

MINUTES
NVTC COMMISSION MEETING – JUNE 2, 2011
NVTC CONFERENCE ROOM – ARLINGTON, VIRGINIA

The meeting of the Northern Virginia Transportation Commission was called to order by Chairman Euille at 8:08 P.M.

Members Present

Sharon Bulova
John Cook
Thelma Drake
Adam Ebbin
William D. Euille
Jay Fisette
Jeffrey Greenfield
Mark R. Herring
Catherine Hudgins
Mary Hynes
Jeffrey McKay
Thomas Rust
Paul Smedberg
Lawrence Webb (alternate, City of Falls Church)
Mary Margaret Whipple

Members Absent

Kelly Burk
Barbara Comstock
John Foust
Joe May
David F. Snyder
Christopher Zimmerman

Staff Present

Rhonda Gilchrest
Scott Kalkwarf
Greg McFarland
Adam McGavock
Rick Taube
Dale Zehner (VRE)

Minutes of the April 7, 2011 NVTC Meeting

On a motion by Mrs. Bulova and a second by Mr. Smedberg, the commission unanimously approved the minutes. The vote in favor was cast by commissioners Bulova, Cook, Drake, Ebbin, Euille, Fiset, Greenfield, Herring, Hudgins, Hynes, McKay, Rust, Smedberg, Webb and Whipple.

VRE Items

Report from the VRE Operations Board and VRE CEO. Mr. Zehner reported that average daily ridership for the month of May was 19,234, which is the fourth month with average daily ridership over 19,000. On-time performance was 92 percent systemwide for May (91 percent on the Fredericksburg line and 93 percent on the Manassas line). Twelve new locomotives have been delivered to VRE and by next week, all train sets will have a new locomotive. The new equipment has resulted in significant improvements to mechanical delays.

Mrs. Bulova announced that the VRE Strategic Planning Retreat is scheduled for July 29th. At that retreat the Operations Board will be looking at how to accommodate ridership growth, among other issues.

Approval of Funding for the Second Year of VRE's Operating and Maintenance Contract with Keolis Rail Services. Mrs. Bulova stated that the Operations Board recommends approval of Resolution #2170, which would authorize VRE's CEO to add \$17,954,527 to the contract with Keolis Rail Services for the second year of operating and maintenance services. The revised amount of the first year of the contract is \$20.5 million. Funding is available in VRE's approved FY 2012 budget.

Delegate Rust observed that the VRE Operations Board and VRE riders seem pleased with the Keolis service. He asked if VRE realized the anticipated cost savings when VRE switched the contract to Keolis Rail Services. Mr. Zehner replied that VRE did realize those savings, which are approximately \$1 million for the first year.

Mrs. Bulova moved, with a second by Mr. Smedberg, to approve Resolution #2170 (copy attached). The vote in favor was cast by commissioners Bulova, Cook, Drake, Ebbin, Euille, Fiset, Greenfield, Herring, Hudgins, Hynes, McKay, Rust, Smedberg, Webb and Whipple.

Metro Items

WMATA Governance Update. Mr. Taube stated that NVTC has received the draft WMATA By-Laws and comments are being accepted. Since local staffs have provided comments, which have already been incorporated by WMATA, they do not have any outstanding issues. Mrs. Hynes stated that the Code of Ethics has not been finalized and probably will not be on the same timeline as the By-Laws. She also

reported that WMATA is still waiting for the GAO report, which should be released by the end of June or early July.

Mrs. Hynes stated that one issue that would be good for discussion by NVTC commissioners is the role of alternates. Historically, NVTC has been careful to make sure that multiple voices are heard from all the Northern Virginia jurisdictions paying into the Metro system. Chairman Euille reported that Virginia's four WMATA Board members strongly defended the role of alternates. For the most part, it is also supported from the other members of the WMATA Board. Mrs. Hynes reviewed the current board structure and the role of principal and alternate members, as well as the committee structure. Mrs. Hudgins stated that it is important for alternates to be active participants so that they are knowledgeable about the issues. In response to a question from Delegate Rust, Mrs. Hynes stated that there are no issues of current principal members not showing up for meetings.

Mr. McKay noted that most of the work is done at the committee level and this prevents problems from arising at the WMATA Board meetings since the major discussions occur during the committee meetings. Therefore, it is a form of vetting and a form of empowerment for alternates. Mrs. Bulova stated that the current system is an inherently good structure for providing a vetting process. Mrs. Hynes stated that having alternates provides a way for jurisdictions to feel that their voice is being heard and she used Alexandria as an example. The city of Alexandria steps up and pays their Metro share and yet they have always been an alternate member. Mr. McKay agreed.

Mr. Cook stated that it is his understanding that some people believe that the WMATA Board structure ends up being parochial, where a member is just representing a particular jurisdiction and not acting in the overall best interest of the Metro system. From an outside perspective, he stated that WMATA needs people at the table committed to getting the system working right. That's more important than having more jurisdictions represented. This cultural change is important. Mr. McKay stated that he has not seen this happen from Virginia members who are appointed by NVTC. Problems arise when board members are directly appointed by an elected official or directly by a jurisdiction where they have to answer to whoever appointed them. Mrs. Hudgins stated that there needs to be a way to measure success by what gets accomplished.

Mr. McKay moved, with a second by Mrs. Hudgins, to authorize Chairman Euille to sign and send a letter providing comments on the By-Laws, including points raised during this discussion, especially support for the continuation of the role of alternates. Chairman Euille requested a friendly amendment to include the understanding that it is in compliance with the current Compact agreement. Mrs. Hynes noted that the current Compact defines an alternate but is silent on committee involvement. Mr. McKay accepted the friendly amendment.

In response to a question from Mr. Fisette, Mrs. Hynes stated that she would be happy to submit NVTC's wording and grammatical changes directly to WMATA staff so that they don't need to be incorporated into the letter.

The commission then voted on the motion and it passed. The vote in favor was cast by commissioners Bulova, Cook, Ebbin, Euille, Fisette, Greenfield, Herring, Hudgins, Hynes, McKay, Rust, Smedberg, Webb and Whipple. Mrs. Drake abstained.

May Vital Signs Report. Mr. Fisette asked how Metro ridership compares to previous budget ridership projections. Mrs. Hudgins responded that they are lower than projected but they have recently been trending upward. Delegate Rust asked if the 80 percent target for bus on-time performance is an industry average. Mrs. Hudgins stated that it is lower than the industry average, but WMATA wants to be realistic with the true reflection of bus running times in this heavily congested region.

In response to a question from Mrs. Drake, Mrs. Hudgins stated that WMATA is expected to spend 50 percent of budgeted capital funds and is taking steps to process projects faster. Two significant improvements included increased hiring of project managers as well as an expenditure system versus an obligation system. Mrs. Hynes stated that 85 percent is encumbered and it is her understanding that by the end of the next fiscal year Metro will have spent all the funds.

Mr. Smedberg noted that it has been about six months since Mr. Sarles, WMATA's General Manager, has briefed NVTC on Metro issues. Mr. Smedberg encouraged NVTC to invite Mr. Sarles for another briefing in September or October.

FY 2012 Budget. Mrs. Hudgins stated that the WMATA Board is scheduled to approve the budget on June 23rd. The budget includes no fare increase and basically no service cuts.

Proposed Amendment to NVTC's Subsidy Allocation Process

Mr. Taube explained that NVTC staff has discussed with jurisdictional staff the consequences of one or more jurisdiction(s) failing to proceed with a major project for which costs have been included in NVTC's Subsidy Allocation Model (SAM). Because NVTC's WMATA jurisdictions share state aid using a formula (known as SAM), when such a project is discontinued, the result is two-fold: a loss of state revenue and an unfair allocation of remaining revenue among the jurisdictions. This is because such costs are used to determine each jurisdiction's share; the greater the relative budgeted costs the larger the share. Further, if the jurisdiction later reapplies for state aid for the same project, it again gets a boosted share for the same spending it previously promised but didn't deliver. This has rarely been a problem, but the potential consequences are large. For example, if one jurisdiction deobligated a \$1 million project five years after including it in SAM without incurring costs for the project during that period, another jurisdictions could lose up to \$186,000 in reduced allocations of NVTC state aid.

Mr. Taube stated that to resolve this issue, staff is proposing an amendment to NVTC's SAM. The change would clarify that if a jurisdiction discontinues a project for which it was credited in SAM so that expected state revenue is not received and that jurisdiction's share was higher than it otherwise would be, the gain it realized will be recaptured. This will occur by reversing the costs of the project included in SAM over the same period for which the costs were included.

Mr. Taube explained that Resolution #2171A would add a new whereas clause and resolved clause #16 in NVTC's complex subsidy allocation resolution to accomplish the desired changes. A few other strictly editorial changes have been made to the proposed resolution that do not affect the allocation process.

Mrs. Bulova moved, with a second by Mr. Fisetto, to approve Resolution #2171A. (A copy of the resolution is attached.) The vote in favor was cast by commissioners Bulova, Cook, Drake, Ebbin, Euille, Fisetto, Greenfield, Herring, Hudgins, Hynes, McKay, Rust, Smedberg, Webb and Whipple.

Study on the Pentagon Transit Center's Bus Bays and WMATA's Negotiations for a Memorandum of Understanding Governing Access

Mr. Taube reported that Pentagon officials have commissioned and requested comments on a report by Battelle on the use of bus bays at the congested Pentagon Transit Center. This issue is one of many being negotiated by WMATA and the Department of Defense regarding ownership of and access to the Pentagon Transit Center. The study concluded that the five bus bays closest to the Transit Center should be converted to exclusive use by DOD shuttles.

Mr. Taube explained that a letter has been prepared for commission discussion. The separate transit systems serving NVTC's jurisdictions are also expected to send comments, and staff has been coordinating comments to ensure that they are consistent. NVTC's letter points out that the hours of study were artificially construed in order to compute an average usage on various bus bays. During peak periods there are many transit buses, but the way it was computed it looks as if the bus bays are underutilized. The study consultants also assumed that buses could arrive, unload passengers and reload new passengers within three minutes. This is unrealistic. NVTC staff recalculated these assumptions with more realistic data from an objective industry report and found different results. Some of the bus bays are over capacity during peak periods.

Mr. Taube stated that PRTC's Executive Director, Al Harf, had a discussion with Lisa Passagaluppi from the Department of Defense, and she has agreed to take a closer look at the study and gather real data in the next few months.

Mr. McKay moved, with a second by Mr. Smedberg, to authorize Chairman Euille to sign and send the letter. The vote in favor was cast by commissioners Bulova, Cook, Drake, Ebbin, Euille, Fisetto, Greenfield, Herring, Hudgins, Hynes, McKay, Rust, Smedberg, Webb and Whipple.

Overview of Transit Technology Development Trends

Mr. McGavock stated that there appears to be a trend toward development of applications by third-party specialists using open architecture, as opposed to each transit system paying to develop its own proprietary system. Currently, there are 39 applications for this region showing transit schedules and real-time arrivals that can be downloaded onto hand-held devices, such as smart phones, I-Pads, etc. Also, data produced by such systems are being shared regionally in the Regionally Integrated Transportation Information System (RITIS). Mr. McGavock stated that the key is to get as many of the local transit systems as possible to send their data to RITIS. Once enough systems have done that, developers will create even more applications.

Virginia Department of Taxation's Administration of NVTC's Motor Fuels Tax

Mr. Taube announced that there have been several favorable developments. The Virginia Department of Taxation (TAX) is apparently ready to offer the new audit position to a person experienced with the NVTC/PRTC tax so that TAX should be better able to maintain its audit schedule. Currently about 15 audits are underway and more adjustments are anticipated by June 30, 2011. It takes up to nine months to schedule audits with large taxpayers located out of state. There are reportedly over 100 distributors, although some are affiliated.

Mr. Taube stated that NVTC staff has prepared data demonstrating to TAX that misallocations have occurred after the new tax went into effect in January, 2010, when the collection of the two percent retail tax shifted to a 2.1 percent tax paid by distributors. After the change, the relationship of the individual jurisdictions to the NVTC total changed dramatically for some. For example, Falls Church, Alexandria and the city of Fairfax appear to be disproportionately better off, while Fairfax County is worse off and Arlington and Loudoun County are relatively unchanged.

Mr. Fisette stated that it seems like things are turning around and progress is being made. Mr. Taube agreed and noted that changes are happening incrementally. In response to a question from Mrs. Hynes, Mr. Taube stated that staff has not noticed any fall-off in overall tax revenue since the change went into effect in January, 2010.

Regional Transportation Items

BRAC Items. Mr. McKay reminded commissioners that NVTC sent a letter to the Federal Highway Administration expressing concern about the Environmental Assessment (EA) for the HOV/transit access ramp connecting to the BRAC-133 facility/Mark Center at Seminary Road and I-395. An EA would result in an 18-month delay in project completion while the roads are impacted by traffic from the 6,400 new employees at the facility beginning September, 2011. Mr. McKay observed that according to the letter from USDOT a whole year has been taken off the schedule. NVTC should continue to monitor this project. It is important to hold them to their timeline so that people can use HOV to get to this facility.

Mrs. Bulova stated that after attending some recent meetings, it may not be as bleak as projected. NVTC should still monitor this. Mr. Smedberg noted that one of the key components to an Environmental Assessment (EA) is a public hearing process and he expressed his concern that if the schedule has been reduced that it is not at the expense of the public process.

Dulles Rail Project. Senator Herring expressed his concerns over the escalating costs of the Dulles Rail project. NVTC should be a part of the discussions concerning this. Mrs. Bulova stated that the Phase II original estimate was \$2.5 billion (without any engineering) and now the project is expected to be \$1 billion over that. The Metropolitan Washington Airports Authority needs to get costs down. The current conflict is the MWAA mandate to have an underground Metrorail station at the airport. U.S. Secretary of Transportation LaHood has stepped in to mediate. MWAA wants an underground station and the local jurisdictions (Fairfax and Loudoun Counties, as well the Commonwealth of Virginia) want a less expensive above ground station. The new \$3.5 billion project estimate is too high and it needs to be closer to the original estimate. NVTC should monitor this issue. Mrs. Bulova suggested that NVTC be briefed after the 30-day process to reach an agreement to the overall cost. Chairman Euille suggested NVTC wait before weighing in on the issue. Mrs. Hudgins stated that the discussion needs to return to what is the project that all partners can agree to. She agreed that NVTC should wait to comment. Mrs. Drake agreed that all the partners need to be at the table for the discussion and to make decisions.

Mr. Fisetto stated that it is important to look at the effectiveness of the system. Value engineering is still needed in order to accomplish the goals. He implored those involved to not be short sighted but to look at the project from a long-term perspective. Mrs. Hudgins noted that MWAA sees no economic value in a transit center and doesn't identify itself as part of transit. Mr. Cook stated that it is not just cost as a number, but there needs to be a way to pay for it. From Fairfax County's perspective, the county does not have a way to pay its share of a \$3.5-\$4 billion project. The county does not have the debt capacity to do so. It is not a lack of desire for the station but it is a cost issue if the estimate is not substantially reduced. The viability of the project is tied to getting the costs down.

Brookings Institution Report on Transit and Jobs. The Brookings Institution study is entitled "Missed Opportunity: Transit and Jobs in Metropolitan America" and attempts to examine the effectiveness of transit in connecting people with jobs in metropolitan areas. According to the report, the Washington Metropolitan area's transit systems are 17th best in the United States based on linking residents to jobs.

New Transportation Corridor of Statewide Significance. The Commonwealth Transportation Board (CTB) has designated a new Northern Virginia North-South "Corridor of Statewide Significance" connecting Route 7 in Loudoun County and I-95 and Route 1 in Prince William County.

NVTC's Financial Items for April, 2010

Commissioners were provided with the financial report and there were no questions or comments.

Adjournment

On a motion by Mr. Greenfield and a second by Mrs. Hynes, the commission unanimously agreed to adjourn. Chairman Euille adjourned the meeting at 9:36 P.M.

Approved this seventh day of July, 2011.

William D. Euille
Chairman

Jeffrey McKay
Secretary-Treasurer