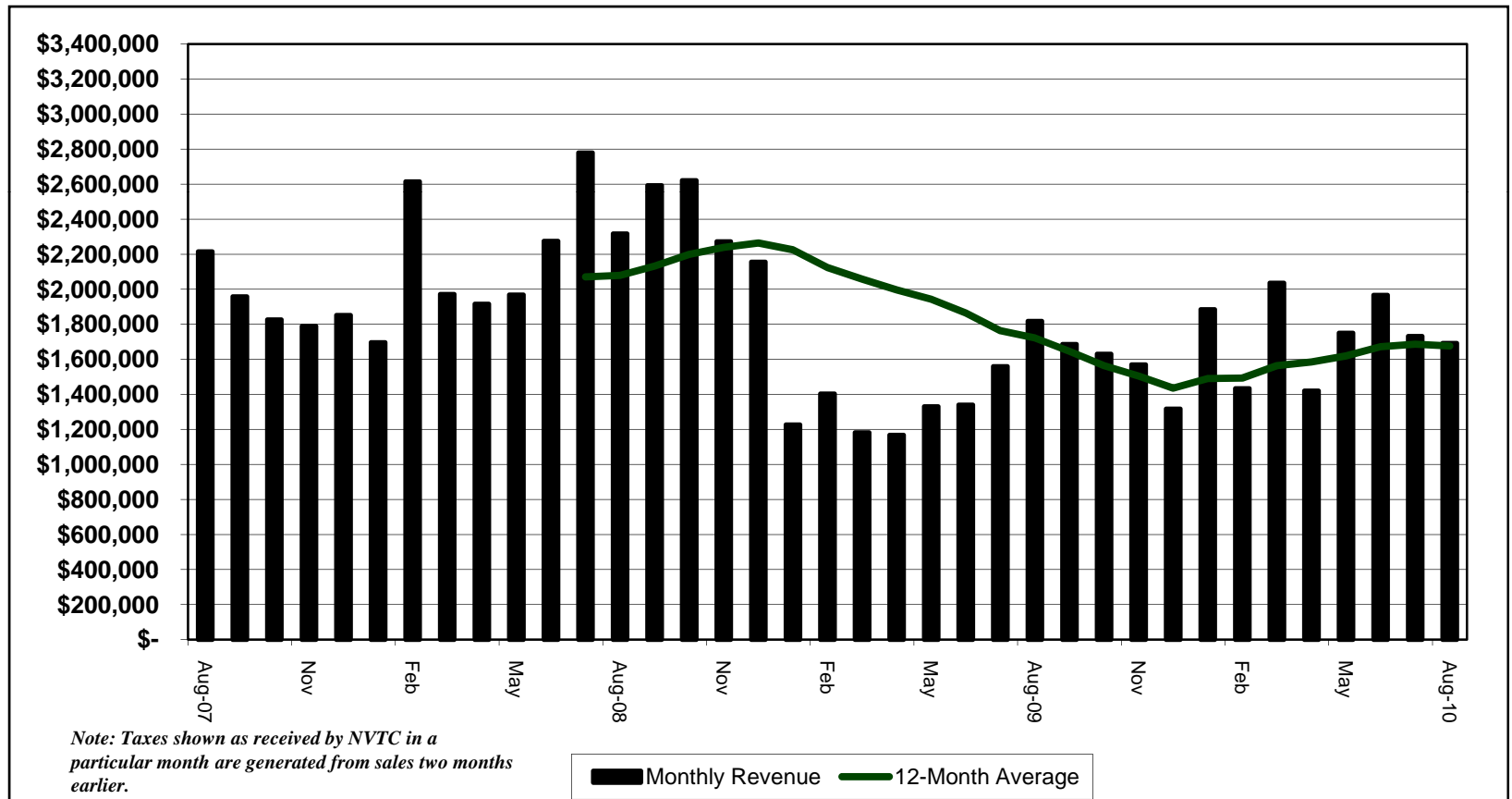
**NVTC
INVESTMENT REPORT
August, 2010**

<u>Type</u>	<u>Rate</u>	<u>Balance 7/31/2010</u>	<u>Increase (Decrease)</u>	<u>Balance 8/31/2010</u>	<u>NVTC G&A/Project</u>	<u>Jurisdictions Trust Fund</u>	<u>Loudoun Trust Fund</u>
<u>Cash Deposits</u>							
Wachovia: NVTC Checking	N/A	\$ 116,508.21	\$ 65,152.19	\$ 181,660.40	\$ 181,660.40	\$ -	\$ -
Wachovia: NVTC Savings	0.100%	201,862.53	5,511.39	207,373.92	207,373.92	-	-
<u>Investments - State Pool</u>							
Nations Bank - LGIP	0.284%	110,663,750.89	18,814,221.95	129,477,972.84	721,364.35	109,156,744.86	19,599,863.63
		<u>\$ 110,982,121.63</u>	<u>\$ 19,517,699.36</u>	<u>\$ 129,867,007.16</u>	<u>\$ 1,110,398.67</u>	<u>\$ 109,156,744.86</u>	<u>\$ 19,599,863.63</u>

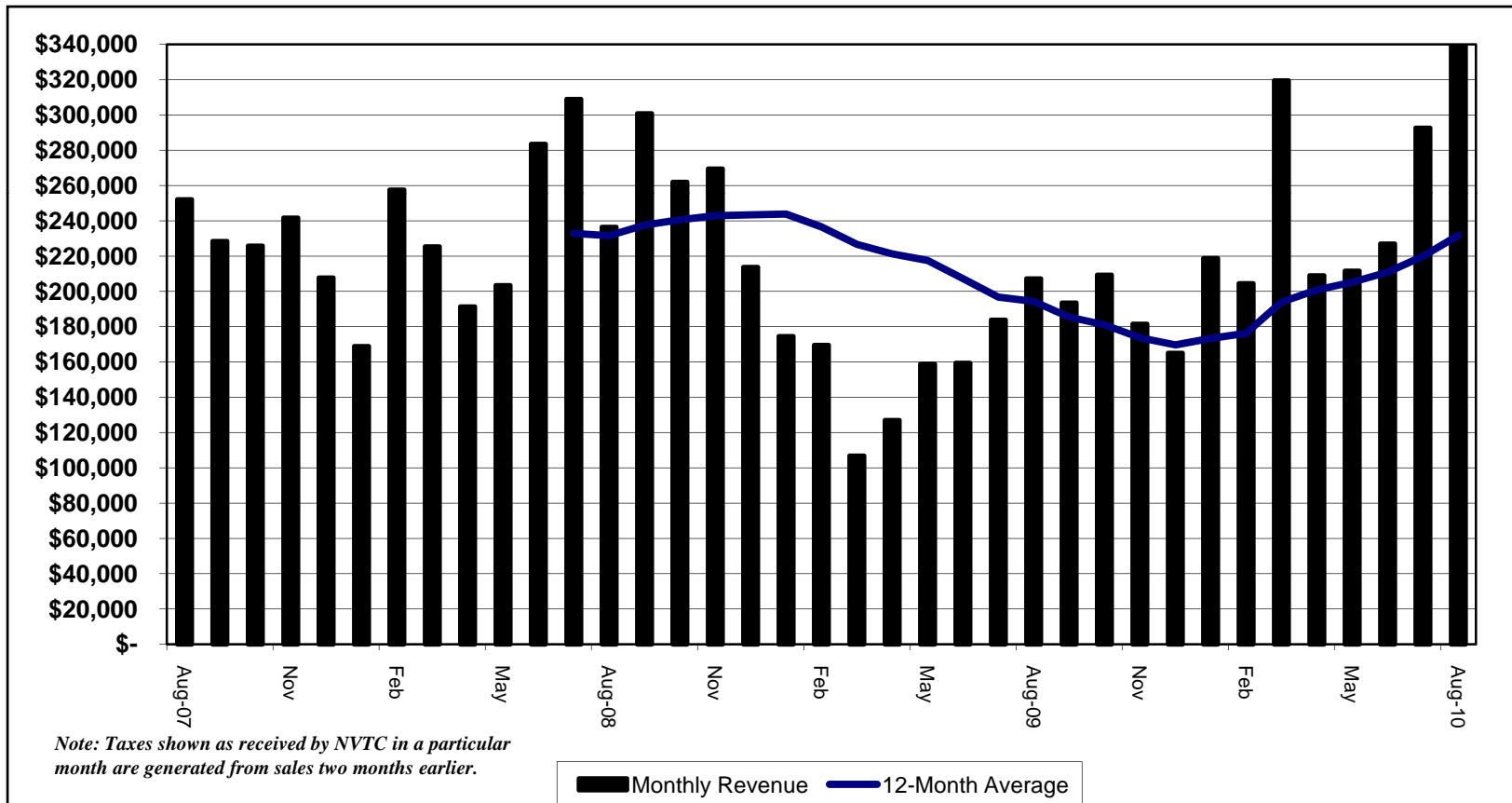
NVTC MONTHLY GAS TAX REVENUE ALL JURISDICTIONS FISCAL YEARS 2008-2011



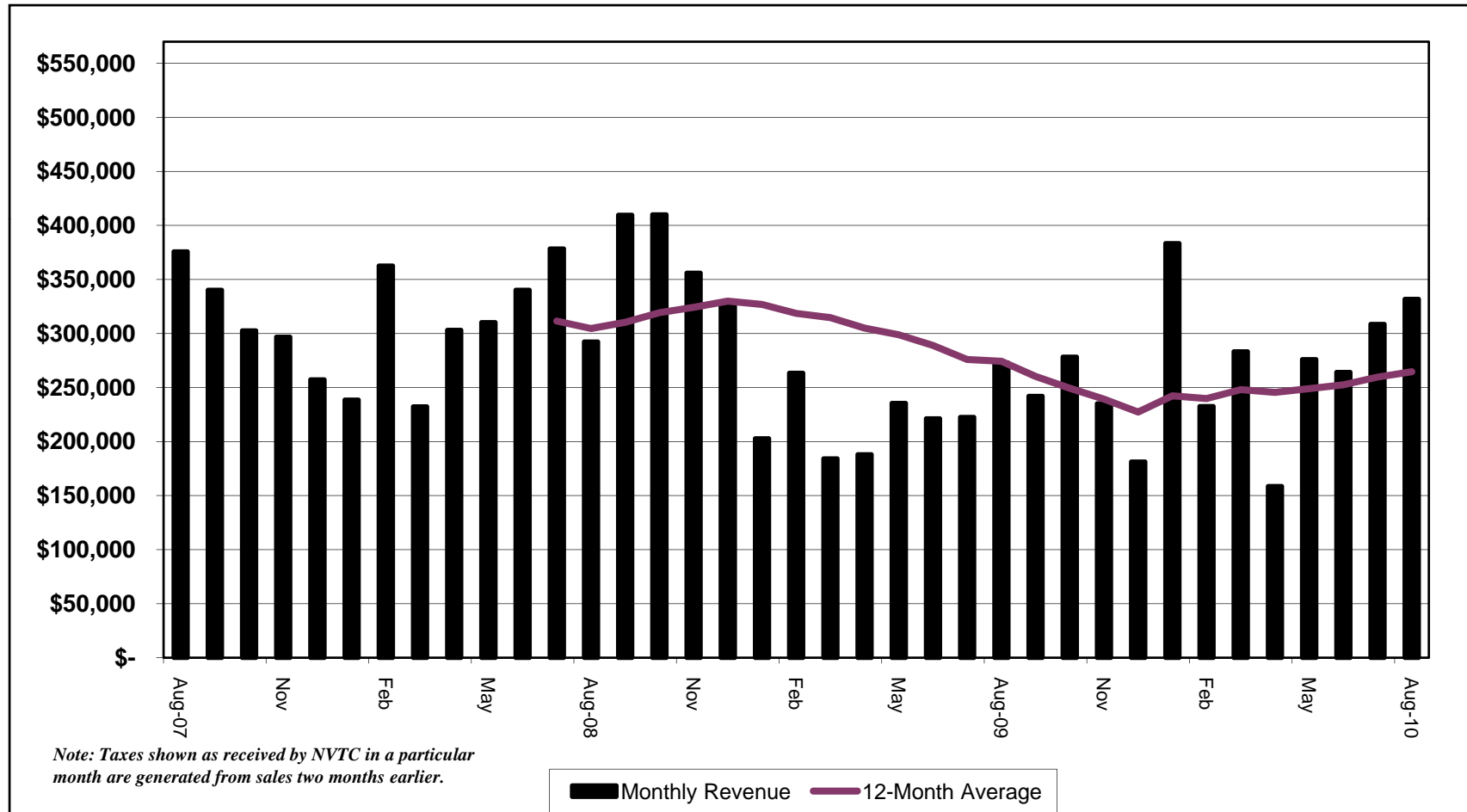
NVTC MONTHLY GAS TAX REVENUE FAIRFAX COUNTY FISCAL YEARS 2008-2011



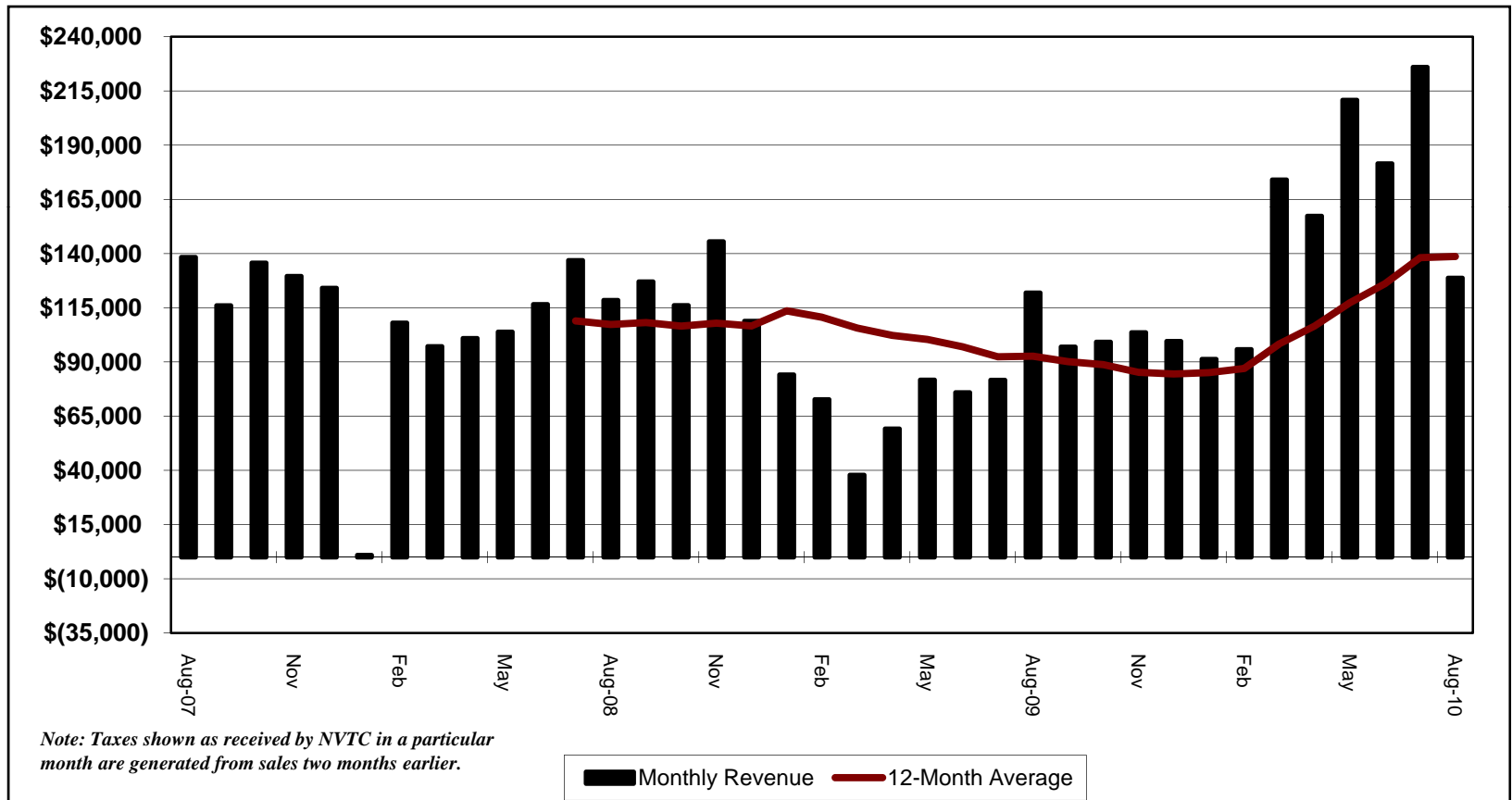
NVTC MONTHLY GAS TAX REVENUE CITY OF ALEXANDRIA FISCAL YEARS 2008-2011



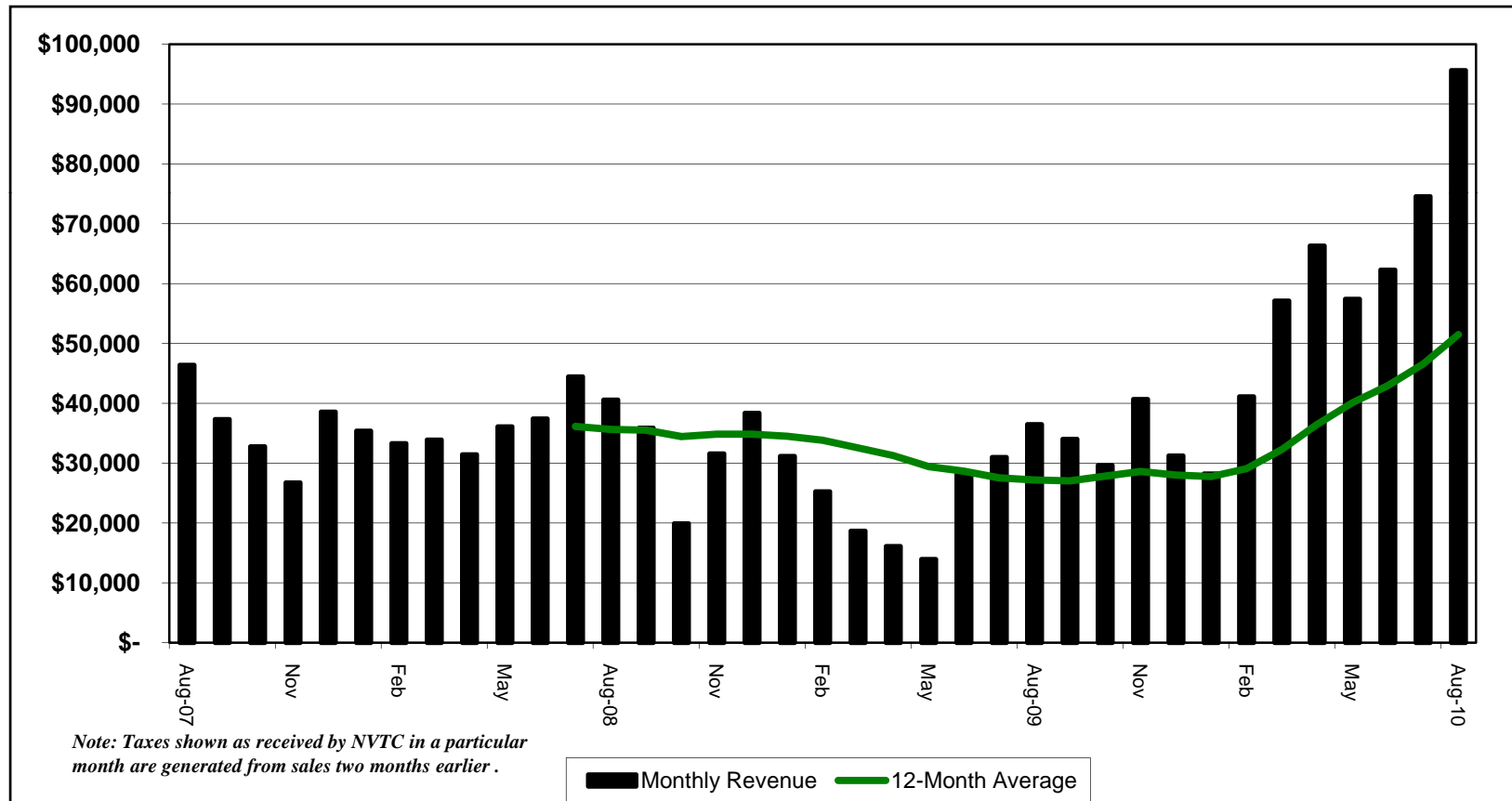
NVTC MONTHLY GAS TAX REVENUE ARLINGTON COUNTY FISCAL YEARS 2008-2011



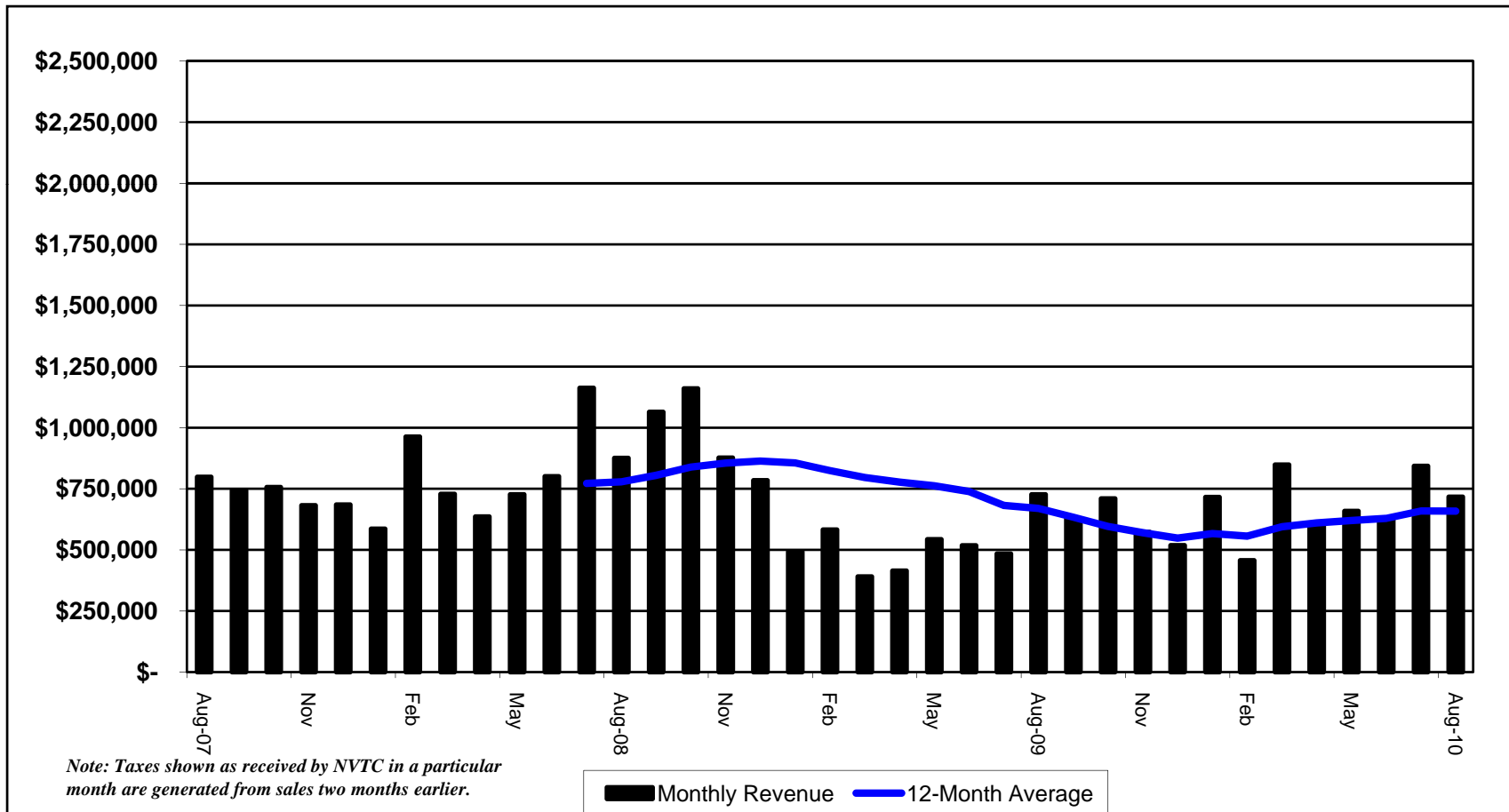
NVTC MONTHLY GAS TAX REVENUE CITY OF FAIRFAX FISCAL YEARS 2008-2011



NVTC MONTHLY GAS TAX REVENUE CITY OF FALLS CHURCH FISCAL YEARS 2008-2011



NVTC MONTHLY GAS TAX REVENUE LOUDOUN COUNTY FISCAL YEARS 2008-2011





AGENDA ITEM #9

TO: Chairman Hudgins and NVTC Commissioners
FROM: Rick Taube
DATE: September 30, 2010
SUBJECT: Personnel Item

A closed session is required to consider the annual performance review of NVTC's executive director. NVTC's Executive Committee is expected to provide a recommendation.

To enter closed session:

Pursuant to the Virginia Freedom of Information Act (Sections 2.2.-3711A (1) of the Code of Virginia), the Northern Virginia Transportation Commission authorizes discussion in Closed Session concerning a personnel item, pertaining to the annual performance review of NVTC's executive director.

Following the closed session:

The Northern Virginia Transportation Commission certifies that, to the best of each member's knowledge and with no individual member dissenting, at the just concluded Closed Session:

1. Only public business matters lawfully exempted from open meeting requirements under the Freedom of Information Act were discussed ; and
2. Only such public business matters as were identified in the motion by which the Closed Session was convened were heard, discussed or considered.



General Manager's Board Report

September 30, 2010

Introduction

Good afternoon. Six months ago, I came on board and working with the senior team, we put together a Six-Month Plan to improve safety, service reliability and financial stability. I'd like to use my time today to provide you with a progress report on our plan and other initiatives that we've been working on over the last six months, as well as provide a glimpse of what is to come later this fall.

Six Month Action Plan

Let me start with the actions that we've taken to improve safety. In six months' time, we have built a safety department with more than 230 years of experience led by a Chief Safety Officer who reports directly to me. We expanded the training of the Safety Department through the Training Safety Institute (TSI).

We've accelerated the close-out of open safety-related audit findings. Since January 1, we have closed 61 Corrective Action Plans (CAPs) for a total of 223 CAPs since 2004. To help us monitor and to close the 33 remaining CAPs and address other safety initiatives, we now have a

Safety Measurement System (SMS) in place. The system went live for bus operations on July 1; training for the rail division started this month and is on track for all other divisions by the beginning of November.

I'm also pleased to report that next week, we will conduct the first class based on our new Roadway Worker Protection manual.

As I have often said, our ultimate safety success depends on establishing a culture dedicated to prevention. To that end, we established a safety hotline; you reinforced the whistleblower protection policy; and we have

initiated discussions with Local 689 to develop a non-punitive program to report near misses. As I testified before Congress last week, I am committed to establishing such a non-punitive program at WMATA, as we did previously at NJ Transit.

Update on the Employee Safety Survey Report

To establish a baseline from which we will monitor our progress to build a safety culture, you contacted the USDOT, APTA and AFL-CIO to help us put together a team of safety culture experts to assess and make specific recommendations on how we can build an effective culture. The outside advisors began their work in June.

In the following month, we conducted an internal employee survey. The results of the survey will be presented at the first Board Safety and Security Committee meeting next month. However, there are some themes emerging that I would like to highlight for you today.

First, no one safety culture exists at Metro today. Different locations, functions and groups of employees, have different perceptions of Metro. This signifies that we will need different strategies and plans going forward depending upon the groups and the perceptions within those groups. There will not be a one size fits all solution or approach to solving issues with our safety culture.

Second, approximately 60 percent of those surveyed said that they have observed a safety concern or violation in the past year while on the job at Metro. This is concerning, but we also learned that of those observing concerns, approximately 70 percent are reporting the concern, with the first reporting channel being their supervisor. I also want to note that the number one safety concern that employees observed while on the job, as well as the most often reported, was unsafe working conditions.

Third, there is a strong concern about retaliation, but in somewhat unexpected ways. Employees' primary concerns were not that they would be fired or demoted. The strongest concerns that were cited were

that it would be difficult for them to work amongst their peers, that the organization wouldn't do anything about the report, and that the organization would not protect them against retaliation in their immediate work environment.

Finally, mid-level management is the most positive about safety and Metro's safety culture in general. I find this encouraging as mid-level management is key to our ability to establish a safety culture.

The findings of the survey will be very valuable tool to help focus our efforts in rebuilding the culture.

Actions taken on NTSB Recommendations

Before I leave the topic of safety, I would like to update you on our progress to comply with the National Transportation Safety Board recommendations related to last year's Red Line accident.

Our commitment to a new safety culture can only be accomplished with a commensurate financial commitment. You anticipated this by including \$6.9 million in Metro's operating budget to address FTA audit recommendations. And more specifically, you dedicated more than \$30 million over the next three years in Metro's capital budget to address recommendations received from the NTSB.

To date, we have identified at least \$150 million in costs associated with meeting the NTSB recommendations beyond what we have included in the six-year capital program, Capital Needs Inventory or the Long-Range Plan. This figure will change as our engineering analyses proceed and we complete the longer term ATC safety analysis. In the coming months as part of our management of the capital program, we will provide you with an update of our cost analysis and also make recommendations on how to proceed within our overall six year capital program.

Service Reliability

Now, I'll move on to the service reliability area of the six-month plan. Over the last six months, we have focused on improving the on-time performance of all of our modes -- Metrorail, Metrobus, and MetroAccess -- as well as the availability of our elevators and escalators. We have taken several steps to improve reliability. We launched training programs for our station, rail and bus staff and revised bus, rail, and MetroAccess inspection and maintenance procedures. By adjusting our processes, inspections and procedures, our maintenance staff is keeping up with technology, getting smarter in ways to address issues and the Bus Department is showing a significant increase in fleet reliability. In fact the Bus Mean Distance Between Failure goal was raised from 6,000 miles in FY 10 to 6,700 in FY 11. To date we are exceeding this new goal.

MetroAccess, at our contractor's expense, has been employing a third-party independent inspector to perform a 100 percent audit of the paratransit fleet. This process will take one full year to complete, and we have just finished our second quarter of inspections.

In addition, we have introduced DriveCam on our buses and MetroAccess vehicles and updated our schedules similar to what we did on the Red Line.

On the rail side, we have increased the frequency of track and structures inspections in areas that we have not yet returned to a state of good repair. We also have changed our guidelines for repairing grout pads to help ensure a more reliable track bed for our train service.

Vital Signs report instituted and evolving

To monitor our progress, new performance measurement tools have been developed, including web-based dashboards, a monthly vital signs report of key performance indicators, and an annual performance report to assess what is working well, what is not, and why. The first Vital

Signs report was presented to the Board on June 10, and has been posted on the internet to foster increased accountability and transparency.

Already in its short life, the Vital Signs report has evolved. Staff has worked with the Rider's Advisory Council and the Jurisdictional Coordinating Committee to gather valuable suggestions for improvement. Both groups noted that while we track our bus fleet reliability, but are missing a comparable measure on the rail fleet. The newest edition of the Vital Signs report now includes a key performance indicator for railcar reliability by measuring mean distance between delays due to rail car problems.

Another key indicator both groups considered was a way to measure customer concerns. Staff has a number of performance measures they are evaluating right now with the intent of adding this customer focused KPI as soon as possible.

Vital Signs is the top layer of our performance tracking and reporting system. Behind the scenes, we've been developing and introducing new tools to help Metro's frontline managers track and improve performance in their areas of responsibility. A good example is the new on-line dashboard rolled out recently in the Bus Transportation department. It tracks -- in near real time -- measures needed to effectively manage service day-by-day and hour-by-hour. It synthesizes thousands of data points available from multiple operational information systems and displays a succinct picture of how we're performing in different areas of bus transportation. In the past, we had to sift through and analyze all this data, which took time and resources. Now the pertinent data is quickly available for immediate action.

Metro's Performance Office is going department-by-department to help our front line operations managers and supervisors develop performance measures that are meaningful and helpful to them in making sure our service is safe, efficient and serving our customers well.

Our staff also has taken advantage of an offer by our jurisdictional supporters to talk with their performance groups to share best practices.

Elevators and Escalators

An integral part of improving service for our customers will be to improve the reliability of the 588 escalators and 275 elevators located throughout the system. As I have previously committed and as part of our six month improvement plan, an independent assessment has been completed of our escalator and elevator maintenance program. The findings and recommendations will be presented to you on October 14 at the Customer Service Committee meeting. In addition to reviewing our internal maintenance program, inspections of the elevators and escalators were also conducted at Dupont Circle, Bethesda, Foggy Bottom and Woodley Park—some of our most challenging locations.

While the full report is being completed, I would like to highlight some of the key observations.

1. It was noted that our written elevator and escalator standards are solid and in good shape. Our challenge and where we will have recommendations to follow up on will be in ensuring that our personnel are properly trained in how to follow the standards; the supervisors ensure compliance with the standards; and that we have effective systems and means to monitor and track our progress. An effective Quality Assurance program will be required to ensure proper follow through at all levels.
2. Another area of focus will be on basic “housekeeping.” In short, we need to maintain the cleanliness of the work environment and adopt better practices. Examples include removing dirty switches and old metal shavings; replacing burnt out light bulbs; and removing non-elevator equipment from machine rooms and elevator pits. An example of poor practices that will need to change includes relubricating an oily, gritty chain without first cleaning it. Of course, this type of shortcut

catches up with us later. Also, we will need to focus on water intrusion in our elevator and escalator units. It presents a major state of good repair challenge, but is also a poor work environment for our employees.

3. There also will be a series of findings and recommendations related to improving our efficiency and productivity ranging from filling vacant positions, to better managing shift allocations, providing added training and better computer system support.

I believe that the report will provide us with a good road map to improvement. Having said that, we still have to take elevators and escalators out of service: for major overhauls or replacement in order to catch up on state of good repair; for preventive maintenance to stay in a state of good repair; and for such things as safety switches being activated.

In order to catch up it will take some time to get this system to where it should be and even then, there will always be equipment out of service for the foregoing reasons.

Aggressive Track Maintenance Program and Service Reliability

To maintain a state of good repair, provide for a safe and reliable rail system, and comply with NTSB recommendations, we have completed major track work over the last six months—some of the largest since the inception of the system. Since April, we have replaced nine switches, 6,151 cross ties, 28,557 feet of rail, 4,067 fasteners, 458 feet of floating slab, and 1,115 insulators.

But we have even more work ahead of us. Over the Columbus Day Holiday weekend, we will replace four track switches, which comprise the entire rail interlocking at the McPherson Square Metrorail station, which was an NTSB recommendation. In addition, we will conduct several additional projects in the area of the closure to maximize the amount of work to be done while there are no trains in the area – such as addressing water intrusion, relighting tunnels, testing emergency call

boxes in tunnels, replacing blue tunnel emergency lights and installing fasteners.

To improve reliability for our bus customers, we have replaced all of our 148 oldest buses. With newer vehicles we expect fewer equipment failures, leading to improved service delivery. In fact, for the months of June and July, Metro achieved the best Mean Distance Between Failure (MDBF) rate for those months in Metrobus history.

Bus Route Changes

But additional improvements are on the way in the next three months. This afternoon, you will consider approving changes to select bus routes that will provide more direct and limited stop services for our bus customers.

MetroAccess accomplishments

In the last year, the MetroAccess team has also made improvements in customer service and in cost. We have established centralized eligibility assessments at the Transit Accessibility Center here at Metro headquarters, saving several million dollars in the first year of operation alone.

We have reduced the eligibility application backlog and the time it takes to process applications by 50 percent. We have implemented an automated phone system that effectively reduced customer wait time for assistance by half, and we have added 80 vehicles to the paratransit fleet using funds from the American Recovery and Reinvestment Act.

For MetroAccess drivers, we have developed and begun to implement a pilot training program conducted by classroom instructors utilizing techniques for adult learners and interactive video to achieve training consistency and improve performance. Also, MetroAccess dispatchers will receive enhanced training on trip movement and MetroAccess road supervisors will receive safety and trip monitoring training.

Through these efforts, we have achieved the highest level of customer satisfaction since FY07 as measured by number of complaints, which has declined from 8.65 to 6.21 per 1,000 trips from FY07 to FY10, an improvement of about 28 percent.

Financial Stability

Now let me turn to a topic which is integrally related to our continued progress to improve safety and service reliability – Metro’s financial stability.

Today, we have an expenditure capital budget in place that will allow us to actively manage our capital program, ensuring that we spend the capital funds that you’ve allocated. As can be the case with such a large budget, schedules of some projects may slow, while others may accelerate or new needs arise. But working with you, we now have the ability to take advantage of the changing conditions.

To assist us further, we have brought PB Americas onto the Metro team to ensure that we identify risks to the large capital projects that we will embark on in the near and long term, and to develop contingency plans to deal with those risks, should they occur.

During the first six weeks, PB will focus on assessing the scope, schedule, and budget characteristics of WMATA’s major capital projects along with risk factors. As a first step, PB will conduct a risk assessment of key capital projects.

Specifically, the risk assessments will entail identifying vulnerabilities and formulating corrective action plans for large, significant capital projects approved for fiscal year 2011 and those under consideration for 2012 funding. Working with WMATA’s Capital delivery team, PB will evaluate critical milestones and assumptions, such as planned project start/completion dates and quarterly expenditure forecasts to determine risks to expected outcomes.

Preparation for Budget Cycle

Having accomplished all I have just mentioned, it is time to begin again. Next month, it will be time to begin work on the FY2012 budget. We will begin by making the initial estimate of revenues and expenditures for the coming year.

By December, we will have presented a budget initiatives update and in the following month, we will present my FY2012 proposed budget. Ideally, we would hope to hold public hearings on the proposed operating and capital budgets in March, with a budget adopted in June of 2011 for July 2011.

New planning efforts to begin this fall

Next month, we will provide you with our plans to begin to prepare for our future. Thanks to your leadership and the help of the jurisdictions and federal government, we were able to put a capital budget in place that addresses our critical safety and state of good repair needs. But as you know all too well, Metro's capital needs are in excess of \$11 billion just to address our current state. Over the next 10 years, we are expecting ridership increases on Metrorail of 20 percent; on Metrobus of 10 to 15 percent and 100 percent on MetroAccess. To get a picture of what we'll look like, imagine that every day is as crowded as it was on Inauguration Day. We need to start planning now. Staff will come before you to provide an overview of the work program, summarize results to date, and present a schedule for activities and presentations during the coming months.

Also looking to the future, the communications planning work has begun to prepare customers for future Metrorail service changes. This will incorporate a number of changes, including the Blue/Yellow realignment and the upcoming Dulles rail service.

Winter weather response plan being reviewed

Not looking too far into the future, I want to also mention our preparation for this winter. We gained a great deal of experience from responding to the snow storms last winter, and we intend to benefit from that experience with a revised winter weather response plan. Both bus and rail services are taking added measures this year to prepare.

On the rail side, to clean the platforms faster and keep the snow from getting into the track bed, we are purchasing snow blowers. In looking at our biggest weather challenge, we will make the Yellow Line bridge our top priority because it is vital to connecting the District of Columbia, Virginia and Maryland for our customers as well as accelerate movement of support equipment, which helps us clear all parts of the region more effectively.

To keep the third rail cleared, new ice scrappers have been designed and will be more effective. Not only is it more robust and durable, but it also can be manufactured entirely in-house.

Bus services has leased four Bobcats for snow removal at bus facilities, and six trucks have been identified to be equipped with plows to assist at bus facilities. Bus Planning is closely coordinating snow routes with DDOT in an attempt to maintain service as long as possible on key streets.

I will keep you posted on our winter weather planning efforts, which will be in place well before the fall season closes.

Finally, I am proud of the progress that we've made in the last six months and want to say that it has been a team effort from the Executive staff throughout the organization that has made it possible. I think it is appropriate that we close with a prime example of team work and that is to reflect on all the work that we were able to accomplish over Labor Day. For that, I would like to ask Mr. Kubicek to present the employee spotlight for the month.

Nicole Davies
5405 Duke Street Apt. 312
Alexandria, VA 22304
(315) 292-0726
nic000@hotmail.com

October 3, 2010

Northern Virginia Transportation Commission
4350 North Fairfax Dr.
Suite 720
Arlington, VA 22203

Dear Chairwoman Hudgins and NVTC Board of Directors:

As a Metro customer who resides in the City of Alexandria, I am against the concept of giving Governor McDonnell the authority to appoint individuals to the WMATA Board of Directors. I believe that Metro Board members should consist of people who live and work in Northern Virginia. Local officials are better equipped to serve on the Metro Board since they are intimately involved in and aware of the local issues that we have here in Northern Virginia. I do not want funding for our local transportation system to be a victim of State Politics. It is vital that Northern Virginia consistently contributes to the funding of WMATA. If the State were to withhold or delay funding, this action could prove detrimental to WMATA, the region's economic growth and to the citizens who depend on public transportation.

Thank you for your time and attention to this important issue.

Sincerely,

Nicole Davies

Rick Taube

From: Penny Everline [pennyeverline@gmail.com]
Sent: Sunday, October 03, 2010 10:27 PM
To: Hudgins, Catherine M.
Cc: Christopher Zimmerman
Subject: Letter to NVTC Commissioners

Chairperson Hudgins and NVTC Commissioners:

I am a resident of Arlington, VA and a member of the WMATA Riders' Advisory Council writing to express my serious concern regarding the Governor's proposal/request to appoint members to the WMATA Board. The views expressed in this letter are my own, but are informed, in part, by my experience serving on the Riders' Advisory Council for the past three years.

As a transit advocate who has worked on Metro issues, I can say from experience that our locally appointed elected officials who serve on the WMATA Board represent the best interest of both Metro and its riders.

Regionally speaking, they were the leaders in securing needed additional funding for both Metro's operating and capital budgets, whereas their Governor-appointed counterparts in Maryland were far less successful. Regionally speaking, they are also known for being the most responsive to rider concerns and interests, whereas their Governor-appointed counterparts in Maryland are known for being far less responsive. They have excellent attendance records at WMATA Board meetings and committee meetings-- again, among the best in the region. Finally, they are trusted and respected for emphasizing the importance of transparency in the agency. In summary, they are doing a good job and they are committed to making Metro better.

I wrote to the Governor three times (6/7, 6/17, and 6/24) to express my concern regarding his attempt to obtain seats on the WMATA Board through threatening to withhold \$50 million in match funding. While the Governor, thankfully, backed down and later renewed the Commonwealth's commitment to provide the essential match funding, his initial actions certainly did not appear to be in the best interest of either Metro or its riders.

In each letter I sent (2 via email, 1 via email and U.S. mail), I requested a response from the Governor's office. After August 30 (more than 2 months after my final correspondence to the Governor's office), I received a form letter from the Secretary of Transportation, Sean T. Connaughton. This is not exactly what one would call responsive, though I was surprised and thankful to receive any response. However, the form letter continued to assert the misrepresentation of the percentage of funds contributed by the Commonwealth. I trust that the NVTC will correct this misrepresentation and take the facts regarding funding into consideration when discussing this matter.

Changing Virginia's representation on the WMATA Board simply does not make sense. Metro and its riders are represented well by the current locally appointed elected officials who serve on the WMATA Board. Changing to state or governor-appointed WMATA Board members would be a huge step backward for Metro and Metro riders. Please do not allow

this to happen.

Thank you for your consideration.

Sincerely,
Penny Everline
231 N Barton St
Arlington, VA 22201
571-212-6467

Rick Taube

From: alpert@ggwash.org on behalf of David Alpert [alpert+rac@ggwash.org]
Sent: Monday, October 04, 2010 11:28 PM
To: catherine.hudgins@fairfaxcounty.gov; Christopher Zimmerman; jeff.mckay@fairfaxcounty.gov; william.euille@alexandriava.gov; wmeuille@wdeuille.com; district31@senate.virginia.gov; DelAEbbin@house.state.va.us; jfiset@arlingtonva.us; rob.kupricka@alexandriava.gov; paul.smedberg@alexandriava.gov; Rick Taube; Kala Quintana
Cc: DeBernardo, Frank; Pasek, John
Subject: NVTC resolution

Dear Chairman Hudgins and members of the NVTC,

I would like to suggest a modification to the proposed NVTC resolution on the Commonwealth's request concerning Board membership (<http://www.thinkoutsidethecar.org/pdfs/KIT/2010/10.7.10/AGENDA%20ITEM%204.pdf>). The final Whereas reads:

WHEREAS: The Greater Washington Board of Trade and the Metropolitan Washington Council of Governments are currently cooperating to examine issues related to WMATA governance.

As many of you know, the Riders' Advisory Council formed a committee to examine the issue of governance ourselves in July, due to the great interest in this issue and due to the fact that we felt rider perspectives were not being adequately considered by the Board of Trade/COG task force. We greatly appreciate having NVTC members Ms. Hudgins, Mr. Zimmerman, Mr. Euille, and former member Ms. Kate Hanley attend some of our sessions and provide input to us.

I would suggest that you modify that Whereas clause to make reference to the RAC effort, in order to acknowledge the multiple efforts and also make it more clear that the COG/BOT effort will not necessarily be authoritative word on the subject. For example:

WHEREAS: The Greater Washington Board of Trade and the Metropolitan Washington Council of Governments are currently cooperating to examine issues related to WMATA governance, and the WMATA Riders' Advisory Council is conducting an independent analysis of WMATA governance.

A draft of our report will be considered at our meeting on Wednesday. Our expectation is to approve advertising the draft for public comment at the meeting. I can't speak to what the group may or may not decide, but the draft report calls for retaining the presence of locally elected officials on the Board and praises the system in use in Virginia today. I will ensure you get a copy of the draft when it is posted on the RAC agenda page and whatever we approve for comment on Wednesday.

Thank you,
David Alpert
Chair, RAC Committee on WMATA Governance
DC Vice-Chair, WMATA Riders' Advisory Council



Local

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Virginia local, state officials squabble over control of Metro

By: [Markham Heid](#)
Examiner Staff Writer
October 5, 2010

Virginia Gov. Bob McDonnell and state transportation leaders say the commonwealth is entitled to more authority over Metro, but local elected officials are poised to shoot down the state's request for seats on the transit agency's governing board.

The Northern Virginia Transportation Commission, a group comprising mostly local elected leaders, is set to decide Thursday whether to give the commonwealth two of the state's four seats on Metro's Board of Directors.

The seats, which have historically been filled by local elected officials -- two from Fairfax County and one each from Arlington County and Alexandria -- would go to governor-appointed transit professionals.

State officials say the board seats would give Virginia more accountability for its safety oversight responsibilities and financial contributions.

"The commonwealth feels very strongly that we should be a partner in the governance of Metro," said Thelma Drake, director of Virginia's department of rail and public transportation.

Drake said the state of Virginia provides roughly the same amount of funding as all of Northern Virginia's localities combined, and so is entitled to half the state's Metro board seats.

But local elected officials say the state has no right to take seats away from Northern Virginia's localities.

Sharon Bulova, an NVTC member and chairwoman of the Fairfax Board of Supervisors, said local taxpayers have always paid the bulk of Metro's construction and maintenance costs, and so deserve to have their elected representatives on Metro's board.

"If there is a long-term commitment from the state, then let's talk about how we can provide more representation for Virginia on the [Metro] board, but it shouldn't be at the expense of local representation," Bulova said.

Bill Euille, Alexandria's mayor and one of the state's current board members, said the transportation commission would likely support the commonwealth's inclusion if Metro decided to add seats. But he would not support taking seats away from Northern Virginia.

Virginia Secretary of Transportation Sean Connaughton earlier this year threatened to withhold \$50 million in annual capital funding for Metro unless the Commonwealth's request for board representation was granted. That threat was later withdrawn.

Drake would not say whether the state would again consider withholding funding if its requests were denied.

"That's a discussion for a later date," she said.

mheid@washingtonexaminer.com

More from Markham Heid

- [Metro loses more than a million riders on bus, rail](#)
- [2 escalators down at Dupont Circle station](#)
- [Metrobus involved in crash on Glebe Road](#)
- [Government hiring, spending spurs D.C.-area job creation](#)
- [Virginia local, state officials squabble over control of Metro](#)

Topics

[Markham Heid](#) , [Metro](#) , [Board](#) , [Connaughton](#) , [Bulova](#) , [Euille](#) , [NVTC](#) , [Northern Virginia Transportation Commission](#)



[On Facebook, Md. man mistaken for officer who shot dog](#)

Hundreds of Facebook users have confused an Odenton man with a D.C. police officer of the same name who fatally shot a dog at the Adams Morgan festival, the Annapolis Capital...

—[Emily Babay](#)

[Pedestrian dies from injuries in Montgomery hit-and-run](#)

A 22-year-old Silver Spring woman has died from injuries suffered in a hit-and-run in late September. Danny Elizabeth Alay-Mateo was struck while walking on the 8700 block of...

—[Emily Babay](#)

[Virginia is for Lovers? There's an App for that](#)

Virginia Lt. Gov. Bill Bolling on Tuesday unveiled the "Virginia is for Lovers" iPhone app , which will allow visitors to peruse more than 12,000 listings of hotels,...

Greater Greater Washington

The Washington, DC area is great. But it could be **greater**.

TRANSIT

McDonnell still pushing WMATA takeover, vote Thursday

by [David Alpert](#) • October 5, 2010 10:03 am

It's been many months since Governor Bob McDonnell made a play to take half of the Virginia seats on the WMATA Board away from Northern Virginia, but if you thought the issue was dead, it's far from it.

After deferring a vote three times, the Northern Virginia Transportation Commission (NVTC) will decide whether to accept or reject the proposal on Thursday night.

Keep the power over the Washington metropolitan area's transit in the hands of people in the Washington metropolitan area. If you live in Virginia, contact NVTC to ask Chairman Cathy Hudgins and the other commissioners to vote for Resolution #2157 and oppose any transfer of control over WMATA from Northern Virginia to Richmond.



Photo by Tracy Lee on Flickr.

McDonnell can still influence WMATA and work to improve safety and accountability without seats on the Board. He could start by telling riders and officials what he thinks should be done differently, and ask the current Board members to adopt his recommendations. There's a good chance they might do just that. But instead, he's spending all this effort on a power grab, which makes it sound like his motives aren't really to improve Metro.

The four Virginia representatives on the WMATA Board are officially chosen by NVTC, which contains local officials from the cities and counties in Northern Virginia state delegates and Senators, and a representative of the Governor.

Since WMATA's founding, NVTC has always put two representatives from Fairfax and one from Arlington and Alexandria on the Board. The state government in Virginia never asked for representation. They also never volunteered to pitch in any money to deal with budget crises.

Meanwhile, down in Richmond, they pretty much ignored Metro. In fact, NVTC organized a special tour on June 30 and July 1 to show legislators and other officials from around the state what it's like to take transit in Northern Virginia. For many, it's simply far outside their experience.

When local governments came up with funds to avoid service cuts this year, that came from Arlington, Fairfax, Alexandria, and the Cities of Fairfax and Falls Church out of their own budgets. The state didn't lift a finger. After DC came along, the whole thing almost fell apart because Governor O'Malley was reluctant to pitch in. It took constant petitioning by Maryland residents and three Washington Post editorials to get the Governor to go along. If he hadn't been up for reelection this year, who knows what might have happened. That would have meant big cuts to rail and bus service on top of all the fare increases we had.

The difference is that local officials are making the budget decisions and local officials, not state officials, serve on the Board. If we'd had to go to the Virginia state government for help to avoid service cuts, good luck with that.

Yet, this spring, Virginia Secretary of Transportation Sean Connaughton asked NVTC to hand over half the Board seats to the Governor. He claims that Virginia now pays 52% of the funds for Metro, once the \$50 million match to federal money is factored in. But that doesn't hold up. Instead, based on NVTC's analysis, the real number is about 28%, and has been only 24% over the last 10 years.

Why the difference? Most of it comes from the state add-on gas tax. Years ago, the state legislature agreed to increase the gas tax in Northern Virginia alone and dedicate that revenue to transit. That had to be a state law because in Virginia counties have very little power and can raise almost no taxes on their own except property tax. By comparison, Maryland counties can raise many taxes, like the income tax.

Ultimately, the state collects the money, but it's all coming from Northern Virginia. The Governor isn't personally deciding how much to allocate between Metro and freeways in Roanoke the way Maryland's governor does. It's like my bank saying they should control what I cook for dinner, since I paid for the groceries using funds at their bank. Sure, the money is there, but it's my money. Likewise, the money for the add-on gas tax is Northern Virginia's money. The state just collects it because that's how things work in Virginia.

.Just because he doesn't have appointments to the WMATA Board doesn't mean Governor McDonnell can't try to help improve Metro. If they had the seats, what would McDonnell or his representatives do? That's the big question that's never been answered. Why can't he simply send some suggestions along to the four Northern Virginia representatives?

He has staff on the Tri-State Oversight Committee. He can call press conferences. He can have people issue white papers. He can write op-eds. He would be welcome to guest post here on Greater Greater Washington about what he'd like to see done. But there's no way to know if he or his people actually have any ideas, since they haven't bothered to suggest some. Let's start there. How about it, Bob? What's your recommendation?

[5 comments](#) – [Share](#) – tags: Bob McDonnell, Virginia, WMATA, WMATA Board


Related posts:

- [Jaffe, McCartney talk Metro safety, "budgetary blackmail"](#) (Jun 23, 2010)
- [If those who pay for transit should pick the WMATA Board, where are the rider reps?](#) (Jun 18, 2010)
- [McDonnell trying to take WMATA seats from NoVA](#) (Jun 4, 2010)
- [Govs, Fenty should lead instead of whining about WMATA](#) (Apr 20, 2010)
- [Maryland, Fairfax, Alexandria take steps toward needed WMATA funding](#) (Mar 11, 2010)


Comments

Gov. McDonnell is also cutting the Virginia Rail Advisory board, according to an article in Today's Washington Post. Maybe he is not fond of mass transit?


<http://www.washingtonpost.com/wp-dyn/content/article/2010/10/04/AR2010100406852.html>

by Thomas on Oct 5, 2010 10:39 am 

It's not clear the RAB actually does anything. It's a rubber stamp for DRPT recommendations. It just looks like an independent review.


by jim on Oct 5, 2010 12:59 pm 

This a classic case of politics between Republicans and Democrats. Alexandria, Arlington, and Fairfax are controlled by the dems. There is no reason that the state can't get what it wants under the current structure which provides for an equitable local input by the funding municipalities. If I'm not mistaken Mr. Connaughton was originally from Prince William County. Prince William does not share in the funding of the regional transit system despite benefiting from it. Perhaps a better approach would be for Virginia to add Prince William to the Washington Metropolitan area transit zone.

by Interested on Oct 5, 2010 1:04 pm 

"Interested",

It's simply not true that Prince Wm doesn't share in the "regional system." While it is not in WMATA's service area, and naturally doesn't support WMATA as a result, PW is part of the Rappahannock and Potomac Transportation Commission, one of the two agency sponsors of VRE.

by Paul on Oct 5, 2010 1:25 pm 

If the Commonwealth pays for METRO, then the Commonwealth should get the votes.

The Washington Post

McDonnell's bid for seats on Metro board appears headed for defeat

By Katherine Shaver
Washington Post Staff Writer
Tuesday, October 5, 2010; 9:46 PM

Virginia Gov. Robert F. McDonnell's attempt to gain two state seats on Metro's board of directors appears headed for defeat Thursday, when Northern Virginia political leaders are scheduled to vote on a plan that would keep the state's control of Metro among local officials.

Several members of the Northern Virginia Transportation Commission, including McDonnell's representative to the panel, said they expect the group to pass a resolution stating that all four of Northern Virginia's Metro board seats should remain under local control.

The commission, made up of 19 locally and state-elected officials plus the state's public transportation director, appoints Northern Virginia's Metro directors. The Metro board's 14 members include two representatives from Fairfax County, one from Arlington County and the Alexandria mayor.

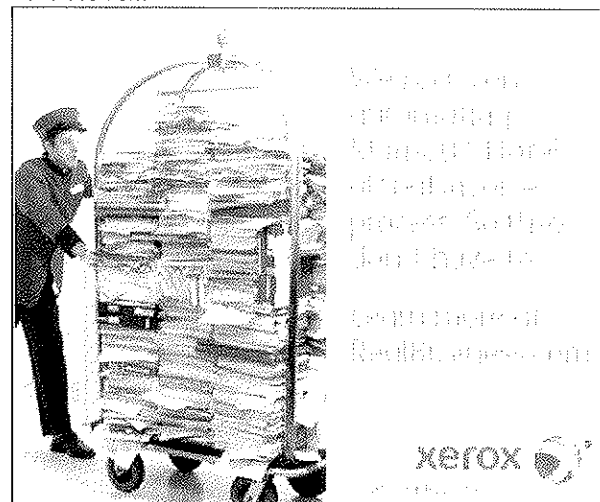
The question over how much say the state should have in Metro's affairs surfaced this summer, when McDonnell (R) threatened to withhold Virginia's contribution to a \$3 billion federal funding plan for Metro's capital needs unless the state received two of Northern Virginia's four seats on the agency's board.

The federal government agreed to give Metro \$1.5 billion for capital needs over 10 years but required Virginia, Maryland and the District to match the money. The governor's transportation chief had said McDonnell wanted more accountability and oversight - after a fatal June 2009 Red Line crash and a string of safety lapses at the transit agency - before committing to an annual contribution of \$50 million.

"With that kind of investment, we want to be a partner in the governance as well," said Thelma Drake, McDonnell's director of rail and public transportation and a member of the Northern Virginia commission. "We'll continue to make that point."

Asked whether the governor would again link Metro board seats to future state Metro contributions, Drake said, "I can't answer that." She said McDonnell ultimately agreed

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The Washington Post

McDonnell's bid for seats on Metro board appears headed for defeat

to Virginia's share of the federal match in July because it allowed Metro to sign an \$886 million contract to buy needed new rail cars.

The resolution expected to pass Thursday says that the Northern Virginia Transportation Commission will work to build "an enhanced and supportive relationship" with the state to discuss a "broader focus" beyond Metro board seats, namely the agency's need for more money in the long term.

Arlington County Board member Chris Zimmerman, who serves on the Metro board and the transportation commission, said Northern Virginia leaders know more than state officials about Metro issues that affect their constituents every day.

Falls Church City Council member David F. Snyder, a transportation commission member, said he'd be reluctant to give Metro board seats to the state without it guaranteeing "significantly more" funding to make Metro safer and more reliable.

"I don't think board membership can be separated from funding," Snyder said.

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DENNIS JAFFE

1464 Harvard Street NW, # 7
Washington, DC 20009

C: (202) 905-1153
Email: DennisJaffe@Gmail.com

October 7, 2010

Dear Chairwoman Hudgins and Members of the Northern Virginia Transportation Commission:

I am writing you about the Washington Metropolitan Area Transit Authority (WMATA). Since 2002, I have devoted a few thousand volunteer hours through community organizations, blogs and the media toward making Metro more responsive to riders and taxpayers. I have focused some efforts on governance and some on customer service. My experience has been one of frustration. I have described Metro as having a “culture of unresponsiveness.” My list of “beefs” with Metro includes lack of openness, weak commitment to rider safety, and disregard by too many employees for serving the public.

But compiling a “Top 100” list of what’s wrong with Metro is easy. Figuring out ways to *fix* Metro is not. Virginia Governor Robert McDonnell’s proposal to grant him power to appoint members of WMATA’s Board is intriguing. The Commonwealth ought to hold Metro accountable in return for taxpayer money it provides the agency. The breakdown of the funding formula in terms of how much money each of the five Northern Virginia jurisdictions in the federal compact pays – and how much the Commonwealth pays – can easily obscure who is paying what percentage. But the percentage of Metro’s operating budget *that comes from rider fares has increased* from 48.87% in FY2007 to 53.5% in the FY2011 budget – and the percentage *coming from local jurisdictions has decreased* from 44.67% in FY2007 to 40.58% in FY2011.

Based on how much riders pay in fares and taxes for Metro, there may be more logic to support direct popular election of the Metro Board. Elected officials who serve part-time on the Board certainly have other issues competing for their attention. But consistently in my experience with Board members, their responsiveness is directly related to how accustomed they are to courting public support for their agendas. I share my perception, in order of *least* accessible and responsive *to most* accessible and responsive:

- Maryland Alternate and Principal Directors appointed by Maryland’s Governor in Annapolis and County Executives in Montgomery and Prince George’s Counties (*non-elected*)
- District of Columbia Alternate and Principal Directors appointed by DC’s Mayor (*non-elected*)
- District of Columbia Alternate and Principal Directors appointed by Council (*elected*)
- Northern Virginia Alternate and Principal Directors appointed by NVTC (*elected*)

For Metro to best serve our region, its culture needs to be overhauled and local jurisdictions need to provide enough funding not only to provide top service, but to protect their past investments. Neither will happen if there is an increase in the number of Board members who lack a grassroots constituency to improve Metro. We need more – not fewer – opportunities for the public and Board members to have direct communication. If the rest of the region were to select the caliber of Board members that the NVTC has consistently done, Metro would be in better shape. The Governor’s prescription for Metro will reduce accessibility and responsiveness – and consequently, accountability. Appointees hand-picked by the Governor in Richmond and who lack relationships with the citizens of Northern Virginia who depend on Metro could not possibly hold influence to lead *beneficial* change at the agency.

Even with its problems, Metro brings in significant revenue to local and state government. Proximity to Metro stations enhances property values – and increases property taxes paid. If Governor McDonnell’s political gamesmanship of withholding \$50 million annually to modernize increasingly outdated equipment typifies the “partnership” of which Ms. Thelma Drake, his appointee to the NVTC, speaks, then we know that the economic engine of our region is better served by its current partnership with the NVTC.

On a hopeful note, as one who has been deeply disappointed in Metro's customer service operation, I see initial signs that under General Manager Richard Sarles, Metro is setting and adhering to high standards.

Finally, I close with an excerpt from a speech given in 1977 by Ronald Reagan:

When a conservative quotes Jefferson that government that is closest to the people is best, it is because he knows that Jefferson risked his life, his fortune and his sacred honor to make certain that what he and his fellow patriots learned from experience was not crushed by an ideology of empire.

Thank you for your dedication in the work you do.

Sincerely,

A handwritten signature in cursive script that reads "Dennis Jaffe". The signature is written in black ink and is positioned above the printed name.

Dennis Jaffe

October 04, 2010

Stacey Johnson
Press Secretary
(804) 786-2211

Governor's Commission on Government Reform & Restructuring Votes on Additional Proposals

– *****Today Approves ABC Privatization Plan; Expansion of Teleworking; Enhancement of "Virginia Business One Stop" Website***** –

Governor Addresses Meeting Before Reform Commission Submits First Interim Report with All Proposals on October 15th

Reform Commission Ongoing, Will Continue to Meet Throughout Governor's Term

RICHMOND - Governor Bob McDonnell's Commission on Government Reform & Restructuring voted today on a host of proposals designed to make Virginia's government smaller, simpler and more user-friendly. The votes took place during the Commission's final meeting before officially submitting their endorsed reform recommendations to the Governor on October 15th. The Governor addressed the Commission following the voting. Since its initial meeting in June, the Commission received over 1700 recommendations from members, state employees and citizens. Thus far, the Commission has approved approximately 90 of the recommendations to move forward through the legislative and administrative process. Today the Commission officially voted to approve proposals to privatize ABC; expand telework opportunities for state employees; improve the state's business one-stop practices; and several transportation reforms, including eliminating the Rail Advisory Board.

The official interim report to the governor on October 15th will specifically detail potential savings from all the reforms recommended by the Commission to date. Previous recommendations already endorsed by the Commission include a 4 day-10 hour work week for certain state agencies; better cataloging and disposal of under-utilized real estate; increasing budget transparency; the transfer of certain tax and non-tax fees that are currently not being collected by the Virginia Department of Taxation; and transforming the Virginia Department of Motor Vehicles (DMV) into one stop customer service centers.

Speaking to the Commission following the voting, Governor McDonnell remarked, "When I addressed this Commission in June, I charged you to develop bold, innovative solutions that will make government work more effectively and efficiently for its owners, the citizens of Virginia. You have exceeded expectations. The Commission has made sound recommendations like privatizing the state-run liquor monopoly, cataloging the Commonwealth's real property and assets, expanding options for four day, ten hour work weeks for some state agencies and teleworking for other state employees, and improving customer service for Virginians. I thank all the members of the Commission for your hard work; I am also grateful for the leadership and expertise shown by Chairman Malek. But, this is not the end. I know that there is still much work that can be done and I look forward to future recommendations from this Commission over the next three years."

Among the proposals endorsed by the Commission today:

- **Privatize ABC-** The Commission approved the staff recommendation to privatize ABC in Virginia, putting half a billion dollars into transportation by eliminating a state monopoly. For more details on this proposal please visit: <http://www.governor.virginia.gov/News/viewRelease.cfm?id=407>
- **Enhance Virginia's Business One Stop Practices-**Significantly enhance the "Virginia Business One Stop" website into a "First and Only Stop" by increasing the information, resources, and assistance available to Virginia entrepreneurs to ensure that truly only one stop is necessary to get a new business up and running with minimal delay.
- **Expand Teleworking Options-**allow state employees to work from alternative locations, such as their home when possible.
- **Transportation Proposals include:**
 - **Enact a Single Reporting Requirement-**Enable VDOT to submit one report covering all topics rather than multiple reports. This report would due to the Secretary of Transportation, General Assembly, and Governor by November 30th of each year. This change would lead to greater efficiencies through reducing the amount of staff time expended in preparing the various reports throughout the year.
 - **Allow Four Year Updates of the Statewide Transportation Plan-**Allow the Statewide Transportation Plan to be updated every four years to enable every Governor to implement his or her own policies and transportation goals upon taking office.
 - **Simplify Requests for Proposal Advertisements** -Utilize modern technology to streamline requests for proposal advertisements. Doing so would reduce the costs associated with advertising RFPs and would save time for state agencies. They would no longer have to wait until RFPs are advertised in the paper before proceeding further in the process, so long as notice for meetings are provided in conspicuous places either on their own websites and also the Commonwealth Calendar.
 - **Eliminate the Rail Advisory Board-**Due to its lack of authority to act in any capacity outside of its advisory role, the Rail Advisory Board should be eliminated. This elimination will lead to greater efficiency in the processes for decision making on rail issues, and will lead approximately \$10,000 in savings per year in staff time and board member expenses.

To learn more about other recommendations made by the Commission please see: <http://www.reform.virginia.gov/>

The proposals will now move forward through the legislative and administrative processes in the months ahead.

###



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Office of the Governor Robert F. McDonnell | © Commonwealth of Virginia 2010

Rick Taube

From: Requa, Jack [JRequa@wmata.com]
Sent: Thursday, October 07, 2010 11:58 AM
To: Kala Quintana; czimmerman@arlingtonva.us; marcel.acosta@ncpc.gov; catherine.hudgins@fairfaxcounty.gov; wmeuille@wdeuille.com; Rick Taube; Alfred Harf; Ginger Murphy; Hamre, James; Olson, Erhart Mark; Lynn Rivers; Dettman, Shane; Farbstein, Lisa
Cc: Sarles, Richard; Pant, Shiva K.; Green, Jennifer A.; Chambliss, Leenda M.
Subject: Pentagon Security Update

All:

Pentagon staff has provided the following update on the canopy installation on the south walkway:

The canopy over the south walkway will be installed this weekend. After it is up there will be a few follow up items that will be taken care of during the weeks that follow.

This installation is within the time frame originally provided by the Pentagon and should improve conditions as the inclement weather season begins.

Jack Requa

The chief of Public Transportation for the Virginia Department of Rail and Public Transportation (DRPT), Corey Hill joined DRPT in December 1997 after spending three years working for the Virginia Railway Express (VRE). While at DRPT he has held a number of positions, including acting director.

He currently leads DRPT's public transportation division, which is responsible for providing planning, technical and financial assistance to more than 300 transit providers, health and human service agencies, transportation demand management agencies, planning organizations and private employers across the state. His division is responsible for oversight of more than 1,000 grants through 16 fed-

eral and state programs worth approximately \$850 million.

Hill developed five new transit systems since becoming chief of public transportation and has advanced some of the largest projects in Virginia's history, including the \$5.5 billion Dulles Corridor Metrorail Project. He has also successfully completed \$60 million worth of planning studies.

His involvement in the broader transit industry includes being active with the American Public Transportation Association (APTA). He is a gradu-

ate of Leadership APTA in 2009 and serves on the APTA State Affairs Committee.

Hill holds a Bachelor of Science degree from James Madison University and a Master of Public Administration degree from George Mason University.

Hill is an avid scuba diver. He has had many close encounters around the world with some of the oceans most fascinating creatures, including humpback whales, sharks, moray eels, octopuses, sea turtles and lionfish.

Top
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Under
Forty



Corey W. Hill
Chief of Public
Transportation
Virginia Department of Rail
and Public Transportation

Years in Transit: 15

A graduate of Harvard and Stanford Law School, Sarah Kline became involved in transit in 2000 when she became the counsel for the U.S. Senate Committee on Banking, Housing and Urban Affairs. Kline also served as the lead Democratic Senate staffer on the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) of 2005.

In 2007 she successfully negotiated the inclusion of the Transit Security Grant Program (TSGP) in implementing the recommendations of the 9/11 Commission Act. Additionally, Kline spearheaded the congressional effort to establish the Paul S. Sarbanes Transit in the Parks Program, formerly Alternative Transportation in

Parks and Public Lands (ATPPL) Program.

Despite her commitment to national transit issues, Kline has also been involved in local projects, such as her work towards the passage of a provision allowing federal agencies to operate employee shuttles to and from transit stops. Most recently, as of 2008, she serves as the director of policy and government relations for the Washington Metropolitan Area Transit Authority

(WMATA), heading a staff of eight with responsibility for government relations with federal, state and local jurisdictions in the WMATA service area.

Kline often speaks at transit-related conferences and events in an effort to contribute to the success of transit programs nation-wide.

Kline started riding Montgomery County Maryland's Ride On buses in high school (and took up two seats: one for herself and one for her French horn). She is still a daily transit rider, though no longer a horn player.

Top
40
Under
Forty



Sarah Kline
Director, Policy and
Government Relations
Washington Metropolitan
Area Transit Authority

Years in Transit: 10

It couldn't have
gone to a more
deserving person.

Metro's Board of Directors, General Manager and all her colleagues congratulate Director of Policy and Government Relations Sarah Kline on being chosen as one of Mass Transit Magazine's Top 40 Under 40.





Agenda Item # 7

RECEIVED

OCT 6 7 2010

COMMONWEALTH of VIRGINIA

Department of Taxation

October 1, 2010

Mr. Scott Kalkwarf, CPA
Director of Finance and Administration
Northern Virginia Transportation Commission
4350 N. Fairfax Drive, Suite 720
Arlington, Virginia 22203

Dear Mr. Kalkwarf:

I would like to take this opportunity to thank you for taking the time to meet with us on September 7, 2010, to discuss the issues relating to NVTC and how we can best work together to ensure the proper tax is collected and distributed correctly to the localities.

In the short term, these will be the areas of focus:

- The motor fuels auditors will be reviewing the analytical schedules you provided, contacting several distributors to determine their process of allocation and reviewing the retailers they are selling to in each locality.
- The auditors will check the retailer's addresses to determine that distributions are being made to the correct locality.
- A meeting should be held at least every six weeks to review the status of the Motor Fuels program and to discuss any issues from the transportation committees.
- NVTC will secure from each of their localities a listing of retail businesses selling motor fuel registered with the locality.
- TAX will engage in two audits in an effort to begin our overall audit program.
- Monthly reviews of the distribution schedules will be done in a further effort to detect misallocation of locality distributions.

We look forward to working with you on the motor fuels program. Thank you for working with TAX on moving this program forward.

If you have any questions, please contact Dennis Akers at (703) 490-2664. I welcome any information that you would like to provide that may assist us in administering this program.

Sincerely,

James M. Mason
Director of Field Audit

cc: Richard C. Dotson, Assistant Tax Commissioner, Compliance



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