Northern Virginia Transportation Commission

NVTC COMMISSION MEETING

THURSDAY, JUNE 7, 2012
MAIN FLOOR CONFERENCE ROOM
2300 Wilson Blvd.
Arlington, VA 22201
8:00 PM

NOTE: NVTC's Executive Committee meets at 7:30 P.M.
Dinner is also available at that time.

AGENDA

1. **Oath of Office for New NVTC Commissioners.**

   Senator Richard Black (R-13th) and Delegate David Ramadan (R-87th) have been appointed to fill vacancies on NVTC.

   Recommended Action: Chairman Fisette will administer the oath of office.

2. **Minutes of the NVTC Meeting of May 3, 2012.**

   Recommended Action: Approval.

3. **VRE Items.**

   Report from the VRE Operations Board and Chief Executive Officer.

   Information Item.

4. **Transit Alternatives Analysis in the Route 7 Corridor (Alexandria to Tysons Corner).**

   NVTC staff has been asked by the Federal Transit Administration to proceed with the grant application.

   Recommended Action: Approve Resolution #2192 authorizing staff to apply for the $350,000 federal Alternatives Analysis grant.

5. NVTC Communication Plan.

The plan requires the active participation of NVTC's board members throughout the remainder of the year.

Recommended Action: Review material on messages, strategies, tactics and budgets and provide direction to staff.

6. DRPT Decision to By-Pass NVTC in Providing State Transit Assistance.

On May 15th DRPT announced its decision to send state transit assistance directly to WMATA and NVTC's jurisdictions. NVTC, its jurisdictions and WMATA initially were given 10 days to agree in order to receive funding for FY 2013, with the deadline subsequently extended to June 4th. DRPT's Director has been invited to attend NVTC's meeting to exchange information.

Recommended Action: Advise staff how to proceed.

7. Virginia Vanpool Incentive Program.

The commission will be asked to discuss a memorandum of understanding and a resolution authorizing implementation of the project for action on July 5th.

Discussion Item.

8. I-66 Multi-Modal Study (Inside the Beltway).

Staff comments were submitted to meet the May 22nd deadline. Commissioners will be briefed on the final report at NVTC's July 5th meeting.

Information Item.

9. Legislative Items.

A. State Legislative Update.
B. Federal Legislative Update.
C. Northern Virginia Transportation/Planning Agency Efficiency and Consolidation Study.

Information Item.

10. WMATA Items.

A. NVTC's WMATA Board Members' Report.
B. Vital Signs/WMATA Dashboard.
C. Washington Post Statewide Poll on the Dulles Metrorail Extension and Transportation Funding.

Information Item.

11. Regional Transportation Items.

A. SJR 297 Study.
B. Regional Household Travel Survey.
C. Region Forward.

Information Item.

12. NVTC Correspondence.

A. NVTC Letter to CTB Regarding the Draft Six-Year Improvement Program.
B. NVTC Letter to DMV Regarding NVTC's 2.1% Motor Fuels Tax.
C. Letter to NVTC from the Virginia Department of Taxation.

Information Item.

13. NVTC's Public Outreach.

Each month NVTC staff will provide examples of the commission's public outreach activities.

Information Item.

14. NVTC Financial Items for April, 2012.

Information Item.

Northern Virginia Transportation Commission

AGENDA ITEM #1

TO: Chairman Fisette and NVTC Commissioners

FROM: Rick Taube

DATE: May 21, 2012

SUBJECT: Oath of Office for New NVTC Commissioners

Senator Richard Black (R-13th) and Delegate David Ramadan (R-87th) have been appointed to fill vacancies on NVTC. Their districts include parts of Loudoun and Prince William counties.

Chairman Fisette will administer the following oath:

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

Northern Virginia Transportation Commission

AGENDA ITEM #2

MINUTES
NVTC COMMISSION MEETING – MAY 3, 2012
NVTC CONFERENCE ROOM – ARLINGTON, VIRGINIA

The meeting of the Northern Virginia Transportation Commission was called to order by Chairman Fisette at 8:05 P.M.

Members Present
Sharon Bulova
Barbara Comstock
John Cook
James Dyke
Jay Fisette
John Foust
Mark R. Herring
Catherine Hudgins
Mary Hynes
Jeffrey McKay
Thomas Rust
Paul Smedberg
David F. Snyder
Christopher Zimmerman

Members Absent
William D. Euille
Jeffrey Greenfield
Joe May
Ken Reid

Staff Present
Mariela Garcia-Colberg
Rhonda Gilchrest
Claire Gron
Scott Kalkwarf
Stephen MacIsaac (VRE)
Kala Quintana
Rick Taube

Minutes of the April 5, 2012 Meeting

Mr. Smedberg moved, with a second by Mrs. Bulova, to approve the minutes. The vote in favor was cast by commissioners Bulova, Comstock, Cook, Dyke, Fisette, Foust, Herring, Hudgins, Hynes, McKay, Rust, Smedberg and Snyder.

VRE Items

Report from the VRE Operations Board and Chief Executive Officer. Mrs. Bulova reported that the average daily ridership (ADR) for the month of March was 19,171, which is a slight drop as compared to previous months. March 2012 ADR was two percent lower than last March 2011. However, year-to-date ridership nine months into the fiscal year is still 7.9 percent higher than last year. Also, there were three days in March when ridership reached over 20,000.

PRTC/VRE Personnel Policy Amendments. Mrs. Bulova explained that three amendments to the PRTC/VRE Personnel Policy are being recommended for approval by PRTC. Because VRE staff members are PRTC employees, NVTC is not required to act on these changes. The three amendments would: 1) Modify the pay scale to create three higher classifications comparable to Fairfax and Prince William counties; 2) Increase to $500 from $250 the maximum award bonuses at the discretion of the VRE CEO; and 3) Allow a current employee to begin a new job with VRE at the same level as an outside candidate could start, even if the resulting salary increase exceeds the current limit, but only after notification to VRE's chairman. Mrs. Bulova explained that amendment #3 would no longer disadvantage current employees seeking promotions.

Third Year of Keolis's Contract. Mrs. Bulova stated that the VRE Operations Board recommends approval of Resolution #2189, which would approve a contract modification with Keolis Rail Services Virginia to provide an additional $18,008,591 to fund the third year of that firm's VRE operations and maintenance. The total contract value would be increased to $56,507,466. Funds are available in VRE's approved budget. The resolution would also authorize several administrative changes to the contract, the exact language of which will be approved by VRE's legal counsel.

Mrs. Bulova moved, with a second by Mr. Smedberg, to approve Resolution #2189 (copy attached). The vote in favor was cast by commissioners Bulova, Comstock, Cook, Dyke, Fisette, Foust, Herring, Hudgins, Hynes, McKay, Rust, Smedberg and Snyder.

Delegate Rust observed that VRE has experienced great ridership growth and he asked what VRE's maximum capacity is and whether VRE is looking ahead to long range planning to accommodate future growth. Mrs. Bulova responded that VRE continues to address ridership growth. VRE has replaced older railcars with bi-level railcars and the new locomotives can pull longer train consists. Platforms have been extended to accommodate longer trains. VRE is also looking at other solutions, such as express service, as part of its long range planning. Mr. Cook stated that VRE will reach its capacity ceiling soon; however, it will take a substantial amount of funding to really grow the system. In response to a question from Chairman Fisette, Mrs. Bulova estimated that maximum capacity is between 24,000 – 25,000 daily trips. Mr. Taube noted that there is a peaking issue where some of the trains are over capacity while other trains are not full. He questioned whether there could be some kind of fare incentive to get riders to use the under-utilized trains.

Mrs. Hynes asked about the feasibility of running reverse commute service for BRAC employees to get them to Fort Belvoir and Quantico. Mr. Cook responded that the problem is other rail traffic during the day.

Local Match for Transit Alternatives Analysis in the Route 7 Corridor (Alexandria to Tysons Corner)

Mr. Taube stated that NVTC has agreed to obtain the $350,000 federal grant money and manage the project for this alternatives analysis of high-capacity transit. Non-federal matching funds of $87,500 are required and DRPT has accepted NVTC's request to provide half of that amount. NVTC jurisdictions (Alexandria, Arlington, Fairfax County and Falls Church) have been asked to share in providing any required non-federal match up to $10,937.50 each. Staff of each jurisdiction has provided written assurance that they will provide these funds, but in order to expedite the transfer, staff has suggested that the commission act to authorize a one-time transfer of funds off-the-top of incoming state aid (before it is allocated using NVTC's Subsidy Allocation Model) from the portion attributable to these four jurisdictions, unless a jurisdiction intends to provide its share from another source. Resolution #2190 would accomplish this.

Mr. Snyder moved, with a second by Mr. Dyke, to approve the resolution. The vote in favor was cast by commissioners Bulova, Comstock, Cook, Dyke, Fisette, Foust, Herring, Hudgins, Hynes, McKay, Rust, Smedberg and Snyder.

Authorization to Apply for a Federal Grant for Alexandria

Mr. Taube stated that as a service to its jurisdictions, NVTC staff applies for and manages federal grants when requested. Alexandria has asked NVTC to apply for a $1 million grant (including non-federal match) to fund transit improvements in Potomac Yard. Specifically, the grant will provide for an environmental evaluation, coordinating and conducting public hearings, and preparing concept sketches and engineering estimates for a new Metrorail station. Mr. Taube stated that the grant has already been approved. Resolution #2191 would authorize NVTC staff to apply for the grant and includes the standard protective language included each time the commission takes such action. Mr. Taube explained that the resolution was corrected to reflect that the funds being requested are from STP funds and not CMAQ funds.

Mr. Smedberg moved, with a second by Mrs. Hynes, to approve the resolution (copy attached). The vote in favor was cast by commissioners Bulova, Comstock, Cook, Dyke, Fisette, Foust, Herring, Hudgins, Hynes, McKay, Rust, Smedberg and Snyder.

NVTC Communications Plan

Chairman Fisette stated that the commission is asked to consider revised messages for target audiences to achieve goals of the plan and provide further direction to staff. Mr. Taube stated that the Commonwealth Transportation Board (CTB) has scheduled a public hearing tonight on its draft six-year program and whatever messages NVTC develops at this meeting can be incorporated into a set of written comments to be provided to CTB.

Mr. Foust stated that he likes that the suggested messages are directed at the business community. He noted that “inevitable” is not a user friendly word.

Mr. Zimmerman arrived and joined the discussion at 8:27 P.M.

Mrs. Hynes stated that it is a challenge to capture people’s imagination and suggested conveying a message of “Life without Transit.” WMATA has already compiled data of what would happen if the Metro system disappeared and NVTC could incorporate some of this data into its message. Delegate Comstock stated that the public does not believe that it will disappear. Mrs. Hynes responded that the system will break down without proper funding and maintenance. Delegate Comstock suggested refining the idea to what happens to the region if transit is lost for a day. She also asked if there are comparisons that can be made between WMATA and other transit systems across the country, in areas of wages, savings, improvements, usage, etc. Mr. Zimmerman stated that there are such statistics available. WMATA ranks second in the nation for delivering the most people but would be ranked lower in the level of investments made in the Metro system. Chairman Fisette stated that it could be a message that the region is spending taxpayers’ money wisely.

Mr. Cook expressed his opinion that there cannot be one single message. It depends on the target audience. It is important to convince people to use transit because of quality of life issues, cost savings, more reliable service, etc. For the general public it is important to show how much traffic is taken off the roads and how that personally affects them. For elected officials, the message should be related to policy issues. He suggested developing 4-5 target audiences with individual stated goals. Mr. Snyder agreed that the message should be audience specific. He observed that many young people use the Metro system. He suggested conducting a survey (or using existing survey results) to be able to give an economic message, including the real costs of commuting by automobile.

Chairman Fisette asked for input from NVTC’s General Assembly members. Delegate Rust stated that it is important to educate the general public and then urge them to talk with their General Assembly members. Senator Herring observed that there is a perception that Northern Virginia can afford everything and the region does not need help from Richmond. Mrs. Hudgins agreed that it is important to educate the public. A survey may be a good idea. She agreed that a day without transit would be a good message.

Mrs. Hynes stated that it is important to communicate the message to other agencies, such as VML, VACO, VTA, etc., so they also see the need for more funding and to becomes advocates alongside NVTC. Mr. Dyke stated that it is also important to communicate the message to business groups in other areas of the state. On the flip side, it is important for this region to understand their issues in order to build better relationships.

Mr. Foust stated that he likes the use of the word “imagine,” such as to imagine a world without congestion. Mr. McKay stated that the younger generation focuses on environmental sustainability so it is important to not underestimate the environmental benefits of transit. Mrs. Bulova also observed that there are time savings associated with commuting. VRE service is attractive to riders because they can use their time efficiently and work while they commute. Mrs. Hynes noted that this why the Loudoun County Transit service is so successful.

Chairman Fisette stated that a picture is worth a thousand words. NVTC may need a professional consultant or focus groups to help craft the message. Mrs. Hynes suggested NVTC glean information from the focus groups already conducted by WMATA and the Mobility Lab in Arlington. She also suggested having a contest to get public participation. Delegate Comstock suggested using social media to reach out to the public.

Chairman Fisette suggested that this topic be discussed again at next month’s meeting.

Preliminary State Aid for Transit in FY 2013

Chairman Fisette directed staff to use creativity in the CTB testimony based on the last agenda item discussion. Mr. Taube reported that DRPT has recommended the allocation of state transit assistance for FY 2013 and CTB has included recommendations in its preliminary Six-Year Improvement Program. After considering public comments, CTB will adopt its final program in June, 2012. Mr. Taube stated that the Northern Virginia region will be receiving 86.3 percent of total state transit assistance in FY 2013. He asked if it is counterproductive to continue to point out statewide shortfalls of the 95 percent target established for transit assistance. Mrs. Hynes suggested another way to present it would be to show what the region could do with every additional $10 million. Mr. Dyke agreed that it is important to craft the message differently.

Legislative Items

State Legislative Update. Mr. Taube reported that a budget was approved with an additional $9.9 million for transit operating assistance statewide. Governor McDonnell is expected to offer any of his amendments to the budget with a General Assembly session to consider any such amendments to be held on May 14th. Senator Herring asked staff to inform NVTC’s General Assembly members of any changes prior to the special session.

Federal Legislative Update. Mr. Taube reported that the APTA legislative summary describes the action by the House of Representatives to approve a “skeleton” multi-year surface transportation authorization bill for the purpose of permitting a conference committee to begin work. The Senate version includes increased expenditures and restoring the monthly tax-free transit benefit to $240.

Study of Northern Virginia Transportation/Planning Agency Efficiency and Consolidation. Chairman Fisette reported that Chairs and Vice-Chairs of NVTC, PRTC, NVRC and NVTA were invited to a meeting (open to the public) to discuss how to proceed with the study requested by the Northern Virginia General Assembly Delegation. The meeting was held on May 2nd at NVRC. Chairman Fisette provided highlights of the meeting. He stated that the issue of hiring a consultant is still unresolved. Since there is a great deal of work to be done, it was decided to request an extension until mid-November to allow the issues to be fully vetted. He asked the General Assembly members about their views on an extension. Delegate Rust stated that he would support the extension.

Mr. Smedberg reported that there was a philosophical discussion of what constitutes this “region.” It was suggested at the meeting that representatives of the McDonnell Administration be asked to attend a meeting and share their goals of a consolidation as well as a Northern Virginia MPO. Delegate Rust observed that other regional planning boards in the Commonwealth have comprehensive transportation planning. Mr. Zimmerman stated that this region is unique because it also encompasses Maryland and the District of Columbia. Mrs. Bulova observed that NVTA serves as a sub MPO. Mrs. Hudgins stated that there are no cross jurisdictional issues in Hampton Roads and therefore, its MPO functions differently than it would in this region.

WMATA Items

Mrs. Hudgins stated that the WMATA has engaged in discussions with Loudoun County. A 30-day extension has been granted for the “opt-out” piece since there are still outstanding questions that need to be answered.

Regional Transportation Items

Transportation Demand Management Information Sharing Session. Mr. Taube reported that on March 30th TDM agency representatives met at PRTC to review best practices. Those agencies represented include GW Ride Connect, Rappahannock and Rapidan Regional Commission, Loudoun County, Fairfax County’s Ridersources, Dulles Area Transportation Association, DRPT, Alexandria, PRTC and NVTC.

Mrs. Hudgins left the meeting at 9:39 P.M. and did not return.

Fairfax Countywide 2050 Transit Network Study. Fairfax County’s DOT has begun its study with the goal of developing a long-range network of high quality transit corridors to accommodate economic growth. Modes and station locations will be developed for each corridor, as well as rights-of-way impacts, ridership, costs and revenue estimates. An initial on-line survey of residents will gather input on existing travel conditions and types of transit expansion of greatest value. The work will take 18 months to be completed in the summer of 2013.

Virginia Transit Association Conference. Mr. Taube reminded commissioners that VTA's annual conference will be held in Tysons Corner on May 17-18, 2012. Sharon Bulova will receive VTA's 2012 Public Official of the Year award.

SuperNova Transit/TDM Plan. A stakeholders meeting was held on April 25th in Arlington and a series of public meetings will occur in May, including one such meeting in NVTC's Navy League building on May 24th at 6:30 P.M. At the stakeholders meeting the consultants provided a summary of the progress of the study and reported on feedback received at earlier public meetings and from on-line surveys. Group discussions then occurred regarding big and innovative ideas for improving transit and TDM, assuming sufficient funds were available.

I-66 Multi-Modal Study (Inside the Beltway). Mr. Taube reported that VDOT and DRPT's study, to identify multi-modal solutions to reduce congestion in the I-66 corridor between I-495 and the Theodore Roosevelt Bridge, commenced in July 2011. The consulting team, with the assistance of the Participating Agency Representatives Committee (PARC) developed and evaluated 11 mobility options. The team has identified four packages of mobility options which it will continue to study. All proposed packages assume planned changes to HOV restrictions identified in MWCOG/TPB's 2040 National Capitol Region Long Range Transportation Plan (CLRP), including HOT Lanes on I-95 and I-495 and HOT 3+ for I-66 and the Dulles Toll Road. In response to a question from Mr. Snyder, Mr. Taube stated that NVTC has not commented on the study. Staff is continuing to monitor it.

Capital BikeShare. Arlington County and the District Department of Transportation (DDOT) launched Capital BikeShare (CaBi) in September 2010. CaBi provides members access to bicycles for short-term use. Users must purchase an annual or casual membership in order to use the service. Membership fees range from $7 for a 24-hour membership to $75 for an annual membership. The first 30 minutes are free and then users are charged a usage fee. Members may use an available bicycle at any station in the system, and may return it to any station. Stations are currently located in the District and Arlington, and will be expanding to Alexandria later this year. In its first year of operations, CaBi registered 101,118 new members who logged 922,065 trips.

I-95 Express Lanes Transit/TDM Transportation Management Plan. VDOT is currently in the process of preparing a draft Transportation Management Plan (TMP) for the I-95 HOT (Express) Lanes project. The TMP will ensure that travelers, residents, and businesses are informed and the impacts of construction activities are mitigated in the corridor. The TMP Working Group is concentrating on transit and TDM strategies that can be implemented during the period of construction.

NVTC Correspondence

Letters to NVTC from Mr. Tennyson. Mr. Taube directed the commissioners' attention to the letter received by Mr. Tennyson taking issue with several of WMATA's estimates contained in Making the Case for Transit. He finds annual cash benefits from Metrorail of $6.5 billion, including a $3 billion savings on fuel and $3 billion from greater property tax receipts. Another letter from Mr. Tennyson provides further information about the relative performance of Bus Rapid Transit and passenger rail projects.

NVTC Letter to TAX and DMV. Mr. Taube reported that NVTC received a response from the Department of Motor Vehicles (DMV). The letter points out that DMV does not assume responsibility for administering the motor fuels tax on behalf of NVTC and PRTC until July 1, 2013. However, DMV Commissioner Holcomb stated that the department is committed to work with the commissions to develop a program that will assure the region's tax dollars are protected. He promised to convene a meeting to discuss the transition. No reply from the Department of Taxation has been received.

Letter from the Federal Railroad Administration. At the request of DRPT, NVTC wrote to FRA asking to shift a grant to FTA as a means to end an impasse over release of the funds for improvements that would benefit VRE. FRA's Administrator Szabo has responded negatively.

NVTC's Public Outreach

Commissioners had no questions on the report provided.

NVTC Financial Items for March, 2012

The financial reports were provided to commissioners and there were no questions.

Adjournment

Without objection, Chairman Fisette adjourned the meeting at 9:44 P.M.

Approved this 7th day of June, 2012.

Jay Fisette
Chairman

Paul C. Smedberg
Secretary-Treasurer

AGENDA ITEM #3

TO: Chairman Fisette and NVTC Commissioners

FROM: Rick Taube

DATE: May 31, 2012

SUBJECT: VRE Items

A copy of the VRE Operations Board minutes is attached for your information from the May 18th meeting. Also, excerpts from the VRE CEO's report are included. There are no action items this month.

2300 Wilson Boulevard • Suite 620 • Arlington, Virginia 22201
Tel (703) 524-3322 • Fax (703) 524-1756 • TDD (800) 828-1120
E-mail nvtc@nvtdc.org • Website www.thinkoutsidethecar.org

Virginia Railway Express

CHIEF EXECUTIVE OFFICER'S REPORT

May 2012

MONTHLY DELAY SUMMARY

	January	February	March	April
System wide				
Total delays	10	21	17	15
Average length of delay (mins.)	15	19	23	34
Number over 30 minutes	1	3	2	6
Days with Heat Restrictions/Total days	0/20	0/20	1/22	1/21
On-Time Performance	98.3%	96.5%	97.4%	97.6%
Fredericksburg Line				
Total delays	7	7	10	6
Average length of delay (mins.)	15	16	29	24
Number over 30 minutes	1	0	2	2
On-Time Performance	97.5%	97.5%	96.8%	98.0%
Manassas Line				
Total delays	3	14	7	9
Average length of delay (mins.)	16	21	14	45
Number over 30 minutes	0	3	0	4
On-Time Performance	99.1%	95.6%	98.01%	97.3%

SYSTEM RIDERSHIP

The average daily ridership (ADR) for April was 19,057; a slight drop as compared to previous months. April 2012 ADR was 1.3% lower than last April 2011, with 250 less trips per day. That said, year-to-date ridership ten months into the year is still 6.9% higher than last year. There were also seven out of twenty-one days with ridership over 20,000 in April and one day registering in the top ten, the first since January 2012. The top ten ridership days are below:

1	April 12, 2011	21,496
2	March 23, 2011	21,136
3	December 6, 2011	20,953
4	April 17, 2012	20,914
5	December 14, 2011	20,853
6	December 1, 2011	20,824
7	April 13, 2011	20,803
8	May 10, 2011	20,803
9	April 6, 2011	20,791
10	October 25, 2011	20,789

While we are no longer posting record ridership numbers month after month, a spring drop in ridership is consistent with years past. We are watching ridership trends closely to see if the reduction in commuter benefits and/or overcrowding are having an impact.

ON-TIME PERFORMANCE

During the month of April, 630 trains operated with only 15 delays. In addition, we achieved fifteen days of 100% on-time performance (OTP). System wide OTP was 97.62% in April. The Fredericksburg line saw 97.96% OTP, which broke the previous record of 97.86% set in October 2011, and the Manassas line saw 97.32% OTP. April is the seventh straight month of 95% OTP or better. Only one month this fiscal year (September) saw OTP less than 92%.

GAINESVILLE-HAYMARKET

VRE counsel is reviewing the revised agreement for Gainesville-Haymarket. The award of the consultant contract for environmental review and preliminary engineering is pending the execution of this agreement.

CUSTOMER SERVICE SURVEY

On May 9th VRE conducted the Annual Customer Service survey on all morning trains. This survey measures VRE service and crew performance and is compared to the results of years past. Staff were on board all trains to collect surveys and answer any questions. Results will be available this fall.

MANASSAS RAILWAY FESTIVAL

The 18th Annual Manassas Railway Festival will be held on Saturday, June 2 from 10:00 AM - 4:00 PM. Festival attendees can enjoy model train displays, live music, performances by community groups, vendors specializing in train memorabilia, and an excursion on VRE. Train tickets for rides to Clifton and back will be available at the Manassas Train Depot and cost $5. Train times are: 10:00AM, 11:00AM, 12:00PM, and 1:00PM.

SUMMONS OVERVIEW

In April, there were 91 cases of fare evasion that were brought before the court. Details are provided below:

Outcome	Occurrences	Fine	Court Costs
Continued	5		
Guilty with reduced fine	0	$50	$91
Prepaid	13	$100	$91
Guilty	12	$100	$91
Guilty in absentia	16	$100	$116
Dismissed	15	0	0
Dismissed	3	0	$91
Dismissed due to passenger Is under 18 years of age	0	0	0
Waived with Proof of Monthly Ticket	24		
Waived due to defective ticket	3		
Waived because of validation	0		

MEET THE MANAGEMENT

The annual "Meet the Management" program began at Union Station on April 4. Comments to date have been very positive. Board members are welcome to attend any of the events. The remaining schedule is provided below.

May 23	Broad Run, all morning trains
May 30	Leeland Road, all morning trains
June 6	Manassas, all morning trains
June 13	Brooke, all morning trains
June 20	Manassas Park, all morning trains
June 27	Quantico, all morning trains
July 11	Burke Centre, all morning trains
July 18	Rippon, all morning trains
July 25	Rolling Road, all morning trains
August 1	Woodbridge, all morning trains
August 8	Backlick, all morning trains
August 15	Lorton, all morning trains

MONTHLY PERFORMANCE MEASURES – APRIL 2012

MONTHLY ON-TIME PERFORMANCE	ON-TIME PERCENTAGE
April Fredericksburg OTP Average	97.96%
April Manassas OTP Average	97.32%
VRE APRIL OVERALL OTP AVE.	97.62%

RIDERSHIP YEAR TO DATE	RIDERSHIP
VRE FY 2012 Passenger Totals	3,935,086
VRE FY 2011 Passenger Totals	3,680,696
PERCENTAGE CHANGE	6.9%

RIDERSHIP MONTH TO MONTH COMPARISON	
DESCRIPTION	**MONTHLY RIDERSHIP**
APRIL 2012	400,188
APRIL 2011	405,453
PERCENTAGE CHANGE	-1.3%
SERVICE DAYS (CURRENT/PRIOR)	21/21

Monthly Ridership and OTP: April 2012

Date	Manassas AM	Manassas PM	Total Manassas	# Trains Op MSS	Trains Delayed MSS	Actual OTP TD	Fred'burg AM	Fred'burg PM	Fred'burg Total	# Trains OP Fred'burg	# Trains Delayed Fred'burg	Actual OTP TD	Total Trips	Actual OTP TD
1														
2	4,435	4,492	8,927	16	0	100%	5,380	4,784	10,164	14	0	100%	19,091	100%
3	4,296	4,090	8,386	16	0	100%	5,283	4,803	10,086	14	0	100%	18,472	100%
4	4,450	4,401	8,851	16	2	88%	4,898	4,957	9,855	14	2	86%	18,706	87%
5	4,209	4,461	8,670	16	4	75%	5,115	5,011	10,126	14	1	93%	18,796	83%
6	3,249	3,111	6,360	16	0	100%	4,075	3,937	8,012	14	0	100%	14,372	100%
7														
8														
9	4,376	4,378	8,754	16	0	100%	4,792	4,670	9,462	14	0	100%	18,216	100%
10	4,918	4,952	9,870	16	0	100%	5,289	4,815	10,104	14	0	100%	19,974	100%
11	4,808	5,142	9,950	16	0	100%	5,084	4,796	9,880	14	0	100%	19,830	100%
12	5,162	5,045	10,207	16	0	100%	4,943	4,947	9,890	14	0	100%	20,097	100%
13	4,326	3,666	7,992	16	2	88%	4,143	4,170	8,313	14	0	100%	16,305	93%
14														
15														
16	4,800	5,022	9,822	16	0	100%	4,690	4,844	9,534	14	1	93%	19,356	97%
17	5,052	5,347	10,399	16	0	100%	5,175	5,340	10,515	14	0	100%	20,914	100%
18	5,001	4,870	9,871	16	1	94%	5,070	5,334	10,404	14	0	100%	20,275	97%
19	4,970	4,913	9,883	16	0	100%	4,971	5,151	10,122	14	2	86%	20,005	93%
20	3,865	3,451	7,316	16	0	100%	4,405	4,254	8,659	14	0	100%	15,975	100%
21														
22														
23	4,436	4,439	8,875	16	0	100%	4,762	5,015	9,777	14	0	100%	18,652	100%
24	5,040	5,011	10,051	16	0	100%	5,020	5,125	10,145	14	0	100%	20,196	100%
25	4,918	5,193	10,111	16	0	100%	5,154	5,100	10,254	14	0	100%	20,365	100%
26	4,692	5,214	9,906	16	0	100%	5,032	5,113	10,145	14	0	100%	20,051	100%
27	4,032	3,676	7,708	16	0	100%	4,387	4,227	8,614	14	0	100%	16,322	100%
28														
29														
30	4,692	4,849	9,541	16	0	100%	4,758	4,941	9,699	14	0	100%	19,240	100%
	95,727	95,723	191,450	336	9	97%	102,426	101,334	203,760	294	6	98%	395,210	98%
		Adjusted total:	191,772					Adjusted Total:	208,418			Adjusted Total:	400,188	

# of Service Days:	21			Total Trips This Month:	400,188	Adjusted Total:	400,188
Manassas Daily Avg. Trips:	9,117	Adjusted Avg.:	9132	Prior Total FY-2012:	3,534,898		
Fred'burg Daily Avg. Trips:	9,703	Adjusted Avg.:	9925	Total Trips FY-2012:	3,935,086		
Total Avg. Daily Trips:	18,820	Adjusted Avg.:	19,057	Total Prior Years:	53,006,578		
				Grand Total:	56,941,664		

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

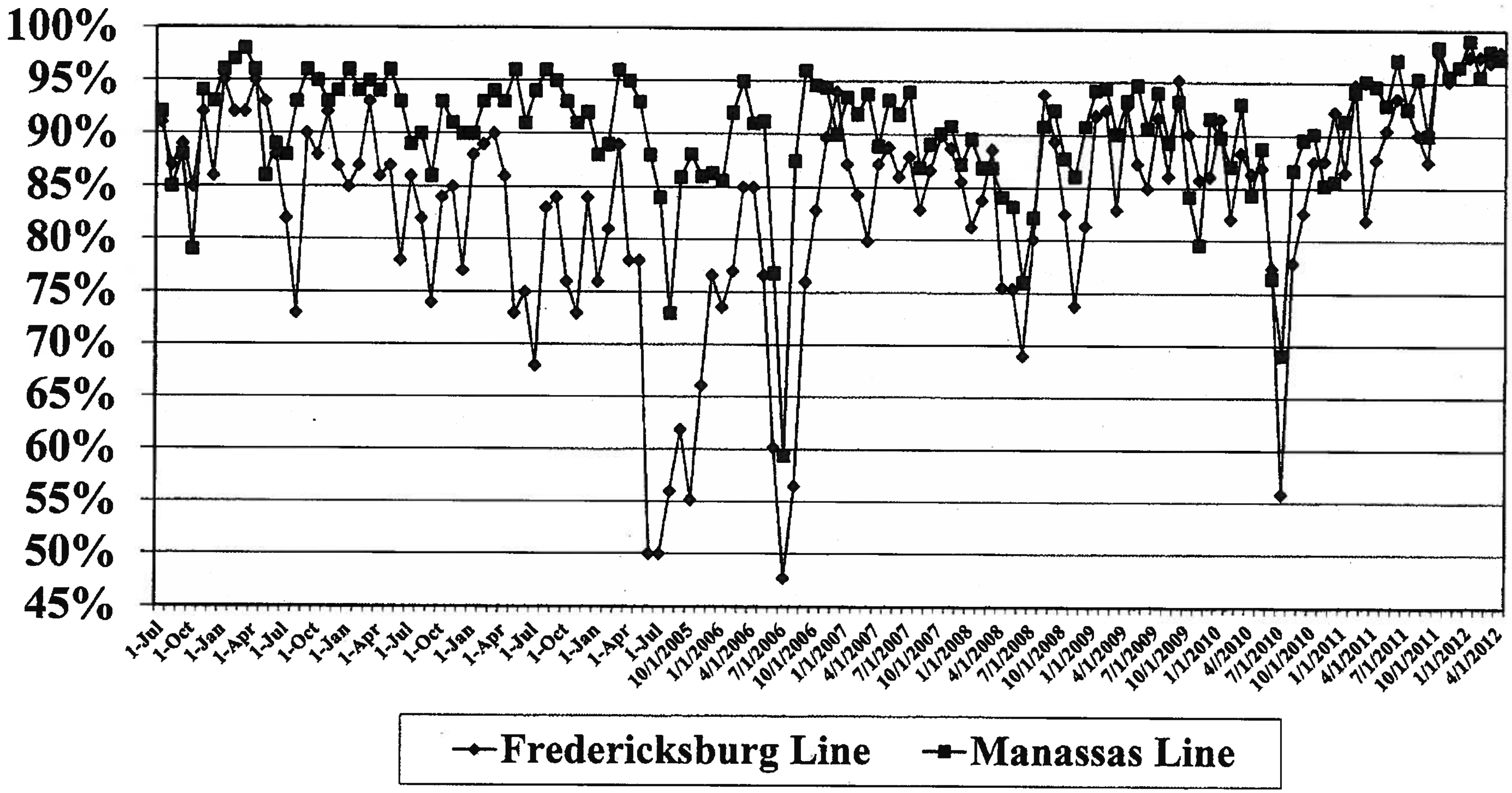
Monthly Ridership Changes:
FY 2011 v. FY 2012

	MANASSAS			FREDERICKSBURG				
Current Month	Cumulative FY2011	Cumulative FY2012	% change	Cumulative FY2011	Cumulative FY2012	% change	Current Total	% change
July	177,199	174,866	-1.3%	183,554	203,162	10.7%	378,028	4.8%
August	356,554	379,224	6.4%	369,561	430,255	16.4%	809,479	11.5%
September	531,826	561,165	5.5%	560,951	628,888	12.1%	1,190,053	8.9%
October	687,461	747,745	8.8%	749,050	833,524	11.3%	1,581,269	10.1%
November	842,550	929,938	10.4%	936,793	1,032,918	10.3%	1,962,856	10.3%
December	992,422	1,111,082	12.0%	1,119,345	1,218,911	8.9%	2,329,993	10.3%
January	1,156,798	1,298,378	12.2%	1,311,930	1,422,799	8.5%	2,721,177	10.2%
February	1,321,505	1,486,107	12.5%	1,503,871	1,627,022	8.2%	3,113,129	10.2%
March	1,530,573	1,689,604	10.4%	1,744,670	1,844,808	5.7%	3,534,412	7.9%
April	1,721,462	1,881,376	9.3%	1,959,234	2,053,224	4.8%	3,934,600	6.9%
May	1,916,908			2,172,606			0	
June	2,118,380			2,398,986			0	

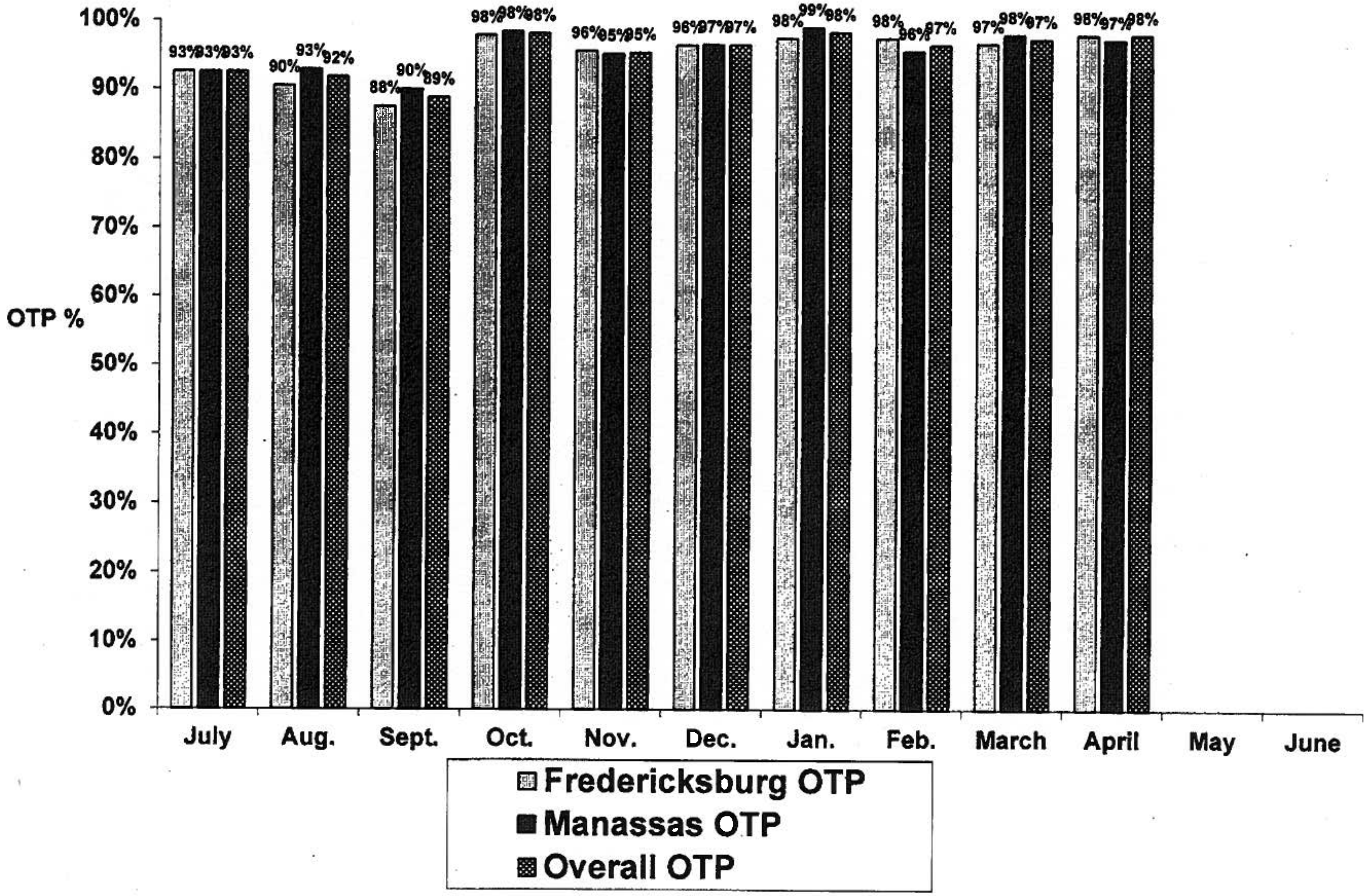
*Ridership figures are shown in passenger trips. Includes Amtrak cross honor train riders.

On-Time Performance

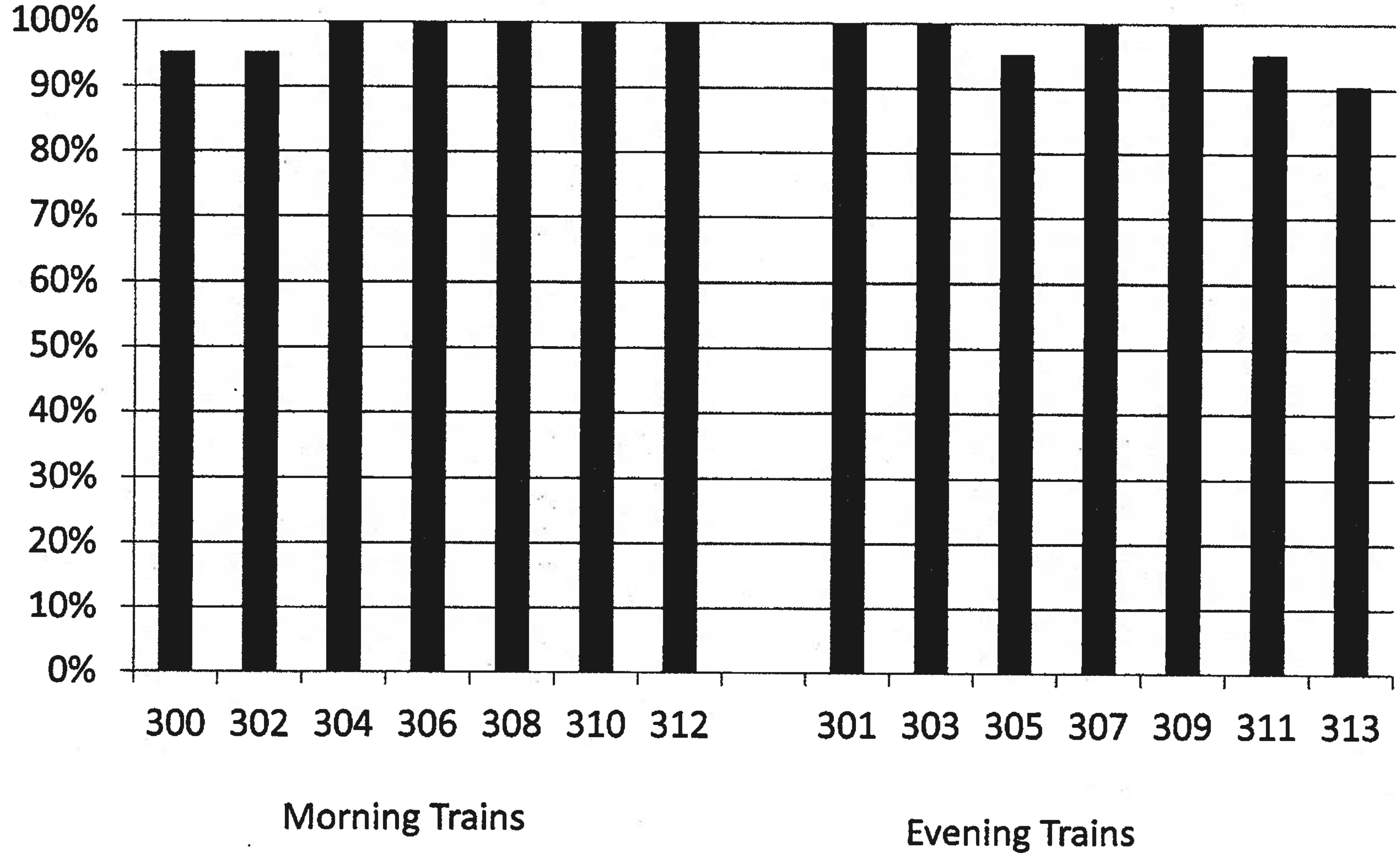
July 2001 – April 2012



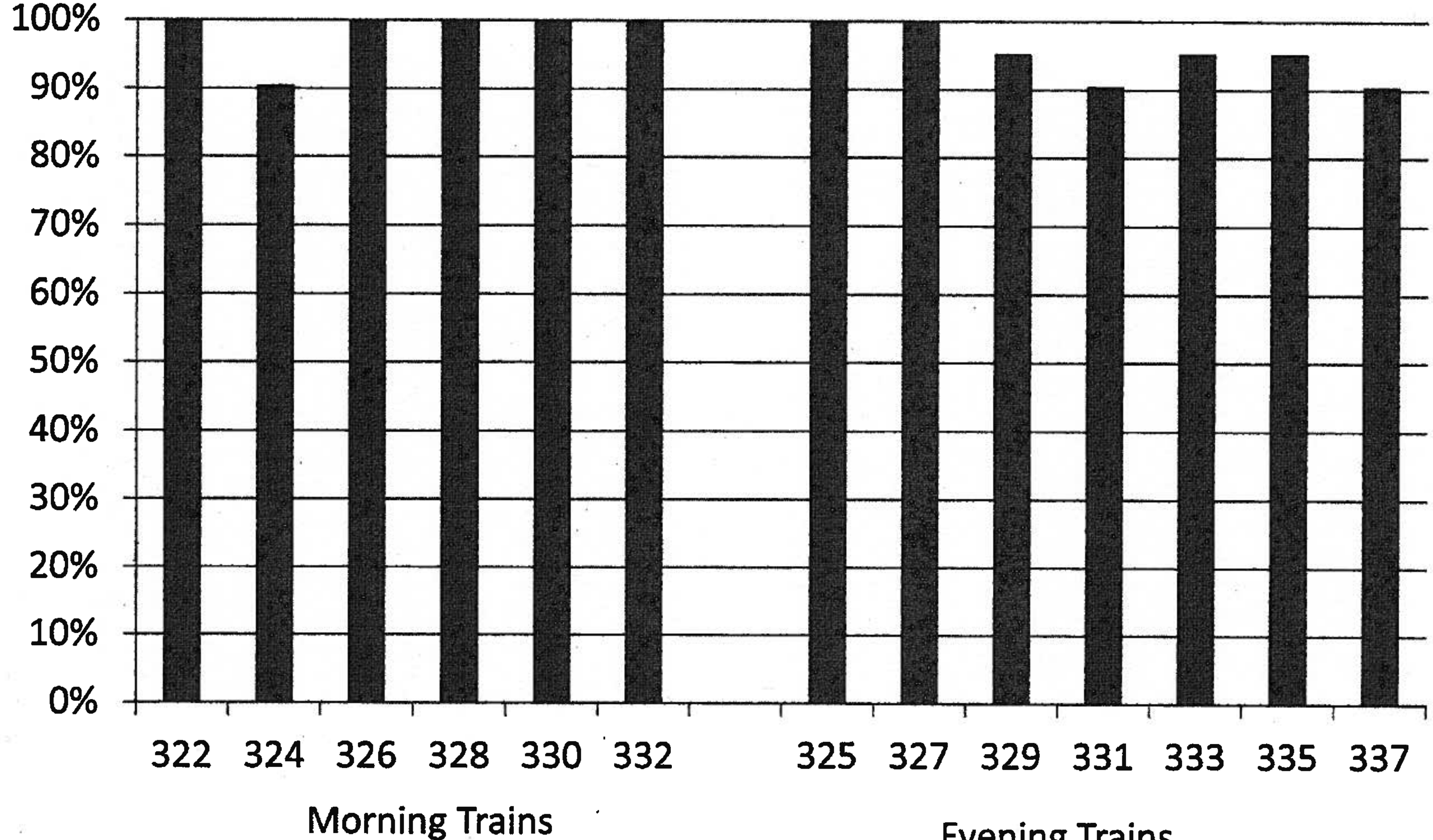
Average On-Time Performance FY-2012



On-Time Performance By Train
Fredericksburg Line – April 2012



On-Time Performance By Train Manassas Line – April 2012



FINANCIAL STATISTICS FOR APRIL 2012

A copy of the April 2012 Operating Budget Report is attached.

Fare income for the month of April 2012 was $76,311 **below** the budget – an unfavorable variance of 2.76%. The cumulative variance for the year is 7.02% or $1,920,364 above the adopted budget. Revenue in the first ten months of FY 2012 is up 9.7% over FY 2011. This positive variance is the result of higher than budgeted ridership and the discontinuation of WMATA's paper voucher program. Activity related to the WMATA's discontinuation at the end of November has made it difficult to project fare revenue for the fiscal year.

A summary of the financial results (unaudited) as of April 2012 follows. Detail on the major revenue and expense categories is provided in the attached Operating Budget Report. Figures represent the FY12 Amended Budget.

Measures		Goal	Actual
Operating Ratio		55%	64%
Budgeted Revenue	76,496,976		
Budgeted Revenue YTD	64,096,126		
Actual Revenue YTD	66,268,077		
Cumulative Variance	2,171,951		2,171,951
Percent Collected YTD		83.79%	86.63%
Budgeted Expenses	76,496,976		
Budgeted Expenses YTD	61,487,106		
Operating Expenses YTD	60,601,404		
Cumulative Variance	885,702		885,702
Percent Expended YTD		80.38%	79.22%
Net Income (Loss) from Operations			3,057,653

These figures are preliminary and unaudited.

VIRGINIA RAILWAY EXPRESS
FY 2012 Operating Budget Report
April 30, 2012

	CURR. MO. ACTUAL	CURR. MO. BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE $	YTD VARIANCE %	TOTAL FY12 BUDGET
OPERATING REVENUE							
Passenger Ticket Revenue	2,684,645	2,760,956	29,266,978	27,346,614	1,920,364	7.0%	33,000,000
Equipment Rental and Other	113,589	10,542	241,963	104,414	137,549	131.7%	126,000
Subtotal Operating Revenue	2,798,234	2,771,498	29,508,941	27,451,028	2,057,913	7.5%	33,126,000
Jurisdictional Subsidy (1)	-	-	14,679,017	14,679,017	-	0.0%	14,679,017
Federal/State/Other Jurisdictional Subsidy	2,369,713	2,348,304	22,065,606	21,915,532	150,074	0.7%	28,387,823
Appropriation from Reserve	-	-	-	-	-	0.0%	243,136
Interest Income	-	5,104	14,513	50,550	(36,037)	-71.3%	61,000
Total Operating Revenue	5,167,947	5,124,905	66,268,077	64,096,126	2,171,950	3.4%	76,496,976
OPERATING EXPENSES							
Departmental Operating Expenses	4,448,635	4,794,878	46,205,012	47,166,776	961,764	2.0%	56,986,821
Debt Service	1,386,531	1,386,594	10,701,246	10,701,070	(176)	0.0%	13,738,803
Insurance	-	-	3,619,260	3,619,260	-	0.0%	4,100,000
Other Non-Departmental Expenses	2,505	-	75,886	-	(75,886)		1,671,352
Total Operating Expenses	5,837,671	6,181,472	60,601,404	61,487,106	885,702	1.4%	76,496,976
NET INCOME (LOSS) FROM OPERATIONS	(669,724)	(1,056,566)	5,666,673	2,609,020	3,057,652		-
CALCULATED OPERATING RATIO			**64%**				

(1) Total jurisdictional subsidy is $15,943,917. Portion shown is attributed to Operating Fund only.

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

M I N U T E S

VRE OPERATIONS BOARD MEETING
PRTC HEADQUARTERS – PRINCE WILLIAM COUNTY, VIRGINIA
MAY 18, 2012

MEMBERS PRESENT	JURISDICTION
Sharon Bulova (NVTC)*	Fairfax County
John Cook (NVTC)	Fairfax County
Wally Covington (PRTC)	Prince William County
John D. Jenkins (PRTC)	Prince William County
Suhas Naddoni (PRTC)	City of Manassas Park
Kevin Page	DRPT
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
Maureen Caddigan (PRTC)	Prince William County
Frederic Howe (PRTC)	City of Fredericksburg
Paul Milde (PRTC)	Stafford County
Gary Skinner (PRTC)	Spotsylvania County

ALTERNATES PRESENT	JURISDICTION
Benjamin T. Pitts (PRTC)	Spotsylvania County

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 Fisette (NVTC)	Arlington County
Frank C. Jones (PRTC)	City of Manassas Park
Michael C. May (PRTC)	Prince William County
Jeff McKay (NVTC)	Fairfax County
Martin E. Nohe (PRTC)	Prince William County
Bob Thomas (PRTC)	Stafford County

STAFF AND GENERAL PUBLIC	
Donna Boxer – VRE	Bob Leibbrandt – Prince William County
Rich Dalton – VRE	Steve MacIsaac – VRE counsel
John Duque – VRE	Betsy Massie – PRTC staff
Patrick Durany – Prince William County	Gregg Moser – Krauthamer & Associates
Anna Gotthardt – VRE	Jennifer Mouchantaf – VRE
Al Harf – PRTC staff	Sirel Mouchantaf – VRE
Chris Henry – VRE	Hafsah Navarro – VRE
Kim Herman – Stafford County	Mark Roeber – VRE
Mike Lake – Fairfax County DOT	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 Covington called the meeting to order at 9:37 A.M. Following the Pledge of Allegiance, roll call was taken.

Approval of the Agenda – 3

Mr. Smedberg moved, with a second by Mr. Cook, to approve the agenda. The vote in favor was cast by Board Members Cook, Covington, Jenkins, Naddoni, Page, Pitts, Smedberg and Way.

Approval of the Minutes of the April 20, 2012 Operations Board Meeting – 4

Mr. Smedberg moved approval of the minutes. Mr. Cook seconded the motion. The vote in favor was cast by Board Members Cook, Covington, Jenkins, Page, Smedberg and Way. Mr. Naddoni and Mr. Pitts abstained.

[Ms. Stimpson arrived at 9:38 A.M.]

Chairman's Comments – 5

Chairman Covington stated that the Operations Board needs to conclude this meeting early in order for Board Members to travel to the VTA Annual Conference where Ms. Bulova is receiving the Public Official of the Year Award for 2012. Chairman Covington reported that over the past month, VRE has celebrated two groundbreaking events in Stafford County at the Leeland Station on May 1st and the Brooke Station on May 15th. Combined, these two projects will add an additional 400 parking spaces. On behalf of the Board, Chairman Covington thanked Mr. Milde and Ms. Stimpson for their efforts in helping to move these projects forward. He also announced that there will be a farewell luncheon for Mr. Zehner following the June Operations Board meeting. Finally, the CEO candidate interviews will be held on June 1, 2012. Chairman Covington is pleased with the large number of Board Members who will be able to participate in these interviews.

[Mr. Zimmerman entered the meeting at 9:40 A.M.]

Chief Executive Officer's Report – 6

Mr. Zehner reported that VRE average daily ridership for the month of April was 19,057, which is a slight drop from previous months. April 2012 ridership was 1.3 percent lower than last April 2011. However, year-to-date ridership ten months into the year (July 2011 – April 2012) is still 6.9 percent higher than last year. On-time performance for the month of April was record breaking for the Fredericksburg line at 98 percent. It was 97 percent on the Manassas line.

Mr. Zehner introduced a new VRE employee, Hafsah Navarro. Ms. Navarro is a professional engineer and now serves as a VRE Project Manager, currently working on the King Street Pedestrian Tunnel and the Lorton Station expansion project. On behalf of the Board, Chairman Covington welcomed her to VRE.

[Ms. Bulova arrived at 9:42 A.M.]

Mr. Zehner reported that the Meet the Management events are continuing. Comments from customers have been very positive. VRE's annual customer survey was conducted on May 9th and results will be provided at a future Operations Board meeting. He also stated that the Girl Scouts are celebrating their 100 year anniversary. The Prince William County Girl Scouts have requested VRE run a train for those scouts traveling to Washington, D.C. for the anniversary event. CSXT has agreed to allow a VRE train from Rippon to L'Enfant Station. Approximately 700-800 riders are expected to use VRE that day.

Mr. Zehner also stated that several Board Members have requested to receive Board materials electronically. He urged Board Members to let staff know if they would prefer this method of receiving their Board materials.

<u>VRE Riders' and Public Comment – 7</u>

There were no comments.

<u>Authorization to Award a Contract for the Installation of Station Security Cameras – 8A</u>

Mr. Zehner reported that Resolution #8A-05-2012 would authorize him to enter into a contract with X7 Systems Integration, of Fairfax, Virginia, for the installation of security cameras in an amount not to exceed $290,000, plus a contingency of $30,000, for a total amount not to exceed $320,000.

Mr. Zehner stated that in 2004, VRE received a grant from the Department of Homeland Security (DHS) for the installation of security cameras at a limited number of stations. The first phase of the implementation included cameras at the inner city/destination stations (L'Enfant, Crystal City, Alexandria, Franconia/Springfield and Manassas Park). In 2010, cameras were also added to the Manassas station as part of the parking garage project. In FY 2009, VRE received additional grant funding from DHS for the next phase of the project. Based on a desire to focus on the more heavily used stations, Woodbridge, Fredericksburg, Quantico and Burke Centre were selected for implementation.

Mr. Zehner reported that following a solicitation process, two proposals were received on April 10, 2012. The VRE Selection Committee reviewed both proposals and found X7 Systems Integration to be the most responsive. The scope of work includes the purchase and installation of 21 security cameras, related equipment and infrastructure, and all networking components necessary for the recording of video feed and remote access to the system software. Installation is expected to take approximately four months. Cameras will be placed on and around train station platforms so that VRE can capture operational and customer activity from the VRE headquarters office. Both VRE personnel and VRE's security contractor will have real-time access to the system as well as stored information that will be retained for 90 days. The system will also include a secure network to ensure that information and management of the system remain protected.

Ms. Bulova moved, with a second by Mr. Smedberg, to approve Resolution #8A-05-2012.

In response to a question from Mr. Cook about installing cameras at the Burke Centre parking garage, Mr. Zehner replied that VRE staff had discussions with Fairfax County staff, but the County does not have the funding to install cameras at this time. It would cost approximately $200,000 to put 20 cameras in the parking garage. Ms. Mouchantaf stated that there is only a modest savings associated with installing cameras at both places at the same time. VRE will check back with the County when another installation occurs.

The Board then voted on the motion and it passed. The vote in favor was cast by Board Members Bulova, Cook, Covington, Jenkins, Naddoni, Page, Pitts, Smedberg, Stimpson, Way and Zimmerman.

<u>Authorization to Issue a Task Order for Final Design of the Lorton Station Platform Extension Project – 8B</u>

Mr. Zehner stated that Resolution #8B-05-2012 would authorize him to issue a task order to HDR, Inc. for final design of the Lorton station platform extension project in the amount of $94,000, plus a 10 percent contingency of $9,400, for a total amount not to exceed $103,400.

Mr. Zehner reported that the existing 400-foot platform can only accommodate five car train sets. A minimum of a 250-foot platform extension is being developed along the existing east platform to accommodate longer trains, along with a second platform. The platforms will be connected using an elevated pedestrian bridge. The environmental and preliminary engineering services have been completed. The authorization being sought through this action will allow final design of the platform extension to be completed and will include extending the canopy and upgrading the existing lighting to LED lighting. Work is expected to take six months to complete. Available funding has caused the platform extension and second platform projects to be performed in phases. This authorization is limited to the final design of just the platform extension. The second platform final design will be performed under a separate contract and will be initiated once construction funding is identified.

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

Authorization to Execute a Task Order for the Alexandria King Street Station Pedestrian Tunnel Project – 8C

Mr. Zehner reported that the VRE Operations Board is being asked to authorize him to issue a task order to AECOM for a feasibility study of the Alexandria King Street pedestrian tunnel and platform expansion project in the amount of $147,919, plus a 10 percent contingency of $14,792, for a total amount not to exceed $162,711. Resolution #8C-05-2012 would accomplish this.

Mr. Zehner reported that WMATA's 2008 pedestrian circulation analysis identified general options to improve pedestrian traffic around the VRE/Amtrak and Metrorail King Street stations. One opportunity identified was the construction of a new tunnel from the VRE/Amtrak station directly to the Metrorail station. This project would improve ADA access, eliminate the at-grade track crossing, and upgrade the eastern VRE/Amtrak platform. Railroad capacity and operational flexibility would also be improved by allowing passenger trains to use the eastern tracks. Mr. Page assisted VRE in seeking and receiving over $7 million in project funding from VDOT for design and construction of the project. Funding was approved via the Federal Highway Administration (FHWA) Rail Crossing and Rail Safety Program, which is administered through VDOT.

Mr. Zehner explained that this authorization is the first step in the process and is being requested to fund a feasibility study that focuses exclusively on the pedestrian tunnel and the design, permitting and construction of that project. Work will include survey and geotechnical investigations, identification of improvements required to the CSX tracks to serve the east platform from both sides, identification of tunnel portal locations, and confirmation of scope and cost estimates.

Mr. Smedberg moved, with a second by Mr. Zimmerman, to approve Resolution #8C-05-2012. The vote in favor was cast by Board Members Bulova, Cook, Covington, Jenkins, Naddoni, Page, Pitts, Smedberg, Stimpson, Way and Zimmerman.

Mr. Smedberg thanked Mr. Page for his assistance in obtaining funding for this needed project.

Authorization to Award a Contract for Disaster Management Services – 8D

Mr. Zehner stated that the Operations Board is being asked to approve Resolution #8D-05-2012 which would authorize him to execute a contract with Kenyon International Emergency Services (KIES), of Houston, Texas, for the provision of disaster management services in the amount of $25,900 per year, for a total of $77,700 over the three-year contract term.

In response to a question from Mr. Smedberg, Mr. Zehner explains that NTSB, along with the railroad industry, recommends that each rail system have plans to mobilize victim support services following a rail disaster. Traditionally these services are provided by disaster response practitioner companies. For many years this service was provided through VRE's contract with Amtrak for train operations. When Keolis took over operations, VRE opted to remove this element of the contract so that the management of passenger support in the event of an emergency would be overseen by VRE.

Ms. Bulova moved, with a second by Mr. Way, to approve Resolution #8D-05-2012.

Mr. Zehner reported that VRE's current contract with KIES expires in June 2012. In response to a question from Chairman Covington, Mr. Zehner stated that following a procurement process, three proposals were received. They were reviewed by the VRE Selection Committee and the proposal submitted by KIES was found to be the most responsive. The $25,900 per year is a fixed retainer fee. If an incident does occur, VRE's CEO would authorize work using VRE's emergency policy and then amend the contract and obtain authorization at the next Operations Board meeting.

Mr. Way observed that this firm is located in Texas. Ms. Mouchantaf replied that KIES provides these services nationwide and they have a local office in this area. Mr. Zehner stated that VRE has been in service for 20 years and never needed this type of service, but it is important to be prepared.

The Board then voted on the motion and it passed. The vote in favor was cast by Board Members Bulova, Cook, Covington, Jenkins, Naddoni, Page, Pitts, Smedberg, Stimpson, Way and Zimmerman.

Authorization to Award a Contract(s) for LED Lighting Projects – 8E

Mr. Zehner stated that the VRE Operations Board is being asked to approve Resolution #8E-05-2012, which would authorize him to award a contract(s) for the supply and installation of light emitting diode (LED) lighting at the Franconia/Springfield and Backlick Road VRE stations in an amount not to exceed $357,091.

Mr. Zehner explained that as VRE approaches twenty years of age, the original platform lighting is in need of replacement. By replacing the lighting system with LED, utility and maintenance costs will be reduced substantially. In 2010, VRE received Department of Homeland Security (DHS) funding to improve lighting at stations. Several stations have new LED lighting installed, including Brooke, Leeland, Broad Run, Woodbridge, Crystal City and Rippon. In March of 2012, DHS authorized the use of older grants for additional LED lighting installation at the Franconia/Springfield and Backlick Road stations.

Mr. Zehner explained that due to the age of the grant, DHS is requiring that all work be completed by June 30, 2012 and no extension beyond that date has been approved. VRE has requested an extension. Authorization is now being sought to award a contract(s) without specific vendor information up to the full grant amount. As installation is expected to take six weeks to complete, work will not be completed by the

June 30th deadline without this approval and the funding would have to be returned to DHS.

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

Operations Board Member's Time – 9

Mr. Naddoni observed that VRE's smoking policy at the stations permits smoking at the north end of the platforms. He stated that he would like to see VRE review its smoking policy and move the designated smoking areas away from the other passengers because of the dangers of second-hand smoke. This is especially a problem at the Manassas Park station because the entrance to the platform is at the north end. Mr. Zimmerman asked why VRE needs to permit smoking at all? Smoking has been banned from most public places. Chairman Covington stated that each station is configured a little differently. He stated that he would not want VRE to make decisions on this without jurisdictional involvement. There could be different policies at different stations.

Mr. Cook observed that Fairfax County has already banned smoking at its bus stops. He asked if there is a litter problem with cigarette butts on the platforms. Mr. Zehner stated that it has not been an issue. He stated that WMATA also has a no smoking policy. Mr. Zehner expressed his opinion that it is important to have a consistent policy for all stations. Mr. Cook suggested getting a sense of localities and their views on this issue. Mr. Smedberg stated that Alexandria already has a no smoking policy. Ms. Stimpson stated that Stafford County is considering a no smoking policy at all public places. Chairman Covington believes that Prince William County would support a no smoking policy at VRE stations.

Mr. Way asked if local police would enforce VRE's no smoking policy. Chairman Covington stated that he would rather see violators receive tickets from police than have them go to court in Alexandria as do riders who receive citations on the trains for fare issues. Mr. MacIsaac explained that it would be a private property rule and would not be an ordinance enforced by local police, except in that the way VRE would enforce it. When someone violates the policy, they could be banned as a matter of trespass. Should they violate the trespass ban, the police would be called. It's not unlike building owners having an internal policy banning smoking in a building.

Ms. Bulova observed that it seems like the majority of jurisdictions already have or will have a no smoking policy. VRE could poll the jurisdictions. She suggested VRE having a no smoking policy on the platforms but still provide ash trays in the parking lots away from where people are congregated. Mr. Naddoni suggested either banning smoking or relocating the smoking areas. Chairman Covington suggested putting this issue on the agenda for next month's meeting so Board Members can go back to their Boards and get their thoughts on this issue. Mr. Pitts stated that he will update Mr. Skinner.

Ms. Stimpson thanked Mr. Roeber for all his hard work on the two ground breaking events in Stafford County. She also thanked Mr. Zehner for attending the Brooke event.

Mr. Way announced that as of May 7, 2012 the City of Manassas opened its pay for parking on the 4th and 5th floors of the parking garage deck. Parking will be available for anyone, including VRE riders, for a charge of $4.50 for all day parking. There are still enough free parking spaces to accommodate VRE riders. The paid parking is another choice for riders if they want to park closer to the station. Mr. Naddoni observed that parking at the Manassas Park Station is over capacity. He stated that VRE should post signs about the available parking at the Manassas station.

<u>L'Enfant Storage Track Update – 10A</u>

Mr. Zehner stated that current demand is at 19,600 seats per day on average and current capacity is 21,000 seats per day. Not all trains are at capacity but there is a shortage of seats on peak trains. With an estimated conservative growth rate of six percent per year, for FY 2013 VRE would need an additional 1,200 seats for peak trains. For FY 2014, VRE would need 2,400 seats and in FY 2015 that number would increase to 3,800 seats.

Mr. Zehner stated that the L'Enfant storage track was built in 2010, which constructed approximately 1400 feet of storage track just north of L'Enfant Station platform and added wayside storage for two five-car train sets or one 10-car train set. VRE is not able to use this storage because it currently has a hand throw switch at the south end. Because of the rail accident in Los Angeles, CSX now requires that switches be tied into the signal system. The south switch is being modified to tie into the CSX signal system and the north switch is being added for dual access to the track. In response to a question from Ms. Stimpson, this project was funded with 100 percent federal funds of about $750,000. In response to a question from Ms. Bulova, Mr. Zehner stated that the original track work was done prior to the accident in Los Angeles. Mr. Page stated that the initial concept of the L'Enfant storage was a result of the 9/11 event and was not initially intended for revenue service. It later became a way to add additional storage capacity. Mr. Zehner stated that the needed work could be completed within a year.

Mr. Zehner reviewed the options to grow capacity; through the step-up program, additional cars or additional trains. If VRE lowered the step-up fare from $5 to $2, it would be at an incremental cost of $90,000 per year, which would add another 375 seats per day. Another option is to add one railcar to the Fredericksburg line at an incremental cost of $120,000 per year. It would add 260 seats per day. If VRE added two railcars to the Manassas Line at a cost of $110,000 per year, it would add 520 seats per day. With HOT Lane construction, VRE may receive some traffic mitigation funding which could be used for some of these projects.

Mr. Zehner stated that for long-term growth options, VRE could add one train to the Fredericksburg Line with timing to coincide with the opening of the Spotsylvania station. The additional equipment would be estimated at $20 million, but it would add an estimated 2,200 seats per day. Operating costs would be $1.3 million per year. VRE is looking for ways to fund this, such as a new bond issuance or leasing options. Mr. Zehner stated that more information will be provided at the June meeting as part of the budget presentation.

Mr. Cook stated that it is not just a capacity issue since it is also where the riders board the train. If the most growth occurs at the ends of the lines and if VRE does not adjust its capacity ability in the right way, the trains will fill up at the outer stations and riders won't be able to get on at inner stations because there is no more room. It is important to avoid this problem by addressing the concerns now. VRE needs to look at a combination of express trains starting at different stations. It is important for riders anywhere along the line to be able to get on the train.

Mr. Way calculated that the cost of $110,000 per year to add two railcars on the Manassas line to provide over 100,000 seats, results in a cost of approximately $1 per seat. He expressed his opinion that this is a no brainer; it should be implemented as quickly as possible. In response to a question from Mr. Smedberg, Mr. Zehner stated that the Board will have to decide if VRE will grow the system, but there are substantial costs for additional parking and equipment. VRE has probably outgrown the original model. Chairman Covington asked if there is the ability to extend the L'Enfant storage track. Mr. Zehner responded that it cannot be further extended due to the nearby bridge.

Ms. Bulova agreed with Mr. Cook that VRE needs to look at capacity issues. She is in total support of growing the system but not at the expense of riders using inner stations. She asked staff to provide a report on this at a future meeting, including options and their costs. In response to a question from Mr. Smedberg, Mr. Zehner stated that VRE is aware of the development project around the L'Enfant station and its impact on VRE service. VRE is involved in the discussions.

<u>Spotsylvania Station and Third Track Project Update – 10B</u>

Chairman Covington stated that this item will be deferred to the next meeting so Mr. Skinner can be present. There were no objections.

<u>Wi-Fi – 10C</u>

Mr. Zehner stated that Mr. Milde asked that this item be deferred so he can participate in the discussion. There were no objections to deferring this item to the June meeting.

Adjournment

On a motion by Mr. Smedberg and a second by Ms. Stimpson, the Board unanimously agreed to adjourn the meeting. Chairman Covington adjourned the meeting at 10:31 A.M.

Approved this 15th day of June, 2012.

____
Wally Covington
Chairman

____
Susan Stimpson
Secretary

CERTIFICATION

This certification hereby acknowledges that the minutes for the May 18, 2012 Virginia Railway Express Operations Board Meeting have been recorded to the best of my ability.

Rhonda Gilchrest

____
Rhonda Gilchrest

Northern Virginia Transportation Commission

RESOLUTION #2189

SUBJECT: Third Year of Keolis's Contract.

WHEREAS: On October 16, 2009, the VRE Operations Board recommended a contract with Keolis Rail Services Virginia for VRE operating and maintenance services and mobilization in the amount of $18,459,348 through June 30, 2011;

WHEREAS: A contract amendment was recommended on December 17, 2010 to add $2,085,000 to the contract value to reflect service enhancements, higher than anticipated insurance costs, items added during negotiations, contingency funds, and to remove the requirement that Keolis indemnify VRE for all liability claims arising from the contract service with a value of up to $5,000,000;

WHEREAS: On May 20, 2011, the Operations Board recommended the second contract year, through June 30, 2012, in the amount of $17,954,527 for a total contract value not to exceed $38,498,875; and

WHEREAS: On April 20, 2012, the VRE Operations Board recommended the third contract year as well as administrative contract amendments proposed by VRE staff.

NOW, THEREFORE, BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to modify the contract with Keolis Rail Services Virginia, LLC for operating and maintenance services by approving up to $18,008,591, for a total contract value not to exceed $56,507,466, for the third year of operations through June 30, 2012.

BE IT FURTHER RESOLVED THAT the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to make administrative contract changes as approved by VRE Counsel to include maintenance of the new warehouse at Crossroads Yard, an update to procedures to specify staff level representatives by position, the replacement of staff names with position titles and an amendment to the invoice requirements for maintenance of equipment to support more comprehensive analysis of these costs.

Approved this 3rd day of May, 2012.

Jay Fisette
Chairman

Paul C. Smedberg
Secretary-Treasurer

AWARD WINNER NVTC APTA 1996

2300 Wilson Boulevard • Suite 620 • Arlington, Virginia 22201
Tel (703) 524-3322 • Fax (703) 524-1756 • TDD (800) 828-1120
E-mail nvtc@nvtdc.org • Website www.thinkoutsidethecar.org

Northern Virginia Transportation Commission

RESOLUTION #2190

SUBJECT: Local Matching Funds for Transit Alternatives Analysis in the Route 7 Corridor (Alexandria to Tysons Corner).

WHEREAS: The Northern Virginia Transportation Commission has agreed to obtain the federal grant and manage the project to complete a transit alternatives analysis in the Route 7 corridor (Alexandria to Tysons Corner);

WHEREAS: The $350,000 federal grant requires a non-federal match of $87,500;

WHEREAS: Staff of Alexandria, Arlington, Fairfax County and Falls Church have agreed to share equally in providing any remaining non-federal match after the Virginia Department of Rail and Public Transportation has provided half; and

WHEREAS: The federal grant expires in September, 2012 and to expedite the process of transferring any required non-federal match, staff of the four participating jurisdictions have requested that NVTC authorize a one-time transfer of funds off-the-top of state aid from the portion attributable to those four jurisdictions, unless a jurisdiction intends to provide its share from another source.

NOW, THEREFORE, BE IT RESOLVED that the Northern Virginia Transportation Commission hereby authorizes its executive director to obtain any remaining required non-federal matching funds for the commission's high-capacity transit feasibility study in the Route 7 corridor between Alexandria and Tysons Corner, by taking up to $10,937.50 off-the-top of state transit assistance received by NVTC on behalf of each of the cities of Alexandria and Falls Church and the counties of Arlington and Fairfax. However, any of those jurisdictions may state in writing that its share will be provided from some other source.

Approved this 3rd day of May, 2012.

Jay Fisette
Chairman

Paul C. Smedberg
Secretary-Treasurer

AWARD WINNER NVTC APTA 1996

2300 Wilson Boulevard • Suite 620 • Arlington, Virginia 22201
Tel (703) 524-3322 • Fax (703) 524-1756 • TDD (800) 828-1120
E-mail nvtc@nvtdc.org • Website www.thinkoutsidethecar.org

Northern Virginia Transportation Commission

RESOLUTION #2191

SUBJECT: Authorization to Apply for a Federal Grant for Alexandria.

WHEREAS: The Northern Virginia Transportation Commission is eligible to apply for, receive and manage federal transit grants;

WHEREAS: NVTC, as a service to its member jurisdictions, can also apply for, receive and manage federal transit grants on behalf of those members;

WHEREAS: The Federal Transit Administration (FTA) requires grant recipients to comply with all grant requirements, including a certification from the Department of Labor regarding labor protection (Section 13(c)); and

WHEREAS: Staff of Alexandria has asked NVTC to apply for federal transit funds on their behalf and indicated that Alexandria is willing to protect NVTC against any and all 13(c) labor protection claims and related expenses using state transit assistance funds held in trust by NVTC.

NOW, THEREFORE, BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes its executive director to apply to FTA for transit funding and complete all required certifications on behalf of Alexandria for $1.0 million of STP funds (including non-federal match) for transit improvements in Potomac Yard.

BE IT FURTHER RESOLVED that NVTC authorizes its staff to amend the commission's 2012 approved work program to include this grant application.

BE IT FURTHER RESOLVED that NVTC authorizes its executive director as trustee of state transit assistance received by Alexandria at NVTC, to use funds from Alexandria's accounts at NVTC and/or from future receipts of such funds, to pay any and all expenses arising from 13(c) labor protection claims and related costs (including legal fees) associated with these federal grants, after first informing Alexandria and providing appropriate documentation of the expenses.

BE IT FURTHER RESOLVED that NVTC requires its executive director to obtain from Alexandria a signed standard sub-recipient agreement before execution of this FTA grant.

AWARD WINNER NVTC APTA 1996

2300 Wilson Boulevard • Suite 620 • Arlington, Virginia 22201
Tel (703) 524-3322 • Fax (703) 524-1756 • TDD (800) 828-1120
E-mail nvtc@nvtdc.org • Website www.thinkoutsidethecar.org

Approved this 3rd day of May, 2012.

Paul C. Smedberg
Secretary-Treasurer

Jay Fisette
Chairman

Northern Virginia Transportation Commission

AGENDA ITEM #4

TO: Chairman Fisette and NVTC Commissioners

FROM: Rick Taube and Mariela Garcia-Colberg

DATE: May 31, 2012

SUBJECT: Transit Alternatives Analysis in the Route 7 Corridor (Alexandria to Tysons Corner)

NVTC has agreed to obtain the $350,000 federal grant money and manage the project for this alternatives analysis of high-capacity transit. Non-federal matching funds of $87,500 are required and DRPT has accepted NVTC's request to provide half of that amount. NVTC jurisdictions (Alexandria, Arlington, Fairfax County and Falls Church) have agreed to share equally in providing any required non-federal match up to $10,937.50 each.

NVTC staff has discussed the scope of work, schedule and budget with the Federal Transit Administration (FTA). A meeting of the advisory committee has been set to review these items as well as a draft Request for Proposals for consulting assistance for Phase I of the study. At the request of FTA, staff has begun to apply on-line for the federal grant. Resolution #2192 authorizes staff to complete the application for the grant.

2300 Wilson Boulevard • Suite 620 • Arlington, Virginia 22201
Tel (703) 524-3322 • Fax (703) 524-1756 • TDD (800) 828-1120
E-mail nvtc@nvtdc.org • Website www.thinkoutsidethecar.org

Northern Virginia Transportation Commission

RESOLUTION #2192

SUBJECT: Authorization to Apply for Federal Grant Funds for NVTC's Route 7 Alternatives Analysis Study.

WHEREAS: The Northern Virginia Transportation Commission has agreed to apply for grant funds and manage an alternatives analysis study of the Route 7 corridor (Alexandria to Tysons Corner);

WHEREAS: The Federal Transit Administration (FTA) has reviewed the proposed scope of work, schedule and budget and has asked NVTC staff to proceed with the online application for $350,000 of federal funds that expire on September 30, 2012; and

WHEREAS: DRPT and NVTC's four participating jurisdictions have agreed to provide the required $87,500 in non-federal matching funds.

NOW, THEREFORE, BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes its executive director to complete the online application for a federal grant for $350,000 for this project, to supply whatever assurances are required, to obtain the $87,500 in non-federal matching funds that have been pledged and to execute any and all required grant agreements.

Approved this 7th day of June, 2012.

Jay Fisette
Chairman

Paul C. Smedberg
Secretary-Treasurer

AWARD WINNER NVTC APTA 1996

2300 Wilson Boulevard • Suite 620 • Arlington, Virginia 22201
Tel (703) 524-3322 • Fax (703) 524-1756 • TDD (800) 828-1120
E-mail nvtc@nvtdc.org • Website www.thinkoutsidethecar.org

AGENDA ITEM #5

TO: Chairman Fisette and NVTC Commissioners

FROM: Rick Taube and Kala Quintana

DATE: May 31, 2012

SUBJECT: NVTC Communication Plan

Recommended Actions

The commission should review material on messages, strategies, tactics and budgets and provide further direction to staff.

Messages

At the May 3rd meeting, NVTC commissioners considered combinations of goals, messages and target audiences. For example:

- To increase support for transit within the business community, with the goal of generating feedback to the General Assembly and Executive Branch, the effect of transit on attracting and retaining skilled employees for newly created and existing high-paying jobs could be emphasized.
- Continuing to encourage greater use of transit, enhanced life-style benefits, increased time savings and relative costs of riding transit compared to driving alone could be emphasized to both current and potential customers.
- To continue to persuade down-state legislators to support transit, messages could emphasize how they win more state aid for their local education if Northern Virginia remains an effective economic generator of state tax dollars.

The commission's comments to CTB on the FY 2013-18 Six-Year Improvement Program included one message discussed on May 3rd. That is, imagine Northern Virginia did not have transit. What would be the consequences?

During the May 3rd meeting several other messages and approaches were suggested. They are listed next.

Suggested message concepts suggested by commissioners:

1. Imagine your life with no Metrorail.
2. Consequences of failure of transit for a day.
3. Peer comparisons. Who are we better than?
4. Transit is a sound investment.
5. Transit systems spend taxpayer dollars wisely.
6. We underfund transit compared to other metropolitan regions.
7. Your life is better on a train. It is time well spent.
8. You experience less traffic congestion if others take transit.
9. Objective measurements prove you will save time using transit.
10. Show state taxes generated from economic development spurred by transit.
11. Other parts of Virginia will suffer lower education aid if the Commonwealth lets Northern Virginia choke on its congestion.
12. An extra $10 million could purchase 15 clean fuel transit buses capable of carrying over 600 peak hour riders.

Suggested approaches by commissioners:

1. Focus on the business community.
2. Provide images that invoke emotion.
3. Use free on-line surveys or hire consultants to moderate and interpret focus groups to test reactions to various messages.
4. Offer no-cost prizes for messages submitted by the public (e.g. winning You-Tube video gets a ride in VRE locomotive).
5. Partner with WMATA for access to data on messages and techniques.
6. Utilize the technological expertise of the Mobility Lab.

<u>Tactics, Staffing and Budget</u>

To expand on the items provided above, NVTC staff estimated possible costs for various approaches. In previous discussions, some commissioners have emphasized that the pay off from hiring consultants and/or staff to undertake the expanded NVTC communications effort is worth the cost. Others have encouraged approaches that can be accomplished within the existing NVTC budget. The following materials are meant to guide further discussion that should result in clear directions to staff.

Tools to Convey NVTC's Messages

Activity	Approximate Annual Cost
a. **NVTC website** i. Expanded capabilities	 =$1,500

ii. Promotion via on-line and other media	=$ 2,500
b. **E-alerts subscription service** (e.g. Gov Deliver, Convio or Constant Contact)	=$150-$1,200 varies with number of subscribers
c. **Paid media** i. TV ii. Radio iii. Print/Bus Ads	 =$Too costly do not recommend =$Too costly do not recommend =$$5,000
d. Unpaid media i. Conferences with bloggers ii. Editorial board meetings iii. Facebook iv. Twitter	 =$1,000 =$0 =$0 =$0
e. **Additional memberships in supportive organizations and coalitions.** Examples: i. NVTAlliance ii. Coalition for Smarter Growth iii. VML/VACO iv. Sierra Club v. Others	 =$500 =$0 =$350 =$15 =500
f. Leverage stakeholder initiatives (e.g. insert NVTC messages in media campaigns of others)	=$1,000
g. Events i. Media (issue specific and timely messages) ii. Transit tours for legislators iii. Seminars (in-person and on-line) for newly elected officials	 =$500 =$5,000 - $20,000 =$TBD
h. Surveys i. On-line ii. Telephone iii. Mail	 =$Free if limited approx $2,500 if not =$100,000 or less =$ Too costly to be practical
i. Data collection/performance measurement i. Mode share screenlines ii. Other	 =$TBD =$TBD
j. Form and support new coalitions i. VML/VACO Transit Caucus ii. General Assembly	 =$$500 (membership plus minimal travel costs) =$TBD
k. Consultant-assisted focus	=$5,000

groups	

Background

As a reminder, NVTC added an ambitious communication plan to its work program for 2012. The purpose is to involve NVTC's board members and staff in an active effort to improve NVTC's internal and external communications. In order to accomplish this important new activity, staff has prepared the attached outline which functions as a scope of work. As can be seen, NVTC's board members will play an important role in shaping its content as the plan is developed and implemented over the next several months.

Specifically, the plan will guide the commission as it takes the initiative and exerts leadership to assure that NVTC continues to be viewed across the Commonwealth as a "go-to" organization for transit development strategies and innovation related to relieving congestion and developing transit's many other benefits.

What would you do without METRO?

These people found out the hard way.

Northern Virginia Transportation Commission

NVTC Strategic Communication Plan Outline

REVISED: April 5, 2012

2300 Wilson Boulevard • Suite 620 • Arlington, Virginia 22201
Tel (703) 524-3322 • Fax (703) 524-1756 • TDD (800) 828-1120
E-mail nvtc@nvtdc.org • Website www.thinkoutsidethecar.org

NVTC Strategic Communication Plan Outline

I. Background/Situation Overview

The Northern Virginia Transportation Commission has adopted a set of performance objectives for 2012 and included specific actions in its approved work program to accomplish those objectives. In order to strengthen NVTC as an organization, NVTC intends to improve internal and external communications. Specifically, the commission intends to take the initiative and exert leadership to assure that NVTC is viewed across the commonwealth as a "go-to organization" for transit strategy and innovation related to relieving congestion, including producing a communications plan and budget to improve internal and external communications. The purpose is to enable NVTC to accomplish its goals more effectively rather than to boost the commission's profile. This outline describes the process and timetable for creating and implementing such a plan with immediate and long term elements.

II. Process: The steps necessary to develop and implement the new NVTC communications plan are as follows:

	Task	Due Date
a)	Complete detailed outline of communication plan	February 1, 2012
b)	Discuss outline with MAC, including Sections I-IV below	February 21
c)	Discuss outline and Sections I-IV below with NVTC Executive Committee and NVTC Board	March 1
d)	Revise outline based on feedback	March 8
e)	Present detailed data/research(Section V) and draft messages (Section VI) to MAC	March 20
f)	NVTC Executive Committee and NVTC Board approve outline including Sections I-IV	April 5
g)	Consideration of data, research and messages by MAC, jurisdiction legislative liaisons and Public Information Officers	April 17
h)	Approval of prioritized messages by NVTC's Executive Committee and NVTC's Board	May 3
i)	Consideration by MAC of tactics (Section VII) to convey messages, including staffing (Section VIII) and budget (Section IX)	May 15
j)	Discussion with NVTC's Executive Committee and NVTC's Board of tactics, including staffing and budgets	June 7
k)	Discussion of performance measures (Section X) with MAC	June 19

l)	Discussion of performance measures with NVTC's Executive Committee and NVTC's Board	July 5
m)	Consideration of draft final communication plan with MAC	August 21
n)	Discussion with NVTC's Executive Committee and approval by NVTC's Board of final communications plan, including tactics, staffing, budget and performance	September 6
o)	Monthly progress reports to MAC and NVTC Board	ongoing

III. Goals

a) Educate the public regarding the benefits of transit investments and expansion of transportation options.

b) Advocate effectively for adequate, long-term, dedicated and sustainable funding for transit.

c) Deliver cost effective public information and marketing and increase public awareness of NVTC's role as the primary "data agency" for transit in Northern Virginia.

d) Create a regional forum for determining effective policies for transit and transportation demand management.

IV. Target Audiences

a) Internal: NVTC Commissioners and staff

b) External:
[Note: Priority should be given to working more closely with those groups and individuals that have not been significantly involved with NVTC in promoting transit in the past, including business groups and the general public.]

   i. General public in Virginia and Washington metropolitan area

   ii. Local and regional chambers of commerce and other business-oriented groups including the Northern Virginia Transportation Alliance and Greater Washington Board of Trade.

   iii. Other Interest Groups
      a) Sierra Club
      b) Coalition for Smarter Growth
      c) Virginia Transit Association and its individual members

d) Slugs
e) Washington Area Bicycle Association
f) American Public Transportation Association
g) Advocates for seniors and disabled persons

iv. Other Regional Agencies
a) NVTA (Authority) elected officials
b) MWCOG/TPB elected officials and staff
c) NVRC elected officials and staff

v. Other federal state and local elected officials and staff, including Virginia, Maryland and D.C. governors and mayor and secretaries of transportation and the Virginia Municipal League and Virginia Association of Counties.

vi. Stakeholders
a) NVTC member jurisdictions' elected officials and staff
b) WMATA Board, CEO/GM and staff
c) PRTC elected officials and staff
d) VRE elected officials and staff
e) NVTC jurisdictional transit and TDM agencies: ART, Connector, DASH, CUE, LCT, ATP, TAGS, etc.
f) DRPT staff
g) VDOT Northern Virginia District staff
h) Federal Transit Administration staff

V. Data on Transit Benefits and Costs: Assemble detailed current data and research to support transit so that it can be used to craft effective messages.

a) How transit/TDM is organized in Northern Virginia

b) Transit/TDM coordination

c) Transit/TDM performance

d) Transit/TDM benefits

i. Demographics of transit customers
ii. Jobs
iii. Economic development
iv. Congestion
v. Mobility and accessibility
vi. Service for seniors/persons with disabilities
vii. Safety, security and emergency response
viii. Quality of life
ix. Energy savings

x. Environmental protection

e) Costs of providing effective transit/TDM versus other alternatives

i. Operating
ii. Capital

f) How transit/TDM is funded in Northern Virginia

i. Local/state/federal shares
ii. Northern Virginia's significant local level of effort

VI. Messages: Engage NVTC Board members and jurisdiction staff, including legislative liaisons and Public Information Officers, as well as representatives of the target audiences listed above in Section IV, in a process to identify and prioritize key messages such as:

a) Importance, urgency and magnitude of the transit/TDM funding and congestion crisis

b) Relevance of transit/TDM to economics, health, safety and quality of life

c) The "face" of transit (e.g. businesses, commuters, families, transit employees)

d) Values, beliefs and interests in expanding transit service regionally

e) Understanding of what motivates stakeholders, public interest groups, etc. to think, feel and act on issues related to transit

f) Cultural relevance and sensitivities to transit related initiatives

VII. Tools: Once a "transit story" is crafted and based on the specific messages chosen, evaluate the role of each of the following with consideration for benefits versus costs and utilizing NVTC's relative strengths (e.g. regional forum, repository of data) and those of its allies in telling the story.

a) NVTC website and links to others

b) E-alert/E-mail notification subscription service (e.g. GovDeliver, Convio or Constant Contact) to deliver timely messages

c) Paid and unpaid media (TV, radio, blogs and other print coverage of issues and events related to NVTC and transit)

d) Electronic fact sheets, brochures and interactive maps and smart phone apps developed in cooperation with the private sector

e) Coordination/active membership in local and statewide transit, business and communications organizations

   i. VML/VACo
   ii. NVTA (Alliance)
   iii. Chambers of commerce, etc.
   iv. APTA
   v. VTA
   vi. Public Relations Society of America

f) Leverage stakeholder initiatives (e.g. insert NVTC messages in media campaigns purchased by others)

g) Events

   i. Media events with partners and stakeholders (issue specific and timely)
   ii. Transit Tours for legislators and decision makers (periodic/as needed)
   iii. Seminars for newly elected officials

h) Social media

   i. Facebook
   ii. Twitter
   iii. You-Tube

i) Conduct regular surveys (online or telephone) of the general public on transit related issues

   i. Gather “hard” data on opinions of transit/TDM
   ii. Determine how much the public is willing to support expanded transit initiatives

j) Enhance data collection to support key messages (e.g. resume periodic mode share screenline counts in major commuting corridors)

k) To the greatest extent possible involve those who in the past have not been transit allies in the communications efforts to enhance mutual understanding, including public debates and point/counterpoint op-ed pieces

VIII. Staffing Options

a) No new staff. Use existing full-time NVTC Director of Communications with support from NVTC’s entire eight-person staff and 20 board members

b. Evaluate the option of additional NVTC staff versus cooperative arrangements with jurisdictions/other regional agencies, with due consideration for perceptions during active consideration of multi-agency consolidation.

IX. Budget: Depending on the messages, tactics and overall level of effort, budget options will be prepared that may incorporate elements such as:

a) No change in NVTC's budget is one option.
b) Other options include adding incremental funding for one or more of the following including;
   i. Email alerts: $150-$1,200 (annually, pre-pay, non-profit rate- depends on the number of subscribers)
   ii. Communications Specialist with web, design and tech skills: $50-65K starting
   iii. Web site hosting: $1,500 annually
   iv. Surveys up to $100,000 annually
   v. Events
      a) Tours: $15,000-$20,000 (depending on number of people and scope-can be sponsored by private sector)
      b) Media events: $500 each (minimum)
   vi. Memberships: $2,500 annually
   vii. Ongoing education and training for staff: $2,500 annually

X. Performance Evaluation: Techniques for measuring success in achieving the goals listed in section I. above will be developed.

XI. Final Communications Plan: Commissioners and staff will evaluate options developed in the sections above and agree on:

a) 2012-2013 Communications Action Plan

b) 2014 Ongoing Communications Plan

AGENDA ITEM #6

TO: Chairman Fisette and NVTC Commissioners

FROM: Rick Taube and Kala Quintana

DATE: May 31, 2012

SUBJECT: DRPT Decision to By-Pass NVTC in Providing State Transit Assistance

---

On May 15th DRPT Director Drake announced her decision to send state transit assistance directly to WMATA and NVTC's jurisdictions. NVTC, its jurisdictions and WMATA initially were given 10 days to agree in order to receive funding for FY 2013. After the attached May 18th letter was sent to Director Drake, the deadline was extended to June 4th.

Director Drake has been invited to attend NVTC's June 7th meeting to explain her objectives in issuing her order. NVTC staff is working to clarify DRPT's intentions and identify procedures that would permit NVTC's allocation formula, which is included in the Virginia Code, to continue to be used. Also, ways for NVTC staff to continue to assist local and WMATA staff in completing grant applications and requests for reimbursals are being examined.

Depending on the outcome of these staff discussions and of a meeting set for May 31, 2012, NVTC may be asked to consider options that will be presented by staff.

Material describing the history of NVTC's allocation formula is attached for your information. The main reason that Director Drake's order has caused so much concern among NVTC's jurisdictions is the potential impact on the use of this formula, by which NVTC's jurisdictions share state transit assistance to accomplish important regional objectives.

2300 Wilson Boulevard • Suite 620 • Arlington, Virginia 22201
Tel (703) 524-3322 • Fax (703) 524-1756 • TDD (800) 828-1120
E-mail nvtc@nvtdc.org • Website www.thinkoutsidethecar.org

May 18, 2012

The Honorable Thelma Drake
Director
Virginia Department of Rail and Public Transportation
600 E. Main Street, Suite 2102
Richmond, VA 23219

Dear Director Drake:

Our respective agencies and jurisdictions have received your letters informing us of DRPT's decision to bypass NVTC and provide state aid funds directly to "actual providers of transit services." Per your letter, failure to agree within 10 days would result in losing the allocated transit assistance included in the FY 2013-18 Six-Year Improvement Program.

Each of us is fully aware of the important role DRPT plays in supporting public transit systems throughout the Commonwealth and especially here in Northern Virginia. We also understand your interest in greater public transparency of the role DRPT plays in funding our transit systems.

We wish you had consulted us prior to this notification initiating a major change to the longstanding method of distributing transit funds for transit in Northern Virginia. Our process for using NVTC's services in applying for, receiving, allocating and holding in trust our state transit assistance has served us well for many good reasons.

We would appreciate the opportunity to discuss those reasons with you and to carefully consider your new proposal.

Among the reasons for our request are:

1. The Northern Virginia General Assembly Delegation has asked NVTC and other transportation and planning agencies to report on efficiency and consolidation measures. We are working intensively now to meet a tight deadline and the significant change in NVTC's role resulting from DRPT's unilateral action preempts our efforts to respond to our General Assembly Delegation.

2. Our FY 2013 budgets have all been recently adopted and without allocating our state aid through the NVTC sharing formula that is in the Virginia Code, DRPT is creating winners and losers. For example, some jurisdictions could lose hundreds of thousands of dollars as a result of this change.

3. In order to apply for DRPT aid and process DRPT invoices, each of NVTC's jurisdictions will need to acquire staff and expertise. This will be especially burdensome for determining WMATA's allocations, since WMATA bills each NVTC jurisdiction separately and those jurisdictions must pay those bills with a combination of local funds and regional gas tax received by NVTC, in addition to state aid. DRPT's approach adds complications and risks confusion without an adequate transition period.

We respectfully request that you postpone implementation of your new approach and ask that you engage in a constructive dialogue with us that would lead to a mutually beneficial outcome that ensures that DRPT's substantial contributions to our success are fully recognized, while also ensuring the most efficient and effective distribution mechanism for these transit funds.

Sincerely,

Jay Fisette,
NVTC Chairman

Sharon Bulova,
Fairfax County

David Snyder,
City of Falls Church

Mary Hynes,
Arlington County

Bill Euille,
City of Alexandria

Jeff Greenfield,
City of Fairfax

Enc.

cc: The Honorable Robert McDonnell
The Honorable Sean Connaughton
The Honorable George Barker
The Honorable Richard Black
The Honorable Charles Colgan
The Honorable Adam Ebbin
The Honorable Barbara Favola
The Honorable Mark Herring

The Honorable Janet Howell
The Honorable David Marsden
The Honorable Chap Petersen
The Honorable Toddy Puller
The Honorable Richard Saslaw
The Honorable David Albo
The Honorable Richard Anderson
The Honorable Robert Brink
The Honorable David Bulova
The Honorable Barbara Comstock
The Honorable David Englin
The Honorable Eileen Fisher-Corn
The Honorable Thomas Greason
The Honorable Charniele Herring
The Honorable Patrick Hope
The Honorable Timothy Hugo
The Honorable Mark L. Keam
The Honorable Kaye Kory
The Honorable James M. LeMunyon
The Honorable Scott Lingamfelter
The Honorable Alfonso Lopez
The Honorable Robert Marshall
The Honorable Joe May
The Honorable J. Randall Minchew
The Honorable Jackson Miller
The Honorable Ken Plum
The Honorable David Ramadan
The Honorable Thomas Davis Rust
The Honorable Jim Scott
The Honorable Mark Sickles
The Honorable Scott A. Surovell
The Honorable Luke E. Torian
The Honorable Vivian Watts

RECEIVED

MAY 17 2012

COMMONWEALTH of VIRGINIA

Thelma D. Drake
Director

DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION
600 EAST MAIN STREET, SUITE 2102
RICHMOND, VA 23219-2416

(804) 786-4440
FAX: (804) 225-3752
VIRGINIA RELAY CENTER
1-800-828-1120 (TDD)

May 15, 2012

Mr. Rick Taube
NVTC
2300 Wilson Blvd., Suite #620
Arlington, Virginia 22201

Dear Mr. Taube:

As part of our continuing efforts to conduct our business in a transparent manner, the Department of Rail and Public Transportation (DRPT) will be contracting directly with the actual providers of transit services for the funding included in the FY 2013 Six Year Improvement Program (SYIP). This change will improve our working relationship with our transit partners as we move forward by allowing direct financial interaction with the actual provider of the transit services that the Commonwealth is funding.

Each local provider/jurisdiction for which the Northern Virginia Transportation Commission (NVTC) applied for funding on behalf of is being asked to confirm to DRPT in writing their acceptance of the application made by NVTC, with the exception of the Virginia Railway Express (VRE). VRE will continue to be funded through NVTC as the joint owner of that entity and designated pass-through recipient of those funds.

Since funding will be provided directly to the local providers/jurisdictions, we must receive this affirmation by May 25, 2012, in order to include the funding for these services in the final recommended FY 2013 – 2018 SYIP presented for the Commonwealth Transportation Board's approval in June. Funding allocations for FY 2012 and prior and executed project agreements between DRPT and NVTC are not affected.

If you have any questions regarding this business process improvement, please feel free to contact me or my staff.

Sincerely,

Thelma Drake

Thelma Drake

C: Scott Kalkwarf
Steve Pittard
Kevin Page

COMMONWEALTH *of* VIRGINIA

Thelma D. Drake
Director

DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION
600 EAST MAIN STREET, SUITE 2102
RICHMOND, VA 23219-2416

(804) 786-4440
FAX: (804) 225-3752
VIRGINIA RELAY CENTER
1-800-828-1120 (TDD)

May 15, 2012

Mr. Dennis Leach
Arlington County
2100 Clarendon Blvd., Suite 900
Arlington, Virginia 22201

Dear Mr. Leach,

As part of our continuing efforts to conduct our business in a transparent manner, the Department of Rail and Public Transportation (DRPT) will be contracting directly with the actual providers of transit services for the funding included in the FY 2013 Six Year Improvement Program (SYIP). This change will improve our working relationship with our transit partners as we move forward by allowing direct financial interaction with the actual provider of the transit services that the Commonwealth is funding.

From an administrative perspective, DRPT is requesting that Arlington County accept the application for funding made by the Northern Virginia Transportation Commission (NVTC) on your behalf as your direct application to DRPT. Please confirm to us in writing by May 25, 2012 your acceptance of the application made by NVTC. Since funding will be provided directly to Arlington County, we must receive this affirmation in order to include the funding for these services in the final recommended FY 2013 – 2018 SYIP presented for the Commonwealth Transportation Board's approval in June.

If your have any questions regarding this business process improvement, please feel free to contact me or my staff.

Sincerely,

Thelma Drake

Thelma Drake

C: Chris Hamilton
Steve Pittard
Kevin Page

COMMONWEALTH of VIRGINIA

Thelma D. Drake
Director

DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION
600 EAST MAIN STREET, SUITE 2102
RICHMOND, VA 23219-2416

(804) 786-4440
FAX: (804) 225-3752
VIRGINIA RELAY CENTER
1-800-828-1120 (TDD)

May 15, 2012

Mr. Tom Biesiadny
Fairfax County
4050 Legato Road, Suite 400
Fairfax, Virginia 22033

Dear Mr. Biesiadny,

As part of our continuing efforts to conduct our business in a transparent manner, the Department of Rail and Public Transportation (DRPT) will be contracting directly with the actual providers of transit services for the funding included in the FY 2013 Six Year Improvement Program (SYIP). This change will improve our working relationship with our transit partners as we move forward by allowing direct financial interaction with the actual provider of the transit services that the Commonwealth is funding.

From an administrative perspective, DRPT is requesting that Fairfax County accept the application for funding made by the Northern Virginia Transportation Commission (NVTC) on your behalf as your direct application to DRPT. Please confirm to us in writing by May 25, 2012 your acceptance of the application made by NVTC. Since funding will be provided directly to Fairfax County, we must receive this affirmation in order to include the funding for these services in the final recommended FY 2013 – 2018 SYIP presented for the Commonwealth Transportation Board's approval in June.

If your have any questions regarding this business process improvement, please feel free to contact me or my staff.

Sincerely,

Thelma Drake

Thelma Drake

C: Steve Pittard
Kevin Page

COMMONWEALTH of VIRGINIA

Thelma D. Drake
Director

DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION
600 EAST MAIN STREET, SUITE 2102
RICHMOND, VA 23219-2416

(804) 786-4440
FAX: (804) 225-3752
VIRGINIA RELAY CENTER
1-800-828-1120 (TDD)

May 15, 2012

Mr. Shiva Pant
WMATA
600 Fifth Street, NW
Suite 6E-12
Washington D.C. 20001

Dear Mr. Pant,

As part of our continuing efforts to conduct our business in a transparent manner, the Department of Rail and Public Transportation (DRPT) will be contracting directly with the actual providers of transit services for the funding included in the FY 2013 Six Year Improvement Program (SYIP). This change will improve our working relationship with our transit partners as we move forward by allowing direct financial interaction with the actual provider of the transit services that the Commonwealth is funding.

From an administrative perspective, DRPT is requesting that WMATA accept the application for funding made by the Northern Virginia Transportation Commission (NVTC) on your behalf as your direct application to DRPT. Please confirm to us in writing by May 25, 2012 your acceptance of the application made by NVTC. Since funding will be provided directly to WMATA, we must receive this affirmation in order to include the funding for these services in the final recommended FY 2013 – 2018 SYIP presented for the Commonwealth Transportation Board's approval in June.

If your have any questions regarding this business process improvement, please feel free to contact me or my staff.

Sincerely,

Thelma Drake

Thelma Drake

C: Carol O'Keeffe
Regina Sullivan
Steve Pittard
Kevin Page

NVTC Formula Allocation Chronology (FY 1975-2013)

FY 1975

- Received $1.5 million of federal Section 5 operating assistance funds allocated to jurisdictions in proportion to their WMATA bus operating subsidies (which were allocated by WMATA based on bus-miles) (Resolution #131). Other alternatives initially considered included combinations of bus-miles and population/population density. Allocated state capital funds (at least $3.5 million annually) in proportion to WMATA capital billings (e.g. Metro construction in proportion to the first interim capital contributions agreement).

FY 1978

- Received $4.0 million of federal Section 5 operating assistance funds allocated to jurisdictions in proportion to their combined Metrobus and Metrorail operating subsidies (Resolution #157).

FY 1979

- Endorsed allocation of fixed Metrobus costs to Virginia based on FY 1975 peak bus requirements, but continued to allocate those costs within Virginia in proportion to the jurisdictions' shares of variable bus costs. Directed staff to prepare "alternatives to the fixed cost allocation" (Resolution #163).

FY 1981

- Received $8.7 million of regional two percent motor fuels tax revenues eligible for WMATA debt service and operating subsidies, with proceeds taken "off-the-top" for debt service and—using FY 1982 gas tax proceeds—to cover past due Metrobus and Metrorail subsidies of the city of Fairfax. A portion of federal operating assistance is taken off-the-top to pay the FY 1982 Metrorail operating subsidy of the city of Fairfax. All remaining gas tax and federal operating funds are to be allocated to NVTC's jurisdictions in proportion to combined Metrobus and Metrorail operating subsidies (Resolution #182).

FY 1983

- Pay off-the-top using aid ($20.6 million) half of NVTC's administrative costs, WMATA debt service, Metrobus capital one-tenth amortizing adjustment. With federal operating assistance ($4.8 million) pay off-the-top to WMATA the city of Fairfax's Metrorail operating subsidy. Allocate all remaining federal operating assistance, regional fuel taxes, and a portion of state aid equal to half of Virginia's WMATA administrative costs to the five jurisdictions in proportion to shares of WMATA combined bus and rail <u>operating subsidies</u> and WMATA construction management costs. Allocate all remaining state aid to the five jurisdictions in proportion to shares of combined bus and rail <u>capital costs</u> of WMATA (Resolution #200). Other alternatives considered included shares of operating costs or subsidies and population density.

FY 1984

- Same as FY 1983 except after covering off-the-top payments, allocate all remaining federal operating assistance, motor fuel sales tax revenues and state aid in proportion to <u>the average of</u>: A) shares of combined bus and rail operating <u>subsidies</u>, construction management costs and bus and rail capital costs of WMATA and operating <u>subsidies</u> and 20 percent of capital outlays for local bus systems; and B) shares of combined bus and rail operating <u>costs</u>, construction management costs, bus and rail capital costs of WMATA and the operating <u>costs</u> and 20 percent of capital outlays for local bus systems (excluding city of Fairfax operating/capital costs and subsidies). The remaining 80 percent of local bus capital outlays would be included in subsequent years at a rate of 20 percent each year for four years (Resolution #205). This was a compromise reached after extensive debate and involved accepting two alternatives and dividing by two. A motion to reconsider and "spread it on the minutes" for the next meeting was made. At the next meeting, several votes eventually reconfirmed Resolution #205.

FY 1985-87

- Pay off-the-top with state aid half of NVTC administrative costs, WMATA debt service, Metrobus capital one-tenth amortizing adjustment and $100,000 as a contingency to defray unanticipated overruns in Metro costs of the city of Fairfax (the city had agreed to begin paying Metrorail and Metrobus operating subsidies). Allocate all remaining federal, state and regional funds in proportion to <u>three-quarters</u> A) combined WMATA bus and rail operating <u>subsidies</u>, construction management costs and bus and rail capital costs and the operating <u>subsidies</u> and 20 percent of capital outlays for local bus systems and <u>one-quarter</u> B) [Same as A) but substitute costs for subsidies] (Resolution #224). Again, lengthy and heated debate occurred, with proposed alternatives including distribution of gas tax based on point of sale and allocations based totally of relative subsidies. As part of the motion that was adopted, the commission agreed to seek a legislative change to base local shares of NVTC's administrative budget on shares of NVTC aid (versus shares of population). Also, Fairfax County agreed to withdraw its lawsuit against the city of Falls Church regarding shares of payment for a new county courthouse.

FY 1988

- Add costs of W-3 bus service in D.C. to off-the-top allocations. Commuter rail expenses excluded from the formula given other direct sources of state aid. Include park-and-ride lot costs serving Metrorail, either debt service or one-fifth of cost, after deducting project revenues. Provisions for possible advance funding of the Franconia/Springfield Metrorail station (Resolution #258).

FY 1989-91

- Delete provisions for $100,000 contingency for guaranteeing city of Fairfax's Metro subsidy agreements. Allow capital costs of VRE parking lots into the formula if not covered by state or federal grants. Broaden Metro park-and-ride lots allowed to include those served by "transit vehicles." Add hold harmless provisions capping maximum reduction in percentage share of NVTC aid in any one year at 10 percent for Alexandria, Arlington and Fairfax County and at 20 percent for the cities of Falls Church and Fairfax. Add extensive definition of NVTC's trust responsibilities and investment policy (for protection of assets due to pending start of VRE service) (Resolution #284).

FY 1995

- Allow NVTC to pass CMAQ or RSTP grants through to local recipients at their option without applying NVTC's allocation formula. Define formula for allocation of state bond proceeds received by NVTC to be NVTC's formula in effect in the year in which the funds are received (Resolution #587).

FY 1996

- Create a process to develop formula alternatives by December, 1995 that are in accordance with the commission's objectives and policies stated in its June, 1994 strategic bus process. Reserve $1.8 million of gas tax revenues to be allocated as part of consideration of alternative formulas.

FY 1997

- Use approximately $500,000 of the reserve fund each year for two years to pay the balance of the Metrobus subsidy of Falls Church to preserve service while the region works on a long-term solution.

FY 1999

- Begin allocating gas tax revenues according to point of sale, phased in over three years. Agree to work together to resolve additional issues pertaining to allocation of state aid and NVTC membership. Cities of Fairfax and Falls Church agree to pay full assigned Metrobus subsidies. Also agree to seek changes in the Virginia Code to base NVTC's formula on WMATA's formulas so that jurisdictions receive state aid from NVTC according to their relative WMATA and local transit subsidies. NVTC will pay debt service using 95 percent state aid. Jurisdictions will be held harmless up to a specified level using growth in state aid (Resolution #756).

FY 2000

- Following action by the 1999 General Assembly, implement Resolution #756.

FY 2001

- Point of sale gas tax fully implemented.

FY 2003

- Allow funds to be taken off the top of NVTC's revenues for assisting Northern Virginia transit systems in complying with federal reporting requirements for the National Transit Database (Resolution #971).

FY 2004

- Authorize NVTC's allocation formula to be applied to $27 million of state assistance for WMATA Railcars (Resolution #973).

FY 2005

- Authorize funds to be taken off the top of state aid to pay the expenses agreed upon by NVTC's jurisdictions for the commission's electronic schedule project, with Loudoun County's share to be withheld from its motor fuels tax (Resolution #1065).

FY 2010

- 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, then the gain will be recaptured (Resolution #2171A).

FY 2013

- In response to DRPT's revised policy of no longer sending transit assistance for WMATA and NVTC's jurisdictions to NVTC, several changes in NVTC's allocation formula will be required (Resolution #___).

pdf view

Department of Rail and Public Transportation (505)

441.	Financial Assistance for Public Transportation (60900)	313,725,346	318,246,652
	Public Transportation Programs (60901)	297,858,139	302,379,445
	Congestion Management Programs (60902)	9,344,000	9,344,000
	Human Service Transportation Programs (60903)	6,523,207	6,523,207
Fund Sources:	Special	790,156	790,156
	Commonwealth Transportation	312,935,190	317,456,496

Authority: Titles 33.1 and 58.1, Code of Virginia.

A.1. Except as provided in Item 440, the Commonwealth Transportation Board shall allocate all monies in the Commonwealth Mass Transit Fund, as provided in § 58.1-638, Code of Virginia. The total appropriation for the Commonwealth Mass Transit Fund is $152,552,684 the first year and $157,073,990 the second year from the Transportation Trust Fund. From these funds, the following estimated allocations shall be made:

a. $114,087,563 the first year and $117,334,290 the second year to statewide Formula Assistance as provided in § 58.1-638, Code of Virginia. The allocation of Formula Assistance to each recipient shall be limited to the recipient's maximum eligibility as defined in § 58.1-638, Code of Virginia. When the initial allocation to a recipient is greater than the recipient's eligibility to receive Formula Assistance, the Commonwealth Transportation Board may transfer the surplus funds to the statewide Capital Assistance program for distribution under that program. The Commonwealth Transportation Board may hold harmless from a reduction in state formula assistance any transit system that maintains service levels from the previous year.

b. $31,128,865 the first year and $32,233,194 the second year from the Commonwealth Mass Transit Fund to statewide Capital Assistance.

c. Notwithstanding the provisions of paragraph A.1.a and A.1.b. of this Item, prior to the annual adoption of the Six-Year Improvement Program, the Commonwealth Transportation Board may allocate funding from the Commonwealth Mass Transit Fund to implement the transit and transportation demand management improvements identified for the I-95 corridor. Such costs shall include only direct transit capital and operating costs as well as transportation demand management activities. Costs associated with additional park and ride lots required to be funded by the Commonwealth under the provisions of the Comprehensive Agreement for the Interstate 95 High Occupancy Toll Lanes project shall be borne by the Department of Transportation as set out in Item 446 of this act.

2. Included in this Item is $1,500,000 the first year and $1,500,000 the second year from the Commonwealth Mass Transit Trust Fund. These allocations are designated for "paratransit" capital projects and enhanced transportation services for the elderly and disabled.

3. From the amounts appropriated in this Item from the Commonwealth Mass Transit Fund, $1,867,731 the first year and $1,933,991 the second year is the estimated allocation to statewide Special Programs as provided in § 58.1-638, Code of Virginia.

4. Not included in this appropriation is an amount estimated at $26,243,763 the first year and $26,728,838 the second year allocated to transit agencies from federal sources for the Surface Transportation Program (STP) and the Minimum Guarantee program.

B. The Commonwealth Transportation Board shall operate a program entitled the Transportation Efficiency Improvement Fund (TEIF). The purpose of the TEIF program is to reduce traffic congestion by supporting transportation demand management programs and projects designed to reduce the movement of passengers and freight on Virginia's highway system. Using transportation revenues generally available to the Board, funds shall be apportioned as determined by the Board to designated transportation projects in addition to funds allocated pursuant to § 33.1-23.1, Code of Virginia. Total TEIF program funding shall not exceed $4,000,000 the first year and $4,000,000 the second year.

C. Funds from a stable and reliable source, as required in Public Law 96-184, as amended, are to be provided to Metro from payments authorized and allocated in this program and pursuant to § 58.1-1720, Code of Virginia. Notwithstanding any other provision of law, funds allocated to Metro under this program may be disbursed by the Department of Rail and Public Transportation directly to Metro or to any other transportation entity that has an agreement to provide funding to Metro as deemed appropriate by the Department. In

6

appointing the Virginia members of the board of directors of the Washington Metropolitan Area Transit Authority (WMATA), the Northern Virginia Transportation Commission shall include the Secretary of Transportation or his designee as a principal member on the WMATA board of directors.

D. Funds appropriated to the Department of Rail and Public Transportation and allocated to the Northern Virginia Transportation Commission to be allocated to its member jurisdictions are held in trust by the commission for those jurisdictions until released by specific authorization from the governing bodies of the jurisdictions for the purpose for which funds were appropriated.

E. All Commonwealth Mass Transit Funds appropriated for Financial Assistance for Public Transportation shall be used only for public transportation purposes as defined by the Federal Transit Administration or outlined in § 58.1-638.4, subparagraphs b. through g., or in § 58.1-638.5, Code of Virginia.

F. Contingent upon the pledge of federal Maritime Administration demonstration grant funding, from the amounts appropriated for experimental transit in the Public Transportation Program, there is hereby provided $200,000 in the first year and $200,000 in the second year for the planning and development of a Hampton Roads Fast Ferry demonstration project in coordination with Hampton Roads Transit. In developing this plan, the Department shall assess the potential for designating a high speed ferry corridor within the Hampton Roads region with intermodal service to properties under the control of the Commonwealth as well as current transit properties operated by Hampton Roads Transit including, but not limited to, the Norfolk passenger light rail service.

G. It is the intent of the General Assembly that no transit formula assistance funding be used to support any new transit system or route at a level higher than such project would be eligible for under the allocation formula set out in § 58.1-638 A 4. e., Code of Virginia, beyond the first two years of its operation.

H. From such funds appropriated for public transportation purposes in this item, there is hereby allocated $68,000 in the first year for the continued operation of GRTC Express services between Chesterfield Town Centre in Chesterfield County and downtown Richmond, and $200,000 in the first year for the continued operation of GRTC Express services between Hull Street Road in Chesterfield County and downtown Richmond. Receipt of this funding is contingent upon the commitment of local matching funding of not less than a like amount. It is the intent of the General Assembly that any future commitment of state funding shall be provided only through the transit operating formula.

---

previous item | next item | new search | table of contents | home

7

Transportation designed to promote the use of public transportation and ridesharing throughout Virginia.

(2) To finance up to 50 percent of the local share of public transportation operations planning and technical study projects approved by the Board.

e. At least 73.5 percent of the Fund shall be distributed to each transit property in the same proportion as its operating expenses bear to the total statewide operating expenses and shall be spent for the purposes specified in subdivision 4 b.

f. The remaining 25 percent shall be distributed for capital purposes on the basis of 95 percent of the nonfederal share for federal projects and 95 percent of the total costs for nonfederal projects. In the event that total capital funds available under this subdivision are insufficient to fund the complete list of eligible projects, the funds shall be distributed to each transit property in the same proportion that such capital expenditure bears to the statewide total of capital projects. Prior to the annual adoption of the Six-Year Improvement Program, the Commonwealth Transportation Board may allocate up to 20 percent of the funds in the Commonwealth Mass Transit Fund designated for capital purposes to transit operating assistance if operating funds for the next fiscal year are estimated to be less than the current fiscal year's allocation, to attempt to maintain transit operations at approximately the same level as the previous fiscal year.

g. There is hereby created in the Department of the Treasury a special nonreverting fund known as the Commonwealth Transit Capital Fund. The Commonwealth Transit Capital Fund shall be part of the Commonwealth Mass Transit Fund. The Commonwealth Transit Capital Fund subaccount shall be established on the books of the Comptroller and consist of such moneys as are appropriated to it by the General Assembly and of all donations, gifts, bequests, grants, endowments, and other moneys given, bequeathed, granted, or otherwise made available to the Commonwealth Transit Capital Fund. Any funds remaining in the Commonwealth Transit Capital Fund at the end of the biennium shall not revert to the general fund, but shall remain in the Commonwealth Transit Capital Fund. Interest earned on funds within the Commonwealth Transit Capital Fund shall remain in and be credited to the Commonwealth Transit Capital Fund. Proceeds of the Commonwealth Transit Capital Fund may be paid to any political subdivision, another public entity created by an act of the General Assembly, or a private entity as defined in § 56-557 and for purposes as enumerated in subdivision 4c of § 33.1-269 or expended by the Department of Rail and Public Transportation for the purposes specified in this subdivision. Revenues of the Commonwealth Transit Capital Fund shall be used to support capital expenditures involving the establishment, improvement, or expansion of public transportation services through specific projects approved by the Commonwealth Transportation Board. Projects financed by the Commonwealth Transit Capital Fund shall receive local, regional or private funding for at least 20 percent of the nonfederal share of the total project cost.

5. Funds for Metro shall be paid by the Northern Virginia Transportation Commission (NVTC) to the Washington Metropolitan Area Transit Authority (WMATA) and be a credit to the Counties of Arlington and Fairfax and the Cities of Alexandria, Falls Church and Fairfax in the following manner:

a. Local obligations for debt service for WMATA rail transit bonds apportioned to each locality using WMATA's capital formula shall be paid first by NVTC. NVTC shall use 95 percent state aid for these payments.

b. The remaining funds shall be apportioned to reflect WMATA's allocation formulas by using the related WMATA-allocated subsidies and relative shares of local transit subsidies. Capital costs shall include 20 percent of annual local bus capital expenses. Hold harmless protections and obligations for NVTC's jurisdictions agreed to by NVTC on November 5, 1998, shall remain in effect.

Appropriations from the Commonwealth Mass Transit Fund are intended to provide a stable and reliable source of revenue as defined by Public Law 96-184.

8

B. The sales and use tax revenue generated by a one percent sales and use tax shall be distributed among

Northern Virginia Transportation Commission

RESOLUTION #2171A

SUBJECT: Allocation of Northern Virginia Motor Fuel Sales Tax Revenue and State Aid for Mass Transit Beginning in Fiscal Year 2012.

WHEREAS: The Northern Virginia Transportation Commission is the recipient of revenues from NVTC's motor fuel sales tax, which is available for operating and capital expenses, including debt service, of the Washington Metropolitan Area Transit Authority;

WHEREAS: The Northern Virginia Transportation Commission is the recipient of state aid for mass transit which is appropriated to pay up to 95 percent of the transit administrative expenses incurred by NVTC and its member jurisdictions (including WMATA and VRE); up to 95 percent of non-federal capital outlays; up to 95 percent of costs for fuels, lubricants, tires and maintenance parts; and up to 95 percent of payments of WMATA revenue bond debt service;

WHEREAS: NVTC desires to allocate funds to its member jurisdictions, pay transit subsidy bills at the direction of member jurisdictions and hold funds in trust while making investments on behalf of the jurisdictions;

WHEREAS: NVTC desires to use an allocation formula that is fair, responsive to change and has a sound policy basis; and

WHEREAS: NVTC desires to update Resolution #1065 (February 3, 2005) to deduct deobligated project costs greater than $1 million from a jurisdiction's costs in the fiscal years after the project is deobligated by that jurisdiction. The purpose of NVTC's action is to restore to NVTC's other jurisdictions the amounts of revenue lost due to crediting the deobligating jurisdiction for project costs it did not actually incur.

NOW, THEREFORE BE IT RESOLVED for fiscal years 2012 and beyond:

1. In recognition of the severe constraints in transit program funding, the members of the commission agree to proactively support the development of new and expanded sources of funding to meet the needs of Northern Virginia.

AWARD WINNER NVTC APTA 1996

2300 Wilson Boulevard • Suite 620 • Arlington, Virginia 22201
Tel (703) 524-3322 • Fax (703) 524-1756 • TDD (800) 828-1120
E-mail nvtc@nvtdc.org • Website www.thinkoutsidethecar.org

2. NVTC's members pledge to continue to use any gains resulting from the approach defined herein to support public transit that will reduce congestion in this region and improve mobility and access opportunities.

3. The allocation formula and accompanying conditions specified below shall remain in effect during FY 2012 and beyond and be used by NVTC to allocate revenues received by NVTC on behalf of its member jurisdictions, with the exceptions noted in Sections 4 through 6 below.

4. Except as noted in Section 5, motor fuel tax revenues received by NVTC for Loudoun County are not subject to the following allocation provisions, but are subject to the trust obligations in Sections 17 and 18 below.

5. The maximum available funds from state aid are to be used (before being allocated to local jurisdictions) to pay up to 95 percent of the NVTC administrative costs; up to 95 percent of the Northern Virginia share of WMATA revenue bond debt service, before those debt service obligations are allocated to the jurisdictions; to pay the eligible costs agreed upon by the jurisdictions of assisting local bus systems in filing annual National Transit Database reports; and to pay the eligible costs agreed upon by the jurisdictions of updating electronic transit schedules. To the extent that additional funds are required for these purposes, motor fuel taxes (before being allocated to local jurisdictions) will be used. The executive director is hereby authorized to transmit the appropriate payments to WMATA or other parties on or before the dates upon which such payments are due. Loudoun County's percentage share of the cost of updating electronic transit schedules is the same as the county's percentage share of NVTC's annual administrative budget. The agreed upon amount for electronic schedules will be withheld each year from the county's motor fuel tax proceeds received by the commission.

6. If, at local option, federal Congestion Mitigation and Air Quality or Regional Surface Transportation Program or other federal or state program monies are provided to a local jurisdiction for a local project through NVTC using NVTC's state aid contract or some other mechanism, those proceeds will not be allocated by formula but instead will be provided directly to the local jurisdiction or held in trust for the jurisdiction. The local subsidies for such eligible transit projects would still be incorporated into NVTC's formula for purposes of determining the jurisdiction's share of NVTC total aid.

7. Remaining motor fuels taxes (net of any portion used for WMATA debt service) will be allocated based on the jurisdictions in which the tax was collected (point of sale), using annual data for the most recent available fiscal year.

8. To the extent motor fuel tax revenues, using the point of sale method defined in Section 7 above, that are provided to the cities of Fairfax and Falls Church exceed NVTC aid that would be provided using NVTC's previous formula (Resolution #689), and to the extent those cities also benefit from changes defined in Section 9 below compared to Resolution #730, those cities will apply the additional aid to their assigned Metrobus subsidies. Also, if new revenues become available to NVTC such that the NVTC aid to those cities exceeds the amounts that would have been available from previous sources, the cities will apply the increment to pay their assigned Metrobus subsidies. If for any year increased shares of motor fuel taxes and of any new revenues are anticipated not to be sufficient to cover their full assigned Metrobus subsidies, NVTC will continue to use gas tax taken off the top for Falls Church and the hold harmless mechanism defined in Section 14 below for the city of Fairfax. For FY 2000 Falls Church agreed to pay at least $275,625 of its Metrobus subsidy from existing revenues and to increase that minimum by five percent annually in each subsequent year. This section supersedes the obligations of NVTC to the city of Falls Church defined in Resolution #689 (January 2, 1997) and in Resolution #730 (February 5, 1998) and is identical to the obligations defined in Resolution #756 (November 5, 1998) and Resolution #971 (June 5, 2003).

9. The executive director shall allocate all remaining state aid to mass transit using the shares of WMATA and local transit subsidies estimated to be paid by NVTC's local governments in adopted budgets for each year, and shall hold the funds in trust while making investments on behalf of the jurisdictions, pending written instructions to make payments for eligible transit subsidies. However, only 20 percent of eligible local transit capital project costs will be included in this allocation through a five-year rolling average each year.

10. NVTC will use the best available data from adopted budgets for its formula allocation each year.

11. To be included as an eligible subsidy in NVTC's allocation formula, local transit operations (including transit services for mobility-impaired and other persons) must be available to the general public.

12. The only eligible subsidies in NVTC's formula for the Virginia Railway Express commuter rail program are those capital costs of parking lots not otherwise reimbursed from state or federal grants.

13. Subsidies for locally sponsored park-and-ride facilities located at Metrorail stations or served by transit vehicles are eligible for inclusion in NVTC's formula, but only at such time as funds for construction of the lots have been appropriated by the government. Any locally incurred capital costs of such a facility will be included in NVTC's formula at the rate of one-fifth of the total capital subsidies, or if debt financed, then actual annual debt service will be included.

14. To the extent possible, each NVTC jurisdiction will be held harmless against increases in net local burden due to the effects of applying the approach defined in Section 9 compared to the net local burden resulting from the hypothetical use of the formula defined in Resolution #730.

    $1.3 million of new state aid from FY 1999 was used to help hold harmless jurisdictions experiencing such increased net local burdens. Also, any growth in state aid in FY 2000 of up to one percent was used to hold harmless, up to two percent in FY 2001 and up to three percent in FY 2002, totaling six percent over those three years. Any growth in state aid above those amounts used to hold harmless was allocated using the method described above in Section 9. For FY 2003 and beyond, growth in state aid compared to FY 1999 was and can continue to be used to hold harmless these jurisdictions, but the absolute amount of state aid used to do so can never exceed the amount actually used in FY 2002.

    These funds will not be used to hold harmless jurisdictions against any increases in net local burden due to the point of sale allocation methods described in Section 7 above.

    If these funds prove to be too small to hold harmless all jurisdictions, the cities of Fairfax and Falls Church will first be fully compensated and the remaining funds applied proportionately among the remaining jurisdictions.

15. NVTC's policy for allocating state bond proceeds for WMATA received by NVTC on behalf of its member jurisdictions is to use the formula shares in effect in the fiscal year in which the funds are received, determined using the methods defined in Section 9 above.

16. A jurisdiction credited with local capital costs for a project that is deobligated with an unbilled balance of $1 million or greater will have its eligible costs reduced by the amount previously amortized. This will occur over the same number of years those amortized

costs were included in the formula. This adjustment will begin in the first year after the funding is deobligated, and none of the remaining amortized costs will be included in the formula. If the project is reinstated in the future after the adjustment is completed, the jurisdiction may again include costs for that project in the formula.

17. The funds allocated to the member jurisdictions shall be held in trust by NVTC (hereinafter "Trustee") for the benefit of the member jurisdictions. The Trustee may combine the funds allocated to each member jurisdiction for investment purposes. The Trustee shall keep records of the exact amount held by each member jurisdiction in the trust. The Trustee shall invest such funds prudently to earn the greatest return consistent with requirements of safety and liquidity.

The Trustee will encourage bids for investment funds from financial institutions approved by the Virginia Treasury Board, or otherwise eligible under state statutes, and require adequate collateral which, in the case of bidders not approved by the Treasury Board, shall consist of U.S. Government or Agency securities of at least 100 percent of the value of trust funds, to be held for the trust by a third-party institution, with proper verification provided to the Trustee. To provide a greater investment return, and consistent with state statutes, the Trustee may seek bids for purchase or repurchase of Certificates of Deposit, U. S. Treasury Bills, Government National Mortgage Association debt, other Federal Agency securities, top grade commercial paper rated by Moody's and Standard and Poor's and bankers acceptances rated by Keith Bank Watch service.

The Trustee will evaluate bids in terms of return and safety and, depending on market conditions, award the investment funds to the bidder(s) with the best prospects of a substantial and safe yield, recognizing that funds also may be kept on deposit at the Local Government Investment Pool or other money market accounts.

Any funds, allocated to the member jurisdictions, which are held in trust by the Trustee for the benefit of the member jurisdictions shall be granted irrevocably for the benefit of the member jurisdictions. NVTC reserves no power, other than these powers granted to it in its position as Trustee of the trust, to invest, spend or otherwise use the funds held in trust. NVTC reserves the right to amend the allocation resolution which determines the funds which will be allocated to each member jurisdiction in the future. Funds held in the trust may only be disbursed by the Trustee when it receives a request in writing for payment from those funds by a member jurisdiction in whose name the funds are held. Member jurisdictions may only request disbursement from the trust for purposes which are in accordance with applicable federal and state regulations regarding such funds.

If at any time the size of any trust under this resolution is so small that, in the opinion of the Trustee, the trust is uneconomical to administer, the Trustee may terminate the trust and distribute the assets among the member jurisdictions. The Trustee shall distribute the remaining funds held on behalf of each member jurisdiction to that member jurisdiction.

18. The NVTC executive director is hereby instructed to implement these policies, and to obtain the written approval of the NVTC Secretary-Treasurer for any and all investments of the funds held in trust for the benefit of the member jurisdictions.

Adopted this 2nd day of June, 2011.

William Euille
Chairman

Jeffery McKay
Secretary-Treasurer

Northern Virginia Transportation Commission

MEMORANDUM

TO: Chairman Fisette and NVTC Commissioners

FROM: Rick Taube and Scott Kalkwarf

DATE: March 29, 2012

SUBJECT: Explanation of NVTC's Role in the State Aid Process for WMATA Operations, Capital Expenses and Debt Service

---

It has come to our attention that there may be some misunderstanding of how state financial assistance is used to help pay for WMATA's operations and capital expenses, including debt service. DRPT covers a significant share of WMATA's eligible operating costs by providing regular monthly payments to NVTC, which are allocated and held in trust for NVTC's jurisdictions to use at their discretion to pay their quarterly WMATA bills. DRPT also pays a significant share of WMATA's eligible capital quarterly bills on a reimbursal basis. These reimbursals are also allocated by NVTC and held in trust for its jurisdictions.

The following is an explanation of the process using FY 2012 as an example:

<u>Operations</u>

1. By February 1, 2011 NVTC submitted an electronic application to DRPT containing the NVTC jurisdictions' share of WMATA's FY 2012 preliminary operating budget. The maximum state operating assistance was computed as 95 percent of fuels, tires, maintenance and administrative costs (excluding certain expenses such as operator payroll), up to 95 percent of the deficit. This maximum eligibility amount equaled $136 million for FY 2012.

2. As part of the application process, the NVTC jurisdictions' share of WMATA's FY 2010 actual operating expenses (all expenses including operator payroll, etc.) was provided to DRPT. WMATA's share of FY 2010 statewide transit operating expenses was determined (51 percent). This percentage was applied to available state operating assistance for FY 2012 and the resulting amount was the preliminary operating assistance for WMATA ($62 million). Actual assistance was the lesser of the preliminary or the maximum eligibility amount (in this case $62 million).

2300 Wilson Boulevard • Suite 620 • Arlington, Virginia 22201
Tel (703) 524-3322 • Fax (703) 524-1756 • TDD (800) 828-1120
E-mail nvtc@nvtdc.org • Website www.thinkoutsidethecar.org

3. After approval by CTB, execution by NVTC of DRPT's Master Agreement and a Project Agreement containing a payment schedule, DRPT provided regular monthly payments to NVTC of operating assistance for WMATA, usually commencing in July and ending in the next May. The final payment will be withheld by DRPT until WMATA's final eligibility form is filed by NVTC. The form will show NVTC jurisdictions' share of the actual WMATA operating expenses for FY 2012. After receipt of that form from NVTC, DRPT will make the final payment to ensure that state funds paid to NVTC for this purpose do not exceed the maximum eligibility based on WMATA's actual bills.

4. Upon receipt of each monthly payment from DRPT for WMATA operating expenses, NVTC allocates the funds among its five WMATA jurisdictions using the approved subsidy allocation model. Allocated funds are then deposited into the local trust funds at NVTC for each jurisdiction.

5. NVTC maintains two distinct types of trust funds for its jurisdictions. One type contains state aid, consisting of the regular payments for WMATA and local transit system operating costs plus state reimbursals for WMATA and local transit system capital projects. The other contains the proceeds of the 2.1 percent motor fuels tax, which for NVTC's five WMATA jurisdictions is restricted to payment of WMATA bills.

6. When a jurisdiction receives its quarterly bill from WMATA, it chooses from which sources to pay the bill, including its NVTC state aid trust account, NVTC motor fuels tax trust account, or other local sources. Because WMATA billings exceed state aid, it is not possible for jurisdictions to pay only with their NVTC state aid trust accounts. For example, WMATA operating subsidies paid by the NVTC jurisdictions totaled $130 million in FY 2011. NVTC jurisdictions used $98 million in trust funds and $32 million in local funds. State operating assistance for WMATA recognized by the NVTC trust fund during FY 2011 totaled $51 million.

<u>Capital</u>

1. NVTC submitted an electronic application to DRPT by February 1, 2011 containing the NVTC jurisdictions' share of WMATA's preliminary FY 2012 capital program. The maximum state share is 95 percent. For FY 2012 this amount was $54 million, but available state formula assistance only allowed $31 million to be included in the grant (55 percent of eligible costs).

2. Upon approval by CTB, execution by NVTC of DRPT's Master Agreement and of a Project Agreement, NVTC is submitting requests each quarter during FY 2012 to DRPT showing the WMATA bills and evidence that the jurisdictions have paid the bills.

3. Upon receipt of each reimbursement from DRPT, NVTC allocates the funds among its five WMATA jurisdictions and holds the funds in trust.

AGENDA ITEM #7

TO: Chairman Fisette and NVTC Commissioners

FROM: Rick Taube

DATE: May 31, 2012

SUBJECT: Virginia Vanpool Incentive Program

Requested Action at NVTC's July 5th Meeting

At its July 5, 2012 meeting, NVTC will be asked to approve a Memorandum of Understanding (MOU)) with the Potomac and Rappahannock Transportation Commission (PRTC) and the George Washington Regional Commission (GWRC), the sponsors with NVTC of the new vanpool program. NVTC will also be asked to authorize a bridge loan in FY 2014, if needed, to the Vanpool Incentive Program of up to $1 million+, to complete required funding and qualify for $3.4 million in state and federal aid awarded by the Commonwealth Transportation Board (CTB). The recommended source of the loan is NVTC jurisdiction trust funds to be budgeted for FY 2014. For FY 2013, PRTC would lend funds to the program from its undesignated, unrestricted assets. It would also lend funds in FY 2014, if needed. The loans would be repaid off the top of net Vanpool Program earnings, which are expected to be at least $4 million annually within not more than three years following the initiation of the program

Background

With the cooperation of local jurisdictions, DRPT and VDOT, the Northern Virginia Transportation Commission, Potomac and Rappahannock Transportation Commission and George Washington Regional Commission have developed a Vanpool Incentive Program based on a detailed consulting study.

This program will encourage greater vanpool use and will also obtain data to be filed with the Federal Transit Administration's National Transit Database. This will result in increased formula allocations of federal transit assistance for this region that otherwise would go to the rest of the U.S. Vanpoolers will be induced to participate by $200 monthly stipends per van to compensate the owner/operator for the time and effort necessary to collect and report the data.

The program anticipates net earnings of about $4 million annually within three years. The approximate shares of expenses and earnings will be: WMATA (50%), PRTC (25%) and GWRC (25%), which reflects the estimated shares of vanpool miles driven in each of the sponsoring jurisdictions. Because the net earnings are dependent on receipt of Section 5307 transit formula funds that are generated with a lag of about two and a half years, bridge funding is needed to cover start-up expenses.

Based on a detailed business plan and budget provided by the vanpool program's consultants, PRTC applied to the Virginia Department of Rail and Public Transportation (DRPT) for that bridge funding. The Commonwealth Transportation Board (CTB) recognized $4,831,275 of program expenses and included all but $1,468,987 in state and federal assistance in its preliminary FY 2013 Six Year Improvement Program (SYIP). An additional $167,725 in capital expenses for software, furniture and a lift-equipped van was not included. Thus, $1,636,712 in additional funds is needed.

A detailed Memorandum of Understanding (MOU) is being prepared by PRTC's legal counsel that specifies how the program will be administered as well as listing the rights and responsibilities of each of the three sponsors. This draft MOU is attached and should be acted upon at the July commission meetings.

With formal approval by the three sponsors, program start-up work could begin early in FY 2013, with vanpool participation beginning in the second half of that fiscal year. PRTC would administer the program.

Funding Needs

The Vanpool Program budget identified funding needs of $5,059,000. CTB has programmed all but $1,636,712. However, for the CTB's funds to be retained, DRPT is requiring that the sponsors must certify by August 1, 2012 that the source of the remaining $1.6 million is identified. Further, as the funding is currently configured, at least $364,247 must be purely local funds.

All three program sponsors have appealed to CTB for additional funding, so the $1.6 million bridge funding balance may ultimately be smaller.

On a cash flow basis, $167,725 of bridge funding for capital-related items is unaccounted for in FY 2013, while the balance of the bridge funding -- $1,468,987-- is not needed until FY 2014. This is because the rate of expenditure is expected to be modest as the program begins to sign up vanpools beginning in the second half of FY 2013. Of the $167,725 balance for FY 2013, only $72,000 is required in additional funds and the remainder could be covered from budget reductions.

There may be several possible sources of the bridge funding shortfall:

1. As the three sponsors have already requested, additional state and federal grants from the CTB in FY 2013 or, more likely, in FY 2014.

2. Reprogrammed regional CMAQ/RSTP funds from slowly developing projects with funds to be restored to those projects from future Vanpool Program earnings.

3. Loans from jurisdictional trust funds held in trust by NVTC and from PRTC's undesignated, unrestricted net assets.

Given DRPT's August 1, 2012 deadline for certifying the bridge funding shortfall has been filled, the most practical approach is to obtain agreement from NVTC jurisdictions to loan the funds from their trust accounts at NVTC and for PRTC to use its undesignated, unrestricted net assets. This is because FY 2014 budgets have not been set and the impact of a loan of $1.6 million spread across NVTC's jurisdictions and PRTC would be modest. Only $72,000 is needed to be loaned for FY 2013 and PRTC will be asked to provide that amount. A possible complication is that repayment of the loan will be in the form of federal transit capital grants requiring a 20% non-federal match, which would require side payments to some jurisdictions unable to use such federal grants.

Recommendation

Because time is of the essence to certify to the CTB that $1.6 million in local funding for the Vanpool Program is available ($72,000 in FY 2013 and the rest in FY 2014) in the event that CTB itself is unable to provide such funds, NVTC staff recommends that: NVTC and PRTC jurisdictions should be asked to lend funds to the program from trust funds held by NVTC and from PRTC's undesignated and unrestricted net assets, provided that pay-back arrangements are mutually agreeable to all three commissions. A proposed pay-back arrangement has been incorporated in the Memorandum of Understanding (MOU) prepared by PRTC's Legal Counsel that all three commissions will be asked to execute.

The most likely approach, to be confirmed prior to NVTC's July 5th meeting, is to use PRTC's undesignated and unrestricted funds for the $72,000 currently needed in FY 2013 and for NVTC's jurisdictions plus PRTC's funds to be used to cover any remaining balance for FY 2014, with NVTC lending two-thirds and PRTC one-third of that balance.

Given the years of careful study, the detailed business plan and project budget and the advice of nationally known experts that are guiding this effort, NVTC staff is confident that the risks of using either jurisdiction trust funds or NVTC credits for this loan are minimal and the potential rewards of a successful program are substantial. The bridge loan amount could be much less than $1.6 million if CTB provides more funding in the meantime. Even if the full loan amount is needed, it is leveraging at least $3.4 million in federal and state aid that otherwise would be lost along with the opportunity to earn at least $4 million annually for vital regional transportation investments.

Northern Virginia Transportation Commission

RESOLUTION #

SUBJECT: Execution of a Virginia Vanpool Incentive Program Memorandum of Understanding, Authorization of a Bridge Loan for FY 2014 and Approval of Implementation of the Project.

WHEREAS: The Northern Virginia Transportation Commission (NVTC), Potomac and Rappahannock Transportation Commission (PRTC) and George Washington Regional Commission (GWRC) are jointly sponsoring the Virginia Vanpool Incentive Program (VIP);

WHEREAS: The purpose of VIP is to promote increased vanpooling, provide assistance through marketing, rate publication, ride-matching, and payment of $200 per vanpool for assembling and submitting data necessary to qualify for federal Section 5307 funding from the Federal Transit Administration's (FTA) National Transit Database (NTD) program;

WHEREAS: A detailed consulting study has produced a business plan, schedule and budget for VIP, which will be administered by PRTC on behalf of the three program sponsors;

WHEREAS: That consulting study estimates annual net earnings of about $4 million approximately two and a half years after the start of the program, which will be shared among the program sponsors in proportion to vanpool miles operated in their respective territories, with NVTC's share going directly to WMATA;

WHEREAS: Given the gap between the start of the program and the receipt of federal funds, bridge funding is required, with DRPT recommending $3.4 million for the FY 2013-18 Six-Year Improvement Program, leaving a current balance of $1.6 million to be identified;

WHEREAS: Of the required bridge funding balance of $1.6 million all but $72,000 is not needed until FY 2014 but DRPT has asked for assurances that the entire balance is accounted for by August 1, 2012;

2300 Wilson Boulevard • Suite 620 • Arlington, Virginia 22201
Tel (703) 524-3322 • Fax (703) 524-1756 • TDD (800) 828-1120
E-mail nvtc@nvtdc.org • Website www.thinkoutsidethecar.org

WHEREAS: NVTC, PRTC and GWRC have each asked CTB for additional funds for VIP and/or to relax DRPT's August 1, 2012 deadline;

WHEREAS: If CTB does not provide additional funding at its June, 2012 meeting then PRTC will be asked to lend $72,000 for FY 2013 from undesignated, unrestricted assets and NVTC and PRTC will be asked to lend any remaining balance up to $1.6 million for FY 2014, with two-thirds of the balance to be lent by NVTC and one-third by PRTC;

WHEREAS: PRTC's legal counsel has prepared a Memorandum of Understanding (MOU) setting forth the rights and responsibilities of the program sponsors, including terms for repaying any loans to the program;

WHEREAS: NVTC, PRTC and GWRC have been asked to approve the implementation of the VIP program for FY 2013, with start-up work to commence early in that year and vanpool participation to start in the second half of that year;

NOW, THEREFORE, BE IT RESOLVED that the Northern Virginia Transportation Commission hereby authorizes the Executive Director of PRTC on NVTC's behalf to begin implementation of the Vanpool Incentive Program in FY 2013 according to the procedures, budget and schedule provided by consultants in the final project business plan.

BE IT FURTHER RESOLVED that NVTC authorizes its Executive Director to execute the Vanpool Incentive Program's Memorandum of Understanding that has been prepared by legal counsel;

BE IT FURTHER RESOLVED that NVTC authorizes its Executive Director to obtain approval from its five WMATA jurisdictions to lend sufficient funds from trust fund balances held at NVTC or other sources to cover any balance between available revenues and budgeted program costs prior to receipt of anticipated federal Section 5307 revenues approximately two and a half years after the program implementation and to report to DRPT by August 1, 2012 that sufficient funds are pledged to cover any bridge funding balance.

Approved this 7th day of June, 2012.

Jay Fisette
Chairman

____

Paul C. Smedberg
Secretary-Treasurer

DRAFT

MEMORANDUM OF UNDERSTANDING
ESTABLISHING THE NORTHERN VIRGINIA VANPOOL INCENTIVE PROGRAM

A. PARTIES.

This Memorandum of Understanding is entered into by and among the Potomac and Rappahannock Transportation Commission ("PRTC"), the Northern Virginia Transportation Commission ("NVTC"), and the George Washington Regional Commission ("GWRC"), hereinafter collectively referred to as "the Program Sponsors."

B. PURPOSE.

The purpose of this Memorandum of Understanding is to establish the Northern Virginia Vanpool Incentive Program ("Program") to bring together the current private providers of vanpool service and the public sector's ride-matching and demand management expertise and marketing to encourage new growth in the vanpool market in Northern Virginia. The Program is to be operated and funded in accordance with the provisions of this Memorandum of Understanding, and the Program is intended to:

1. Promote increased vanpooling in the Northern Virginia area; and

2. Provide governmental assistance to the ongoing private vanpool effort in order that the ongoing private effort will qualify as a publicly sponsored program as defined by the Federal Transit Administration ("FTA"). This governmental assistance will include:

   a. Marketing to induce increased interest in vanpooling;
   b. Compiling prevailing vanpool rates so prospective vanpoolers are well-informed about their options;
   c. Ride-matching services to facilitate placement of vanpoolers into established vanpools; and
   d. Payment of two hundred dollars ($200.00) per month to each participating vanpool owner/operator as consideration for its assistance in assembling and submitting statistical data for the purpose of securing funding for the Program.

3. Increase FTA formula earnings for the three Program Sponsors.

C. COMMITMENTS OF THE PROGRAM SPONSORS:

By their execution of this Memorandum of Understanding, each of the Program Sponsors generally accepts the attached business plan (see Exhibit A, specifically Scenario 2A) which details how the Program is to be structured and administered. Each of the Program Sponsors agrees to provide support, both financial and otherwise, to the Program as set forth in the provisions of this Memorandum of Understanding.

D. PROGRAM MANAGEMENT.

1. Program Sponsors.

The consent of the Program Sponsors shall be required for amendments to this MOU, appropriations to the project, approval of the final budget, and appointments to the Program Advisory Board ("PAB"), which is described in section R below.

2. PRTC Board and Executive Director.

PRTC shall administer the Program, and the Executive Director of PRTC will hire and supervise two full-time staff, in accordance with PRTC's duly adopted personnel policies, for Program management / administration purposes. PRTC may also procure marketing and other services from outside vendors, as set forth in the attached business plan, using competitive processes in accordance with PRTC's duly adopted purchasing policies. The PRTC Board is hereby authorized to make all decisions, on behalf of the Program Sponsors, necessary to administer the Program and consistent with the business plan, the final budget adopted by the Program Sponsors and following recommendations of the PAB.

3. Program funding.

The Program will eventually be largely self-funded from the FTA formula earnings, generating more formula earnings than the program cost, though Program Sponsors acknowledge that the FTA formula earnings require a 20% non-federal match. During the period following commencement of Program operations and before the Program Sponsors expect FTA formula earnings to be available bridge funding to underwrite the Program's expenses for that initial period is necessary. As much as $5.06 million of bridge funding is required for the estimated 2.5 year pre-FTA-earning period. This amount has been secured by a combination of grant funding and loaned funding as follows:

a. $0.2 million of matched CMAQ funds from the Northern Virginia Transportation Authority ("NVTA");
b. $0.1 million of matched CMAQ funds from the GWRC / Fredericksburg Metropolitan Planning Organization ("FAMPO");
c. $3.07 million of matched federal and state funds from the Commonwealth as approved by the Commonwealth Transportation Board ("CTB") based on a recommendation by VDRPT; and
d. As much as $1.64 million anticipated to be loaned by NVTC and PRTC prior to the start of FY 2014 that will be repaid out of eventual program earnings, as described in Section D.5.

The Program Sponsors expect the 20% match required by the FTA for program-related expenses and program expenses that don't qualify for FTA funding (if any) to be funded by the member governments of the Program Sponsors allocated among them during the budget process as provided herein. Allocations will be calculated as part of the budget development process in two steps:

a. Divide the required local match between NVTC, GWRC, and PRTC using the most recent net revenue allocation shares (see Section F below); and
b. Divide GWRC's local match among its member governments based on the vanpool vehicle miles traversing each jurisdiction as a percentage of the total vanpool vehicle miles traversing the GWRC jurisdictions collectively or using an alternate allocation methodology of GWRC's own design.
c. Divide PRTC's local match in the same fashion confined to Prince William County, Manassas, and Manassas Park.
d. Divide NVTC's share of local match among its five Washington Metropolitan Area Transit Authority ("WMATA") jurisdictions using the most recent shares of NVTC's subsidy allocation model ("SAM") and -- if and when Loudoun County begins to pay for WMATA services -- include that County in the SAM allocation.

4. Calculation and allocation of net revenues.

The region's gross FTA formula earnings resulting from all of the region's NTD data -- including bus, rail, and (prospectively) the Program data – are published annually by the FTA in an apportionment notice appearing in the Federal Register. The gross FTA formula earnings each year are a byproduct of the urbanized area population and service and ridership-related statistics from all the transportation providers in the area that reported NTD data, and the gross earnings are subdivided annually by PRTC in cooperation with WMATA and the Maryland Transit Administration (MTA) such that WMATA retains all the population-related earnings and WMATA, the MTA, and PRTC retain specified shares of the service and ridership-related earnings based on established allocation rules and factors FTA also publishes in the same Federal Register notice. The end product of this first step is an allocation of the gross FTA formula earnings between WMATA, the MTA, and PRTC. Allocation rules for bus and rail-related earnings are unaffected by the advent of the Program, while the allocation of the Program earnings shall be computed as follows:

a. The gross Program earnings are calculated first, derived from the FTA apportionment notice and the Program-related NTD statistics;
b. A portion of the gross Program earnings is designated for PRTC off the top equal to the Program expense for the fiscal year beginning the following July, calculated as described in Section E;
c. The net Program earnings (i.e., the gross Program earnings less the Program expense) are allocated between WMATA and PRTC whereby: WMATA's share equals the proportion of the vanpool vehicle miles traversing the NVTC jurisdictions plus the same portion of "system vanpool miles" (those operated outside of any of the districts of the project sponsors) as a percentage of the total Program vanpool mileage; and PRTC's share is the rest; and
d. The PRTC share of the net Program earnings is further subdivided between PRTC and GWRC whereby the GWRC share is equal to the proportion of vanpool mileage traversing the GWRC jurisdictions as a percentage of the vanpool mileage traversing the GWRC jurisdictions plus Prince William

County, Manassas, and Manassas Park, and the PRTC share is the remainder., Thus PRTC ends up with FTA formula funds equal to the Program expense plus its share of the net Program earnings.

e. <u>In no event will WMATA's share of FTA formula earnings from other than Program earnings be reduced if Program expenses exceed Program earnings.</u>

f. <u>This allocation of Program earnings will be altered if loans from one or more Program Sponsors are outstanding (see D5 below).</u>

5. <u>Advance Funding Option.</u>

Notwithstanding other cost and revenue sharing arrangements described herein, one or more of the three sponsoring agencies may offer to advance funds to match state and federal grants. If these advanced funds are accepted in writing by all of the sponsoring agencies, then subject to state and/or federal covenants, if any, the repayment of such funds will have first call on future net earnings of the project. Repayments will be taken off the top of future Section 5307 allocations less administrative expenses prior to allocation of any remaining net earnings in any subsequent fiscal year.

If there are insufficient net earnings in the year immediately following the advancement of such funds, then the repayment obligation will carry over to each succeeding year until the advanced funds have been repaid. No interest shall accrue regardless of how long it takes to repay the advanced funds.

If after a period of five years from the end of the fiscal year in which the funds are advanced, there remains an unpaid balance, the Program Sponsor providing the funding may call for a repayment of the advanced funds by the end of the following fiscal year. If there are insufficient net earnings to cover the repayment obligation, then the unpaid obligation remaining at the end of the succeeding fiscal year will be borne by the three sponsoring agencies from their own resources in the same proportion as they shared vanpool project administrative expenses and revenues in the year in which the funds were advanced.

If the agency that advanced the funds wishes to withdraw from the project before the repayment obligation is met, it must give at least one fiscal year notice of its request to be repaid by the remaining sponsoring agencies, again using the shares in effect in the year the funds were advanced.

If the project is discontinued before the obligation is repaid, all three sponsoring agencies are required to make repayment using the shares in effect in the year the funds were advanced.

If one or more sponsoring agencies withdraw from the project before the obligation is repaid, the withdrawing agencies must maintain their commitment to repay their shares of the obligation.

The Program Sponsors acknowledge that all funding commitments under this Memorandum of Understanding are contingent upon annual appropriation.

An initial loan amounting to as much as $1.64 million is anticipated, as described in D.3 ("the initial loan"). NVTC and PRTC are envisioned as the lenders of this initial loan, in shares amounting to two-thirds and one-third, respectively. PRTC's share of the loan is payable from PRTC unrestricted net assets (its "fund balance"), amounting to $72,000 in FY 2013 and the balance of PRTC's one third share before the start of FY 2014, while NVTC's share of the loan is payable from funding sources its member governments designate, in its entirety before the start of FY 2014. Repayment of the initial loan shall be in accordance with the arrangements described in the preceding portion of this sub-section.

E. PROGRAM BUDGETING.

The Program Sponsors expect expenses to be incurred beginning in July 2012. Vanpools are anticipated to commence participation in the Program in January 2013 (hereinafter referred to as "Start Date"). Thus the first year Program budget (i.e., FY 2013) encompasses six months before the Start Date and the first six months of Program participation. The partial year FY 2013 budget and full year FY 2014 and FY 2015 budgets are defined in the business plan, and have been funded by the bridge funding referenced in Paragraph I.D.3, above., Execution of this MOU by the Program Sponsors constitutes their authorization to PRTC, as Program administrator, to incur costs for FY 2013 (spending authorization in FY 2014 and FY 2015 will be sought prior to the start of each fiscal year, in accordance with the provisions set forth below).

Beginning with the FY 2016 (the first year Section FTA formula earnings are expected to be available) budget preparation, each year's proposed budget shall be developed as follows:

1. End of September -- Program staff at PRTC completes work on a proposed budget for review by the PAB.

2. End of October-- PAB reviews and comments on the proposed budget. Program staff at PRTC finalizes proposed budget for PRTC Board's consideration, accompanied by the PAB's review comments.

3. November – PRTC Board authorizes transmittal of the budget to GWRC and NVTC for approval.

4. No later than January -- GWRC and NVTC provide their approvals in a manner best-suited to each commission's practices.

5. February -- PRTC applies for state assistance for the proposed Program budget.

6. Spring -- Program Sponsors appropriate their respective shares of the local match and public hearing(s) are held by PRTC to invite public review and comment on the proposed budget and proposed federal grant application for PRTC and GWRC encompassing the use of prior year net earnings and the next fiscal year's program expense.

7. June – PRTC Board approves final Program budget (as do NVTC and GWRC if there are any changes from the January version) for the fiscal year beginning in July.

The Program budgeting process as described above is a parallel activity with the annual NTD data submission process, the federal grant application process, and the annual audit process as described in the next three sections.

F. NTD DATA SUBMISSION PROCESS.

NTD statistics shall be compiled throughout the course of the year by Program staff, assisted by the participating vanpool owners / operators as described in the vanpool owner / operator participation agreement ("Participation Agreement"; attached). The data shall be validated, audited and transmitted by Program staff to the FTA by October 31st for the fiscal year ending the previous June 30th.

G. FEDERAL GRANT APPLICATION PROCESS.

The process is as follows:

1. Late October -- FTA publishes an apportionment notice. The apportionment notice is based on NTD statistics for the year ending in June of the previous year. For example, the FTA apportionment notice issued in October of 2014 is based on NTD statistics for the year ending in June of 2013.

2. November through February – WMATA, PRTC, and the MTA reconcile their respective calculations of the formula funding each is due, forging a consensus on this and sending a split letter to the FTA signifying local agreement about the regional sub-allocation. PRTC's share in the split letter related to vanpool earnings is the sum of:

   a. The anticipated Program expense for the year beginning the following July;
   b. PRTC's proportionate share of the net earnings for the year ending the previous June; and
   c. GWRC's proportionate share of the net earnings for the year ending the previous June

   PRTC's share in the split letter includes the GWRC share because GWRC is not a signatory to the split letter and thus PRTC has to serve as GWRC's agent for this purpose. GWRC is solely responsible for deciding what qualifying projects its share of the net earnings will be used for, and PRTC will ultimately serve as the applicant for those federal funds as well as PRTC's own share of net earnings, subject to the provisions in Section L. NVTC is not a party to the split letter because it is providing its entire share of net program earnings directly to WMATA.

3. February – WMATA, PRTC, and the MTA account for their respective shares in their respective budgets and grant applications. PRTC confers with GWRC to confirm projects GWRC intends to fund with its net earnings, and GWRC's intended sources of

required local match, so the GWRC projects can be incorporated in the PRTC federal grant application and state grant application as appropriate. PRTC is also responsible for securing its own required local match, which is envisioned to be a combination of state and local funds. WMATA applies for its share of the net earnings as it sees fit and is responsible for the non-federal match.

H. ANNUAL AUDIT PROCESS.

The process is as follows:

1. Summer – Program-related financial data assembled for year-end auditing;

2. Fall – PRTC's external auditor conducts audit of Program-related expenses with audit fees billed to this Program; and

3. Winter – External auditor's report presented to PRTC, NVTC, and GWRC Boards and then released to the public.

I. REVENUE SHORTFALL.

In the event of a revenue shortfall to the Program, the subsidy required to compensate for the shortfall experienced in a fiscal year shall be borne by the three sponsoring organizations (PRTC, NVTC, and GWRC) in the same proportions as their respective shares of the net revenue from the most recently completed and reported fiscal year. Program staff shall promptly inform NVTC and GWRC of conditions that could give rise to a revenue shortfall, so the three sponsors can confer about whether to respond with a supplemental appropriation to cover the anticipated shortfall and permit the continuation of the Program; Program changes to contain costs and curb the anticipated shortfall; and/or Program termination.

J. RISK MANAGEMENT.

PRTC will obtain appropriate insurance to cover all reasonably foreseeable Program risks, and will include the costs of such insurance in each annual Program budget.

K. PRTC RIGHT TO TERMINATE ANY VANPOOL PARTICIPATION AGREEMENT AT PRTC'S DISCRETION.

Every Participation Agreement shall clearly state that PRTC has the discretion to terminate the Participation Agreement at any time.

L. FINANCIAL OBLIGATIONS OF THE PROGRAM SPONSORS.

The Program Sponsors bear financial responsibility for the following costs:

1. <u>Revenue shortfalls.</u> As stated above in Section I, the subsidy required to compensate for a revenue shortfall in a particular fiscal year shall be borne by the Program Sponsors in

the same proportions as their respective shares of the net revenue from the most recently completed and reported fiscal year. PRTC shall endeavor to notify NVTC and GWRC as soon as possible that a revenue shortfall is arising, and shall convene the Program Sponsors to discuss remedial actions that, once defined, have to be ratified by the Program Sponsors' governing boards.

2. <u>The local match required for Section 5307 funding used for program expenses and the entire portion of any program expenses that do not qualify for Section 5307 funding.</u> The Program Sponsors are responsible for their respective shares of these expenses. Shares are determined using their respective proportions of net revenue from the most recently completed and reported fiscal year. PRTC management shall inform NVTC and GWRC of this local match requirement as part of the proposed budget prepared each September, and said funds shall be appropriated no later than the following June. Failure to appropriate also necessitates notice by no later than January (preceding the fiscal year for which the funds referenced here are being sought) so the Program Sponsors can confer about prospective responses.

3. <u>The local match for projects funded by Section 5307 net earnings.</u> PRTC and GWRC are also responsible for their required matching expenses. PRTC shall not apply for federal formula funds on behalf of itself or GWRC until the local matching funds have been confirmed. NVTC's net earnings shall accrue to WMATA, and WMATA shall bear responsibility for arranging the necessary match for these funds and applying for these funds thereafter.

The Program Sponsors acknowledge that all commitments under this Memorandum of Understanding are contingent upon annual appropriation of sufficient revenues by all participating governments sufficient to support the Program.

M. PROCUREMENT AUTHORITY FOR THE PROGRAM.

PRTC management shall procure goods and services as required for the Program in accordance with PRTC's Board-adopted purchasing policy. All such purchases shall be made only after the funds required for the purchase become part of an approved budget.

N. TITLE TO ASSETS.

Program assets (lift-equipped vans, etc.) will be jointly owned by the Program Sponsors in proportion to shares of net earnings in the year each asset was acquired, recognizing any obligations resulting from the use of any state or federal aid to acquire those assets. Consequently, any disposition of those assets requires the approval of the Boards of each of the Program Sponsors.

O. PROGRAM SPONSOR WITHDRAWAL FROM THE PROGRAM.

Each Program Sponsor shall have the discretion to withdraw unilaterally from the Program, provided the other Program Sponsors are given ample prior notice. Ample prior notice means that withdrawals shall be permissible once annually, during the budget preparation process. A notice to withdraw shall be made to all other Program Sponsors no later than October 1st, with said notice to be applicable for the fiscal year beginning the following July. A Program Sponsor electing to withdraw shall bear full responsibility for its share of expenses for the fiscal year in which the withdrawal notice is sent, and for its share of any unpaid expenses that have already been incurred. The withdrawing Program Sponsor must obtain the approval of the other Program Sponsors in order to receive a share of the current value of any assets, since selling those assets may harm the Program.

P. INVOICING AND PAYMENT OF PROGRAM COSTS.

Several types of Program costs will require invoicing and payment as described below:

1. Vanpool owner / operator remuneration. As described in the Participation Agreement, PRTC will be obligated to remit payments of $200 per month per van to the owner(s) / operator(s), after the owner / operator complies with the data assembly and transmittal obligations the owner / operator has. No invoicing for these payments is required – they will simply be made no later than 30 days following affirmation that the data assembly and transmittal obligations for said month by the owner / operator have been fulfilled.

2. Payment for program-related goods delivered and services rendered by contractors. PRTC shall be invoiced for all such goods and services, and payments shall be made within the contractually specified time frames in accordance with contract terms.

3. Local match for federally participating program costs and for program costs that do not qualify for federal participation. Program Sponsors will be invoiced for all such costs in accordance with the approved budget and attendant allocations. Payments are due within 30 days of the receipt of the invoice.

Q. GRANT MANAGEMENT PRACTICES PERTAINING TO NET REVENUES PRTC APPLIES FOR ON BEHALF OF GWRC AND ITS MEMBER GOVERNMENTS AS A RESULT OF THE PROGRAM.

As noted in Section G, each year PRTC anticipates serving as the applicant for net revenues due to GWRC as well as PRTC. Entities for which PRTC serves as an applicant thereby become a sub-recipient and, as such, must comply with all the FTA statutory and regulatory requirements. The following steps are necessary for PRTC to serve as the applicant:

1. Execution of a Sub-Recipient Agreement. PRTC and the sub-recipient must enter into a sub-recipient agreement memorializing both the project(s) that are the subject of the grant application and the sub-recipient's affirmation that it shall be bound by all the FTA Master Agreement requirements. A copy of an illustrative sub-recipient agreement is attached. Among other things, the sub-recipient agreement clarifies that the federal grant funds are payable on a reimbursable basis, and only for 80% of the cost incurred since there is a 20% match requirement (see [2]).

2. Affirmation that the sub-recipient shall furnish the necessary matching funds. Section 5307 funds require a 20% local match, which the sub-recipient must furnish. Nothing in this sub-section shall prevent a sub-recipient from seeking state assistance for a portion of the local match.

R. PROGRAM ADVISORY BOARD (PAB).

A Program Advisory Board (PAB) shall be established to provide advice on Program products, administrative rules, budgets, and revenue calculations to the Program Sponsors, the PRTC Board, and Program staff. The PAB's views will accompany PRTC management's recommendations on all matters requiring PRTC Board approval (e.g., the budget; contract awards above the threshold delegated to the Executive Director; etc.) and the approval of the Boards of all three Program Sponsors. While the annual budget will be a primary focus, the PAB will also play a role in the review of program products, administrative rules, and revenue calculations, such that all of these products are vetted with the PAB before they are issued. The PAB is as an advisory group, so no formal vote-taking, parliamentary procedures, or formal bylaws are necessary to guide the group's deliberations. The views of PAB members, be they singly held or otherwise, are important for the Program Sponsors' governing boards to know, and thus the PAB's views will be routinely communicated as part of staff reports accompanying proposed actions.

Each of the Program Sponsors shall appoint no more than four representatives to the PAB, and the appointees shall serve for as long as the Program Sponsors decide at their own discretion. The model for PAB is the Jurisdictional and Agency Coordinating Committee of the Northern Virginia Transportation Authority. Representatives are welcomed from all agencies and jurisdictions participating in the Program. PAB will decide whether to invite additional representatives of vanpool operators and customers.

S. PROGRAM EMPLOYEES.

Those hired by PRTC for the purpose of administering the Program shall be employees of PRTC, entitled to all the rights and privileges as all other PRTC employees. Said employees shall also be bound by PRTC's adopted personnel policy, and PRTC management shall have supervisory responsibility for the conduct and performance of these employees. Costs associated with the Program employees (e.g., salary, fringe) constitute a Program expense that shall be payable from adopted Program budgets.

T. INDEMNIFICATION. No indemnities are granted by virtue of this MOU.

U. EFFECTIVE DATE AND TERM.

This agreement shall be effective following its execution by authorization of all Program Sponsors and shall remain in force indefinitely unless terminated sooner as provided for in Section O of this MOU.

V. CHANGES AND AMENDMENTS.

Upon the mutual consent of the Program sponsors, this MOU may be amended.

W. SEVERABILITY.

In the event that any of the provisions of this MOU are determined to be in violation of any statute or rule of law to which this MOU is subject, then such provision(s) shall be deemed to be inoperative to the extent that the provision(s) is contrary to the requirements of the law, and shall be deemed to be modified to conform with such statute or rule of law, or stricken entirely from this MOU.

Invalidity or modification of one or more provisions of this MOU shall not affect any of the other provisions of this MOU.

X. AUTHORIZED SIGNATURES.

The undersigned individuals have been duly authorized to commit their respective organizations and member jurisdictions to the terms of this MOU.

In witness whereof, the duly authorized representatives of the parties hereto have executed this MOU on the dates and year hereafter written:

NORTHERN VIRGINIA VIRGINIA TRANSPORTATION COMMISSION	POTOMAC AND RAPPAHANNOCK TRANSPORTATION COMMISSION	GEORGE WASHINGTON REGIONAL COMMISSION
Chairman	Chairman	Chairman
____________________ Signature	____________________ Signature	____________________ Signature
____________________ Date	____________________ Date	____________________ Date

AGENDA ITEM #8

TO: Chairman Fisette and NVTC Commissioners

FROM: Rick Taube

DATE: May 31, 2012

SUBJECT: I-66 Multi-Modal Study (Inside the Beltway)

Staff comments were provided to meet the May 22nd deadline. A copy is attached. As can be seen, there are many significant issues remaining, and the public will not have further opportunity to comment prior to completion of the final report.

NVTC will receive a briefing from project staff on the final report at the commission's July 5th meeting. In the meantime NVTC staff would welcome reactions from Board members on the study and on staff's comments.

2300 Wilson Boulevard • Suite 620 • Arlington, Virginia 22201
Tel (703) 524-3322 • Fax (703) 524-1756 • TDD (800) 828-1120
E-mail nvtc@nvtdc.org • Website www.thinkoutsidethecar.org

Northern Virginia Transportation Commission

May 22, 2012

Valerie Pardo
Project Manager
Virginia Department of Transportation
NOVA Transportation Planning
4975 Alliance Drive
Fairfax, VA 22030

Dear Ms. Pardo,

Thank you for the opportunity, as a member of PARC, to offer my comments on the I-66 Multimodal Study (Inside the Beltway) Draft Final Report. These comments have not been reviewed or approved by NVTC's Board. Please consider the following comments:

1. Given the serious implications of the final recommendation of the I-66 Multimodal Study, the public should be given ample opportunity to comment on the final recommendation. It would be unfortunate to dedicate such time, effort, and resources to this important study only to rush into a recommendation without carefully weighing every available option, and considering all public comments.

2. In essence, the final decision in this "multimodal" study was a choice among six different packages, five of which were premised on highway improvements, and only one of which focused on transit. An impression may exist that the study did not have an appropriate balance of opportunities to improve travel in the corridor using transit.

3. It is not apparent how the information obtained through the market research, stakeholder interviews, public comments, or input from the PARC was considered in the formulation of the final recommendation.

4. Information collected through the course of this study suggests that local support for widening I-66 and for HOT lanes is weak at best, and that the recommended mobility package is not supported by either the public or the PARC. How will VDOT explain the choice of Package #2?

5. I understand that VDOT has heard consistent, strong support for transit improvements throughout this process. Package #4 has been identified as the public's preferred package, and it also appears to be strongly supported by PARC.

6. It would be helpful to compare the packages in terms of relative costs and benefits, such as travel time savings through the corridor. This kind of

2300 Wilson Boulevard • Suite 620 • Arlington, Virginia 22201
Tel (703) 524-3322 • Fax (703) 524-1756 • TDD (800) 828-1120
Email nvtc@nvtdc.org • Website www.thinkoutsidethecar.org

analysis would be helpful in measuring and comparing the real benefits of each package.

7. The recommended package, Package #2, is also the most expensive package. The study should adequately demonstrate that any incremental benefits Package #2 offers are worth the cost.

8. While Package #2 (Package #1, plus widen) performs the best of all packages with respect to reducing peak period congested VMT, it is outperformed by Sensitivity 1 (Package #1, no widen) with respect to the other selected measurements: daily PMT, person throughput, and transit ridership. It is also a fraction of the cost of Package #2. Why was this package not selected? Could it be implemented as part of Package #2?

9. All packages appear to have some benefit. If the study does not preclude the implementation of a "hybrid" package which incorporates positive elements of all packages, this option should be explored.

10. The study does not address the fact that adding highway capacity within the corridor does little to alleviate capacity constraints elsewhere in the system.

11. The study should report on the effects of changing the HOV hours and occupancy restrictions to optimize ridesharing and transit use to reduce congestion.

12. The study methodology should have considered the fact that HOV cheating and legal SOV use seriously degrade the corridor's real-world performance during HOV hours.

13. The study assumes CLRP+ conditions/improvements on I-66, such as the imposition of HOV-3+ restrictions, as the future baseline conditions. It might also be helpful to consider the proposed improvements independent of assuming CLRP+ conditions.

If you have any questions about my comments, please do not hesitate to contact me.

Thank you,

Claire Gron
Public Transit Policy Analyst

2300 Wilson Boulevard • Suite 620 • Arlington, Virginia 22201
Tel (703) 524-3322 • Fax (703) 524-1756 • TDD (800) 828-1120
Email nvtc@nvtdc.org • Website www.thinkoutsidethecar.org

I-66 Multimodal Study Inside the Beltway 3

Identifying solutions between I-495 and the Theodore Roosevelt Bridge FACT SHEET 3

IN THIS FACT SHEET

About the Study

The I-66 Multimodal Study is focused on developing a set of recommendations for multimodal mobility packages which can help reduce congestion and improve mobility along the I-66 corridor inside the Beltway, between I-495 and the Theodore Roosevelt Bridge.

Fact Sheets

1 **Study Overview and Outcomes**

2 **Issues and Needs and Study Process**

From Issues and Needs to Options

The identified issues and needs (see Fact Sheet #2) in the I-66 study corridor, served as the basis for formulating eleven mobility options. The options represent potential elements that could be incorporated into solutions to address the specific capacity and congestion challenges commuters face on a daily basis. The identification and development of these options was initially informed by market research, stakeholder interviews, previous studies, the technical study team, and members of the Public Agency Representative Committee (PARC). The mobility options were presented to the public at the first round of public meetings in December and refined by the project management team based on public comments. The mobility options selected for the first level of assesment include:

A. HOV Restrictions
B1. I-66 Bus/HOV/HOT Lane System – Option 1
B2. I-66 Bus/HOV/HOT Lane System – Option 2
C1. I-66 Capacity Enhancement – Option 1
C2. I-66 Capacity Enhancement – Option 2
D. Integrated Corridor Management
E. Arterial Capacity Enhancement
F. Metrorail Level of Service and Capacity
G. Bus Transit Level of Service and Capacity
H. Transportation Demand Management
I. Bike/Pedestrian System Enhancements

Each mobility option was evaluated to see how it would:

> Increase the share of non-single occupancy vehicle (SOV) travel in the study area.

> Increase personal mobility, regardless of mode.

> Reduce congested Vehicle Miles of Travel (VMT).

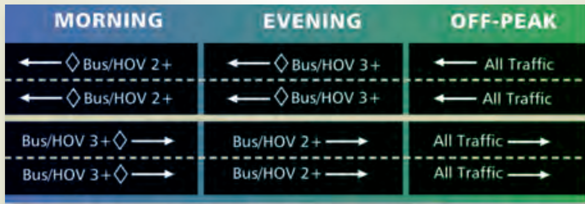
To move from options to packages, the study objectives attempt to balance the assessment measures by improving travel options and personal mobility, and minimizing vehicle miles of travel.

Mobility Options

The following descriptions of the mobility options provide suggested applications and key findings.

A. HOV Restrictions

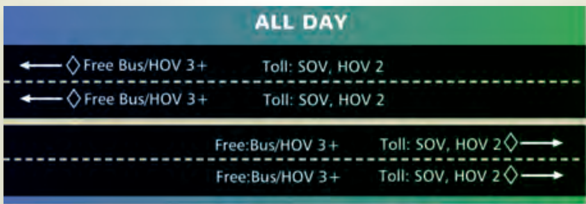
> I-66 lanes in both directions are designated Bus/HOV during peak periods
> No new lanes added
:: In the peak direction, all lanes are Bus/HOV 3+ only during peak periods (no change from CLRP)
:: In the reverse-peak direction, all lanes are Bus/HOV 2+ only during peak periods
:: In off-peak periods all lanes are open to all traffic



Key Finding: Due to the HOV 2+ restriction, this option reduces travel on I-66 in the reverse-peak direction and shifts vehicle travel onto parallel roads or outside the study area.

B1. I-66 Bus/HOV/HOT Lane System – Option 1

> Converts I-66 into an electronically tolled Bus/HOV/high occupancy toll (HOT) roadway
:: SOV and HOV 2 vehicles would be tolled
:: Bus/HOV 3+ vehicles would not be tolled
:: Applies to all lanes in both directions 24/7



Key Finding: This mobility option allows non-HOV 3 vehicles to use I-66 by paying a toll, making full use of the available capacity while maintaining a good level of service. This increases person throughput on I-66 in the peak direction and eases congestion on some of the surface arterials.

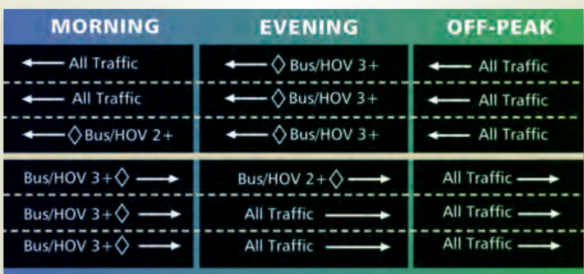
B2. I-66 Bus/HOV/HOT Lane System – Option 2

> Converts I-66 into an electronically tolled Bus/HOV/HOT roadway and adds a lane in each direction
:: SOV and HOV 2 vehicles would be tolled
:: Bus/HOV 3+ vehicles would not be tolled
:: Applies to all lanes in both directions 24/7

Key Finding: This option is similar to Option B1 and, due to the added tolled capacity, allows more SOV's access to I-66. This shift helps ease congestion on the surface arterials but also attracts travelers who had previously been using transit.

C1. I-66 Capacity Enhancement – Option 1

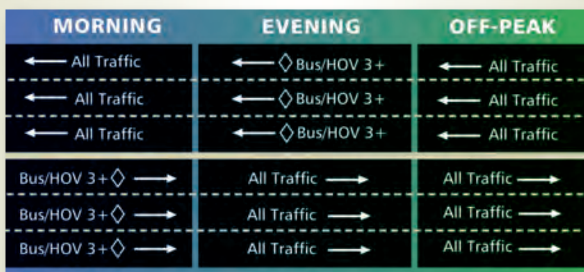
> An additional lane is added in both directions
:: In the peak direction, all lanes are Bus/HOV 3+ only during peak hours
:: In the reverse-peak direction, one lane is Bus/HOV 2+ during peak hours, and the rest are general purpose lanes
:: In off-peak periods all lanes are open to all traffic



Key Finding: This option primarily eases congestion on I-66 in the reverse-peak direction, although the additional incremental capacity is restricted to HOV 2+. The HOV 3+ restriction on all lanes during peak periods limits use of new incremental capacity in the peak direction.

C2. I-66 Capacity Enhancement – Option 2

> An additional lane is added in both directions
:: In the peak direction, all lanes are Bus/HOV 3+ during peak hours
:: In the reverse-peak direction, all lanes are general purpose lanes during peak hours
:: In off-peak periods all lanes are open to all traffic

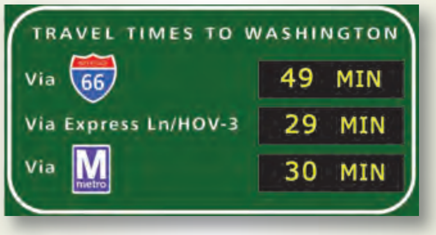


Key Finding: Because there are no restrictions in the reverse-peak direction with the added capacity, this option primarily eases congestion on I-66 in the reverse-peak direction. This new capacity shifts some traffic from surface arterials. As with Option C1, the HOV 3+ restriction in the peak direction limits use of the new capacity in that direction.

D. Integrated Corridor Management (ICM)

> Deploy ICM strategies throughout the corridor

- :: I-66 Active Traffic Management
- :: Multimodal Real Time Traveler Information
- :: Ramp Metering
- :: Dynamic Merge
- :: Transit Signal Priority



Key Finding: This option includes a range of technological improvements designed to improve traffic flow and operations on roadways throughout the corridor. Improvements will affect both automobiles and buses, making travel in the corridor easier at key locations, such as the I-66/Dulles Connector Road merge.

E. Arterial Capacity Enhancement

> Enhance U.S. 50

- :: Apply access management principles.
- :: Implement Bus-Only lane in each direction and improve bus service in the corridor.
- :: Bus lane was introduced by adding new shoulders.
- :: Shoulder is not open to general traffic during off-peak hours.

Key Finding: This option transforms U.S. 50 into a limited access expressway, which increases its capacity and increases vehicle traffic. The increased transit speeds and services from the bus-only lanes do not offset the effects of the capacity improvements for autos. In part, the transit service provided in the option does not fully serve the most-productive transit markets.

F. Metrorail Level of Service and Capacity Enhancement

> Provide operating flexibility for Metrorail and an alternative connection between the I 66/Dulles Access Road Corridors and South Arlington through an interline connection between the Orange Line and Blue Line.

Key Finding: This option changes the operating plan for Metrorail to provide direct service between the Ronald Reagan Washington National Airport, South Arlington, the Rosslyn-Ballston Corridor, and points west along the Silver Line via a new interline connection between Court House and Arlington Cemetery. This option provides additional service on the Orange/Silver Lines between Court House and East Falls Church and direct connections to new markets. Flexibility of Metrorail is enhanced, but ridership effects in the study area are modest.

G. Bus Transit Level of Service and Capacity

> Includes several planned enhancements to local, commuter, and regional bus services including bus route changes and additions.

> Includes new and enhanced Priority Bus services with 10-minute peak period frequency on I-66, US 29 and US 50.

Key Finding: This option increases bus service in the corridor and has the most positive impact on reducing the level of congestion in the study area. The increased transit service also attracts new transit riders and reduces the single occupancy vehicle mode share in the study area.

H. Transportation Demand Management (TDM)

> Enhanced TDM strategies are drawn from the I-66 Transit/TDM Study

- :: Enhanced Corridor Marketing
- :: Vanpool Driver Incentive
- :: I-66 Corridor Specific Startup Carpool Incentives
- :: Rideshare Program Operational Support
- :: Carsharing at Priority Bus Activity Nodes
- :: Enhanced Virginia Vanpool Insurance Pool
- :: Enhanced Telework! VA

Key Finding: A range of improved TDM strategies and programs including marketing and outreach, vanpool programs, and financial incentives will be able to attract some new commuters to alternative modes, decreasing the SOV mode share for work trips. The success of this option is dependent on the level of investment.

I. Bike/Pedestrian System Enhancements

> Add new connections (on- and off-road) to address gaps and improve connections

> Improve bicycle/pedestrian access to transit (bus and rail)

> Expand bicycle parking at transit stations

> Expand bikesharing program

Key Finding: This option includes many improvements to the pedestrian and bicycle systems designed to make non-motorized travel in the study area easier and more appealing. The improvements are especially focused on improving access to Metrorail stations, encouraging more transit use.

HOW TO STAY INFORMED AND INVOLVED

Stay informed by visiting **www.i66multimodalstudy.com** where you can learn more about the study and key milestones, find contact information, and view and download study documents, including the December 2011 public meeting presentation and presentation boards, market survey, comment form, map of the study area, Fact Sheets, and Interim Report.

If you are interested in commenting by phone and/or email, please contact us at **info@i66multimodalstudy.com** or **855 STUDY66 (788-3966)**

UPCOMING PUBLIC PARTICIPATION MEETINGS

Two public meetings will be held to capture valued input on the proposed recommendations.

Arlington County Meeting
April 24, 2012
6:30-8:30 pm
The Navy League Building,
Main Floor Board Room
2300 Wilson Boulevard
Arlington, VA 22201

Fairfax County Meeting
April 25, 2012
6:30-8:30 pm
Mary Ellen Henderson
Middle School
7130 Leesburg Pike
Falls Church, VA 22043

DRPT

VDOT Virginia Department of Transportation

Next Steps

> Working with the PARC, the study team is currently sorting through the Mobility Option results to define up to 5 Multimodal Packages for detailed assessment. The Packages represent fully integrated options that combine transit, TDM, bicycle, pedestrian, technology and roadway improvements to address congestion and mobility in the I-66 study area.

> The various Multimodal Mobility Packages will be presented at the next round of public meetings. The PARC and the study team will develop a final set of recommendations based on the technical results and the public input received.

Public Participation

Eighty-five public comments have been received since the study's inception and over twenty-five stakeholders have been interviewed about their preferences for multimodal solutions in the I-66 study area. The comments and suggestions were used to inform the mobility options and will be carried forward to the multimodal packages.

Key public and stakeholder comments include:

> Congestion is a major issue in the I-66 corridor and should be addressed as soon as possible.

> Prior to considering capacity improvements to I-66, all multi-modal mobility solutions should be evaluated.

> Support for HOT lanes was mixed, with most respondents wanting more information before making a decision.

Suggested improvements include:

Metrorail: Increase Metro train frequency on the Orange Line during peak periods; address the issues of parking availability at Metrorail stations; and increase access to Metrorail stations with bus, bike, and pedestrian connections.

Bus: Improve and add bus services (express and local), especially during peak periods, to alleviate Metrorail congestion; and coordinate bus schedules and times so it is a reliable mode for commuters.

TDM: Provide incentives to businesses and employees to promote carpooling and alternative mode choices.

Bike/Pedestrian: Address the network gaps and improve connections to Metrorail stations and Metrobus stops; add bicycle facilities (e.g., stands, lockers, bikeshares) at Metrorail station; and make safety improvements (e.g., lighting, signage, buffers) to trails.

HOV: Implement HOV restrictions for reverse usage and increase the hours of use, but create additional incentives and opportunities for ridesharing; eliminate the hybrid exemption; and increase enforcement.

Widen I-66: Increase the number of lanes on I-66 that could be used by general traffic, Bus/HOV traffic or as HOT lanes.

Arterials: Improve critical intersections on U.S. 50; and add more public transit to the arterials, including additional buses and/or priority buses.

Technology: Improve technology to let drivers know about congestion and accidents.

AGENDA ITEM #9

TO: Chairman Fisette and NVTC Commissioners

FROM: Rick Taube and Kala Quintana

DATE: May 31, 2012

SUBJECT: Legislative Items

A. State Legislative Update.

The biennial budget was approved with an additional $9.9 million for transit operating assistance statewide in FY 2013. NVTC staff estimates that its jurisdictions could realize an additional $6.3 million in FY 2013 funding, plus $619,000 for VRE and $341,000 for PRTC. No additional funding for the Dulles Rail project was provided.

B. Federal Legislative Update.

The attached legislative summary from the American Public Transportation Association describes action by the House of Representatives to approve a "skeleton" multi-year surface transportation authorization bill for the purpose of permitting a conference committee to begin work. The Senate version includes increased expenditures and restoring the monthly tax-free transit benefit to $240.

C. Study of Northern Virginia Transportation/Planning Agency Consolidation.

Chairs and Vice-Chairs of several agencies were invited to a meeting on May 24th (open to the public) to discuss how to proceed with the study requested by the Northern Virginia General Assembly Delegation. Materials from that meeting are attached for your information.

2300 Wilson Boulevard • Suite 620 • Arlington, Virginia 22201
Tel (703) 524-3322 • Fax (703) 524-1756 • TDD (800) 828-1120
E-mail nvtc@nvtdc.org • Website www.thinkoutsidethecar.org

Northern Virginia Efficiency/Coordination Task Force

Northern Virginia Regional Commission
3060 Williams Drive
Fairfax, Virginia 22031
May 24, 2012
6:00 p.m.

I. Welcome and Introductions: Marty Nohe, Chairman, NVTA and NVRC
Jay Fisette, Chairman, NVTC
Mike May, Chairman, PRTC

II. Minutes of May 2, 2012, Meeting

III. Letter to Northern Virginia General Assembly Delegation

IV. Responses to Requests for Information from May 2, 2012, Meeting

a. History of Transportation Agencies
b. Summary of Agency Missions and Organizational Characteristics
c. Maps of Transportation Agency Territories
d. Funding and Formula Aspects
e. Legal Implications
f. Commuter Travel Patterns
g. MPO Designation Information
h. Comparison between Hampton Road and Northern Virginia transportation planning agency structure

V. Report on Conference Call with Secretary Connaughton

VI. Discussion Items
a. Measures of Efficiency Criteria
b. Establishment of Working Groups
    i. Legal/Financial
    ii. Organizational
    iii. Measures of Efficiency
    iv. Short Term Approaches to Addressing Concerns
    v. MPO Considerations
c. Timeline for Activities
d. Need/Desire for Consultant Support

VII. Other Items for Discussion
   a. DRPT Decision regarding Northern Virginia Transit Funding

VIII. Additional Direction to Staff

IX. Next Meeting
   a. June 28, 2012 – 6 p.m. – Northern Virginia Regional Commission

May 16, 2012

The Honorable Charles J. Colgan, Co-Chairman
Northern Virginia Delegation
Virginia General Assembly
10660 Aviation Lane
Manassas, Virginia 20110-2701

The Honorable Thomas Davis Rust, Co-Chairman
Northern Virginia Delegation
Virginia General Assembly
730 Elden Street
Herndon, Virginia 20170

Subject: Follow Up Response to Letter Regarding Consolidation and/or Improved Coordination of Northern Virginia Transportation and Planning Organizations

Dear Chairmen Colgan and Rust:

Thank you for your letter requesting that we engage our organizations in an effort to determine whether consolidation and/or improved coordination would enhance regional planning, including transportation planning and services. In response to your letter, we have established a Northern Virginia Efficiency and Consolidation Task Force. The Task Force is made up of:

- The Chairs and Vice Chairs of our organizations
- The Chairs of the Virginia Railway Express and the Washington Metropolitan Area Transit Authority
- The Virginia Vice Chair of the Transportation Planning Board
- The Chairman of Fairfax County
- Representatives from the City Councils of Falls Church, Fairfax and Manassas

The Task Force held its first meeting on May 2. At the meeting, we discussed the scope of the effort, data that we believe will be necessary for our discussions, and a schedule for future meetings. We also determined who would provide staff support for this effort and gave direction to staff regarding research and data collection in preparation for our next meeting on May 24.

In reviewing what needs to be accomplished to respond to your request in a thoughtful and reasonably thorough way, we believe that the effort will take a little longer than you envisioned. As a result, we believe we can complete our work and have recommendations ready for your consideration by November 16, 2012. We will, however, provide you an update on our progress by October 1, 2012, the date included in your letter.

If you have any questions or need additional information, please contact any one of us.

Sincerely,

Martin E. Nohe
Chairman
Northern Virginia Transportation Authority
4031 University Drive, Suite 200
Fairfax, Virginia 22030

Chairman
Northern Virginia Regional Commission
3060 Williams Drive, Suite 510
Fairfax, Virginia 22031

Jay Fisette
Chairman
Northern Virginia Transportation Commission
2300 Wilson Boulevard, Suite 620
Arlington, Virginia 22201

Michael C. May
Chairman
Potomac and Rappahannock Transportation Commission
14700 Potomac Mills Road
Woodbridge, Virginia 22192

Cc: Members, Northern Virginia Delegation, Virginia General Assembly
Members, Northern Virginia Regional Commission
Members, Northern Virginia Transportation Authority
Members, Northern Virginia Transportation Commission
Members, Potomac and Rappahannock Transportation Commission

The Examiner

WASHINGTON, DC 67°F

LOCAL

NEWS CAMPAIGN 2012 LOCAL OPINION SPORTS ENTERTAINMENT CONTES

D.C. MD VA Education People Transportation Crime Re

Virginia News

N.Va transportation groups might merge

May 19, 2012 -- 8:00 PM

1 Comment

Steve Contorno

Examiner Staff Writer

The four stakeholders that govern transportation in Northern Virginia are considering consolidating their efforts after an escalating push from lawmakers to ax what they deem repetitive commissions.

Advocates for the four bodies -- Northern Virginia Transportation Commission, Northern Virginia Transportation Authority, Northern Virginia Regional Commission, and Potomac and Rappahannock Transportation Commission -- successfully staved off a legislative attempt this session to force the boards to combine efforts. But even as the legislation died, lawmakers from Northern Virginia sent a letter in April asking the bodies to consider it on their own.

"Engage your organization in an effort to determine whether consolidation and/or improved coordination would enhance regional planning, including transportation planning and services," said to the letter signed by 40 area delegates and senators.

Since then, leaders for the groups have met, including in the past month, to consider the proposal and see if there is overlap between the bodies, said Jay Fisette, chairman of the NVTC.

Popular in Virginia News

5 Feds found fault with MWAA

2 Metro riders on losing end of Rush Plus still face higher fares

3 Council, zoning board argue over lawyer

4 VRE again looking at adding WiFi to trains

Dulles Rail board spends nearly $1m studying itself

"We have initiated a plan," Fisette said. "We laid out a process, we told them we would be able to respond to their request and do a thorough analysis. We would get back to them by the middle of November."

There's growing pressure from within the NVTC to consolidate, thanks to the addition of Sen. Dick Black, R-Leesburg, to the organization following the results of last year's elections that gave Republicans Senate representation in Northern Virginia. Black favors a course of action that could ultimately kill the commission he sits on.

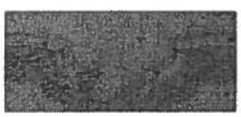
"We certainly have more boards and commissions and government bodies than we ought to have, and so if we can combine functions I think there's merit to that," Black said. "I'll be watching that as I sit on the commission."

But the four boards have inherently different duties, says Stewart Schwartz, executive director of the Coalition for Smarter Growth, a D.C.-area group promoting transit.

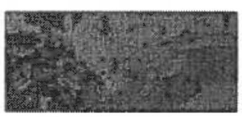
"They are effective and successful, and to us the real intention in our view behind this is to shift power to Richmond," Schwartz said. "It doesn't work to the benefit of Northern Virginia."

scontorno@washingtonexaminer.com

More From this Section



Feds found fault with...

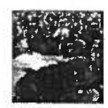


Metro riders on losing...

Council, zoning board...

VRE again looking at...

Top I



Get E

Enter Er

Northern Virginia Transportation Commission

AGENDA ITEM #10

TO: Chairman Fisette and NVTC Commissioners

FROM: Rick Taube and Claire Gron

DATE: May 31, 2012

SUBJECT: WMATA Items.

A. WMATA Board Members' Report.

NVTC's WMATA Board members will have the opportunity to bring relevant matters to the attention of the commission.

B. Vital Signs/WMATA Dashboard.

Each month staff will provide copies of WMATA's Dashboard performance report and every quarter staff will include a summary of WMATA's Vital Signs report.

C. Washington Post Statewide Poll on the Dulles Metrorail Extension and Transportation Funding.

The Washington Post conducted a telephone poll between April 28 and May 2, 2012 to study public opinions concerning the extension of Metrorail to Dulles, state transportation funding, and the gas tax, among other issues. The poll included a random sample of 1,101 adults in the Commonwealth of Virginia, and users of both conventional and cellular phones.

The poll shows variations in support statewide—but also within Northern Virginia—for the extension of Metrorail to Dulles. Statewide, support for the extension is strong, with support evenly split between extremely or very important (32% each). Only 32% rated the project not at all important. Support is significantly stronger in Northern Virginia than in the remainder of the state, with 56% reporting that the extension is extremely or very important (Figure 1) compared to only 19% outside Northern Virginia. Poll data suggest that support for the extension differs between Northern Virginia's inner suburbs and exurbs (Figure 2). Over two-thirds (67%) of individuals polled in the inner suburbs consider the extension to be extremely or very important, compared with just under half (46%) of individuals polled in the exurbs (46%).

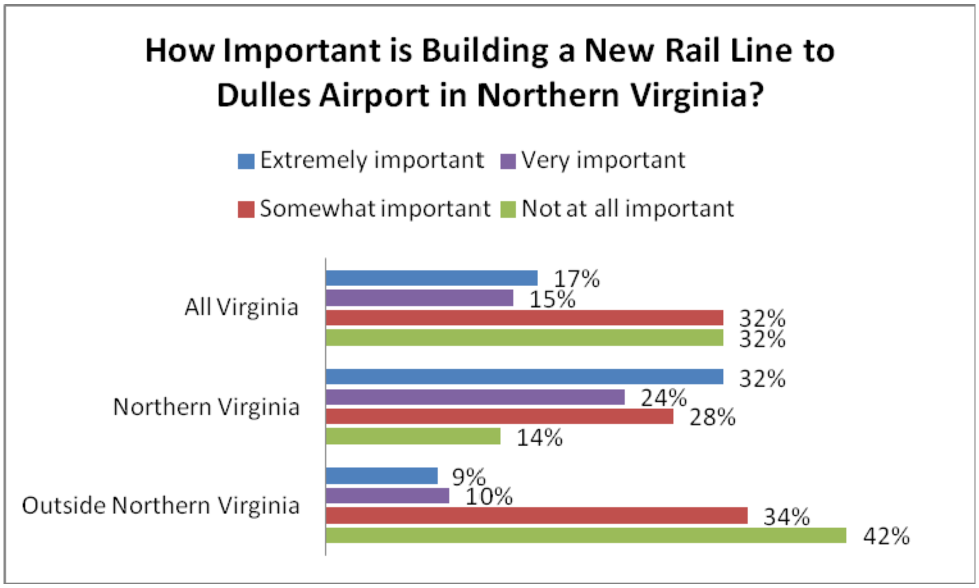


Figure 1.

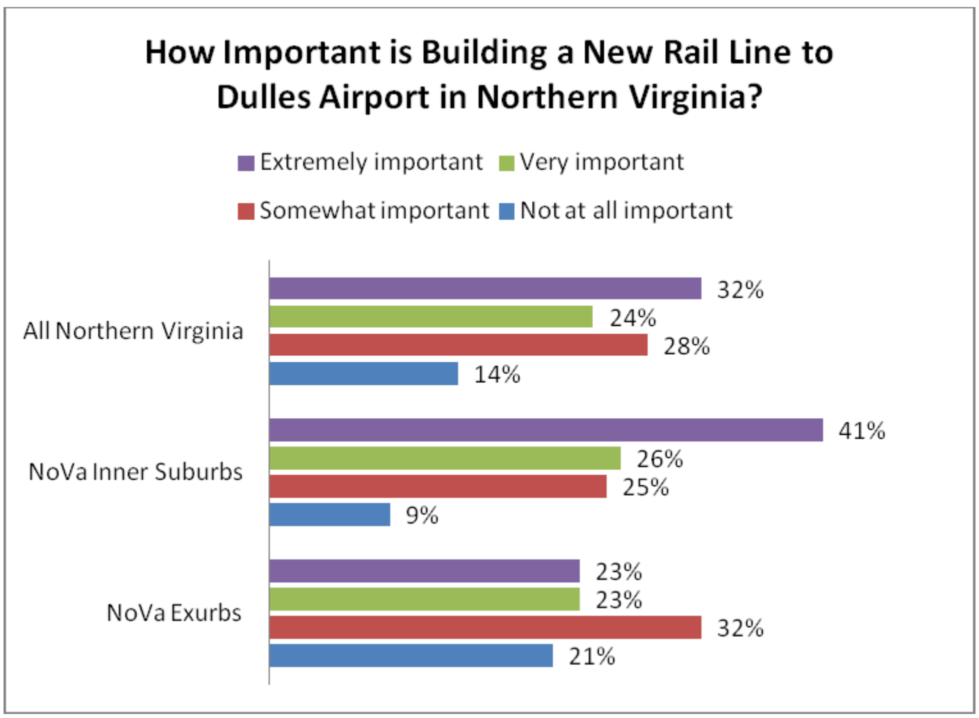


Figure 2.

Separately, the poll reveals that more Northern Virginians support increasing spending for transportation projects than Virginians elsewhere in the state (Figure 3). Over half (52%) of Northern Virginians consider increasing spending on transportation projects extremely or very important and another 32% somewhat important, compared with 43% and 34% respectively outside of Northern Virginia. Support for increased spending for transportation projects has declined in recent years; in a poll conducted in June, 2007, 54% of Virginians statewide considered increased spending to be extremely or very important, 32% reported that it was somewhat important, and only 13% reported that it was not too or not at all important.

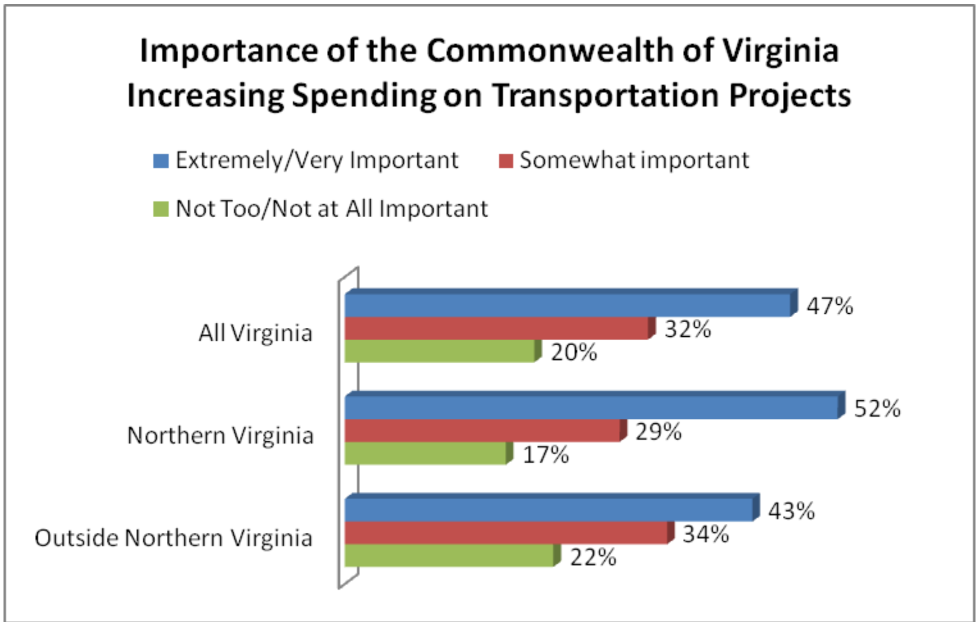


Figure 3.

Finally, the poll examined support for different sources of funding for transportation projects. Statewide, Virginians feel that the Commonwealth should pay for improvements to transportation infrastructure by reducing spending for other services (29%), selling naming rights for streets and bridges (15%), increasing the gas tax (11%), increasing tolls (11%), or some other way (20%). The majority (56%) of Northern Virginians support raising the gas tax by five cents per gallon, to be used for transportation projects, compared to only 38% percent of Virginians living outside of Northern Virginia (Figure 4).

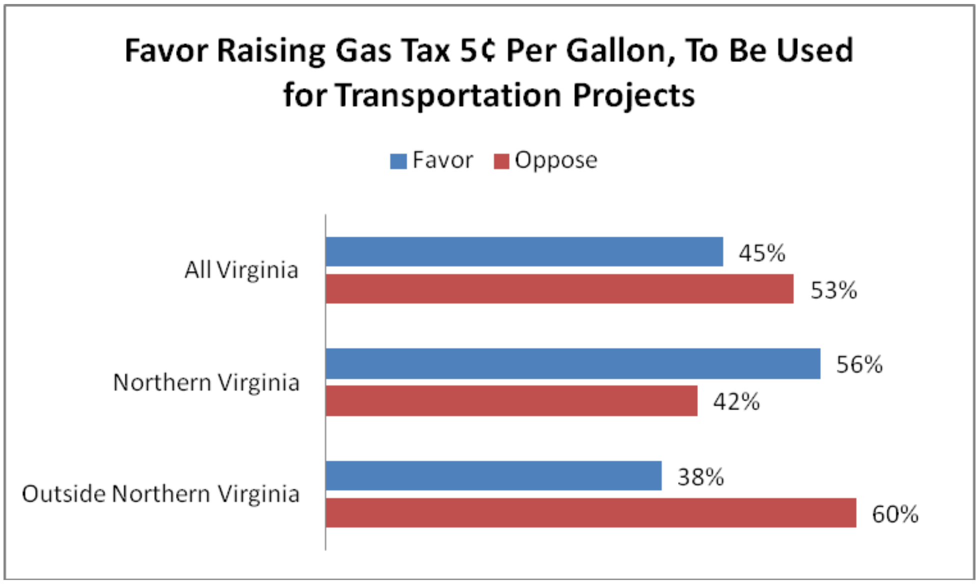

Favor Raising Gas Tax 5¢ Per Gallon, To Be Used for Transportation Projects
Favor
Oppose
All Virginia
45%
53%
Northern Virginia
56%
42%
Outside Northern Virginia
38%
60%

Figure 4.

NVTC Quarterly Summary of Systemwide Metrorail and Metrobus Performance Through March, 2012

On-Time Performance

Metrobus

Target = 78%

	CY 2010/11	CY 2011/12
Mar	77.5%	76.5%
Feb	76.9%	77.8%
Jan	78.5%	78.3%
Dec	75.7%	75.2%
Nov	74.0%	73.7%
Oct	72.7%	72.6%

Metrorail

Target = 90%

	CY 2010/11	CY 2011/12
Mar	91.0%	91.0%
Feb	88.7%	89.2%
Jan	88.0%	89.0%
Dec	87.9%	90.3%
Nov	88.5%	89.3%
Oct	89.3%	90.0%

Safety

Preventable and Non-Preventable Passenger Injury Rate (per million passengers)*

	CY 2010/11	CY 2011/12
Feb	1.66	1.24
Jan	2.08	1.61
Dec	1.49	2.37

*Includes Metrorail, rail facilities, Metrobus, and MetroAccess

Customer Complaint Rate (per million passengers)

	CY 2011	CY 2012
Mar	128	132
Feb	148	131
Jan	130	122

Crime Rate (per million passengers)

	Dec-11	Jan-12	12-Feb
Bus	0.77	1.14	0.93
Rail	6.76	7.99	8.31
Parking	2.25	1.64	0.78

Reliability

Bus Fleet Reliability by Fuel Type (miles without service interruption)

	Mar-11	Mar-12
CNG (30%)*	9,802	7,184
Hybrid (27%)	10,433	12,681
Clean Diesel (8%)	7,637	9,897
Other (35%)	5,340	5,973

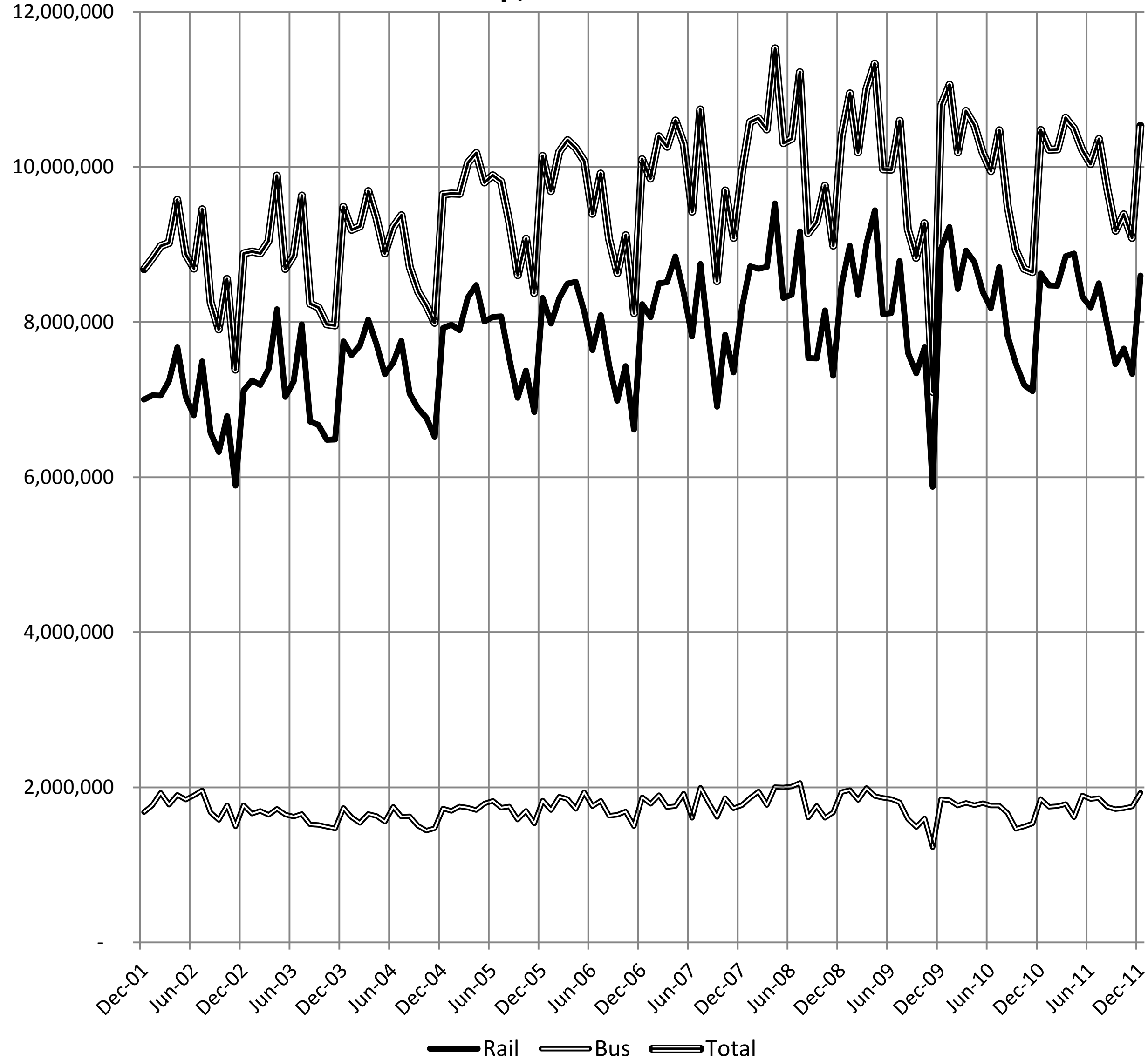
* Percentage of fleet.

Rail Fleet Reliability (miles without service interruption)

	CY 2011	CY 2012
Mar	50,328	43,537
Feb	48,241	40,399
Jan	37,703	40,253

Escalator Availability		Elevator Availablity	
Target = 89%		*Target = 97.5%*	
Mar-11	**Mar-12**	**Mar-11**	**Mar-12**
86.9%	89.3%	96.9%	96.5%

Northern Virginia Metrobus, Metrorail, and Combined Monthly Ridership, March 2002 - March 2012



Northern Virginia Ridership Data
(thousands of one-way passenger trips)

Metrorail	Oct	Nov	Dec	Jan	Feb	Mar
FY 2012	8,499.14	8,015.31	7,529.72	7,657.43	7,331.34	8,599.14
FY 2011	8,707.72	7,823.93	7,463.63	7,189.87	7,108.70	8,627.79
5 yr. Avg.	8,700.21	7,637.34	7,246.20	7,656.35	6,851.24	8,489.08
Metrobus						
FY 2012	1,861.34	1,747.90	1,718.04	1,731.47	1,754.05	1,929.13
FY 2011	1,763.78	1,670.23	1,466.65	1,495.14	1,534.56	1,850.10
5 yr. Avg.	1,889.05	1,661.91	1,595.06	1,650.03	1,533.80	1,854.56

Operating Budget Report

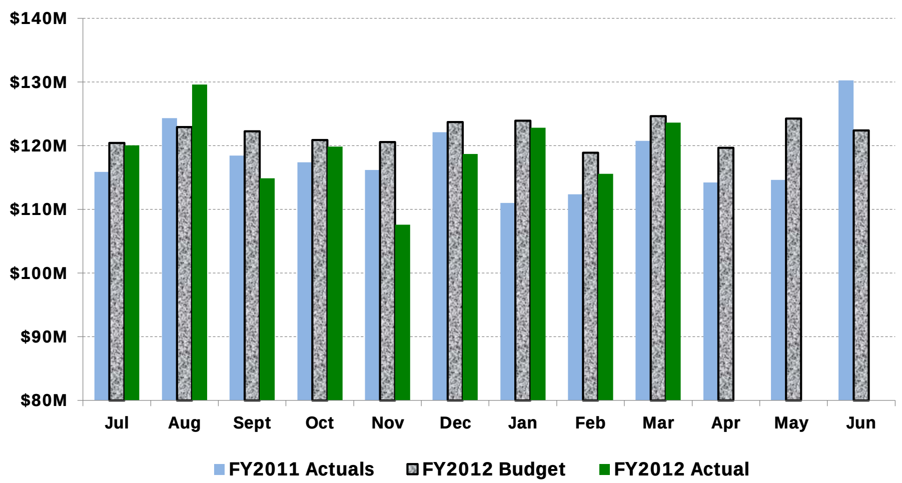
3rd Quarter FY2012

Operating Budget ($ in Millions)

Q3	Q3-FY2011 Actual	Q3 - FY2012 Actual	Q3 - FY2012 Budget	Variance FY12 $	Variance FY12 Percent
Revenue	$ 199	$ 195	$ 197	$ (2)	-1%
Expense	$ 344	$ 362	$ 368	$ 6	1%
Subsidy	$ 145	$ 167	$ 171	$ 4	2%
Cost Recovery	58%	54%	53%		

YTD	FY2011 Actual	FY2012 Actual	FY2012 Budget	Variance FY12 $	Variance FY12 Percent
Revenue	$ 594	$ 592	$ 597	$ (5)	-1%
Expense	$ 1,058	$ 1,073	$ 1,098	$ 26	2%
Subsidy	$ 464	$ 481	$ 501	$ 21	4%
Cost Recovery	56%	55%	54%		

Operating Expenditures ($ in Millions)



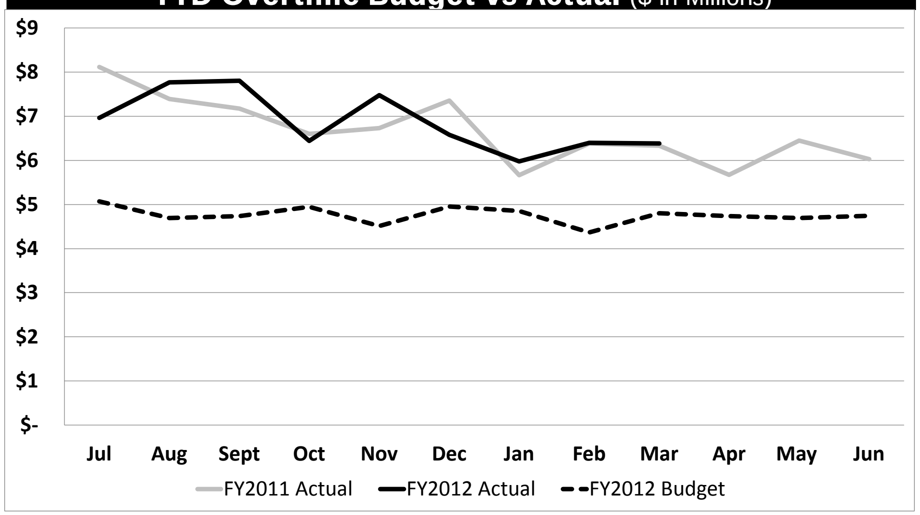
Operating Program Highlights

As of the end of Q3 YTD, Metro is **favorable to budget** by $20.5M, or 4%.

Year-to-date expenditures - $25.5 M or 2.3% favorable to budget.

- Salary & wages below budget by $10.2 M due to vacancies.
- Overtime ($18.8 M) and fringe benefits ($152 K) over budget due to vacancies, leave coverage, and extensive rail work in Transit Infrastructure and Engineering Services (TIES), RAIL and BUS.
- Materials and Supply expenses ($11.4 M) unfavorable due to unanticipated expenses for bus parts, a lag in capitalization of brake and elevator/escalator parts and a system material expense issue that is being researched. It is anticipated that some of these expenses should be capitalized.
- Service expenses of $20.3 M were favorable due to $8.2M savings in paratransit expenses, timing delays in some TIES contract utilization, and timing of contracts by Labor Relations for arbitration negotiations. These costs are likely to be incurred before the end of the fiscal year.
- Propulsion/Diesel and Utilities/Insurance/Other were below budget by $14.3 M and $11.1 M respectively.

YTD Overtime Budget vs Actual ($ in Miliions)



Operating Budget Reprogramming Status

Year-to-date: $300,000 was reprogrammed from the Treasury Office to Counsel for the purpose of funding outside legal fees for Treasury and $1.15M from Access to PLJD for costs related to the installation of parking lot credit card readers. Other reprogramming was intra-departmental.

Revenue and Ridership Report

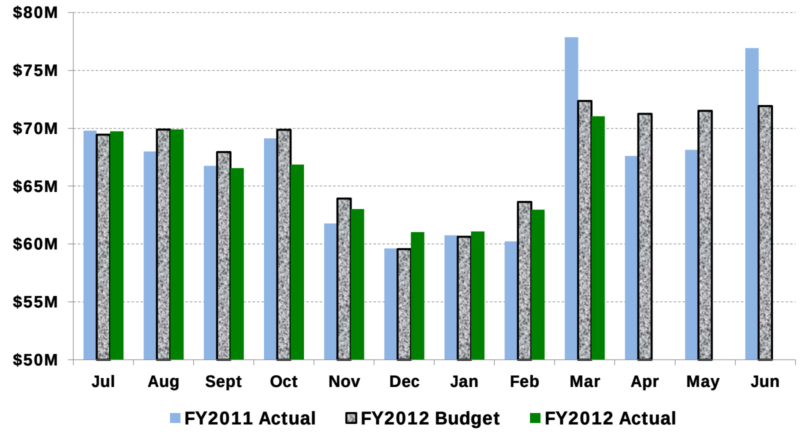
3rd Quarter FY2012

Ridership (trips in thousands)

Q3	Q3 FY11 Actual	Q3 - FY2012 Actual	Q3 - FY2012 Budget	Variance Prior Year	Variance Budget
Metrorail	51,633	52,770	52,744	2%	0%
Metrobus	30,696	33,072	30,587	8%	8%
MetroAccess	577	525	601	-9%	-13%
System Total	82,906	86,367	83,932	4%	3%

YTD	FY11 Actual	FY2012 Actual	FY2012 Budget	Variance Prior Year	Variance Budget
Metrorail	159,342	160,459	161,843	1%	-1%
Metrobus	92,136	98,899	91,360	7%	8%
MetroAccess	1,788	1,555	1,848	-13%	-16%
System Total	253,266	260,912	255,051	3%	2%

Revenue



Revenue and Ridership Highlights

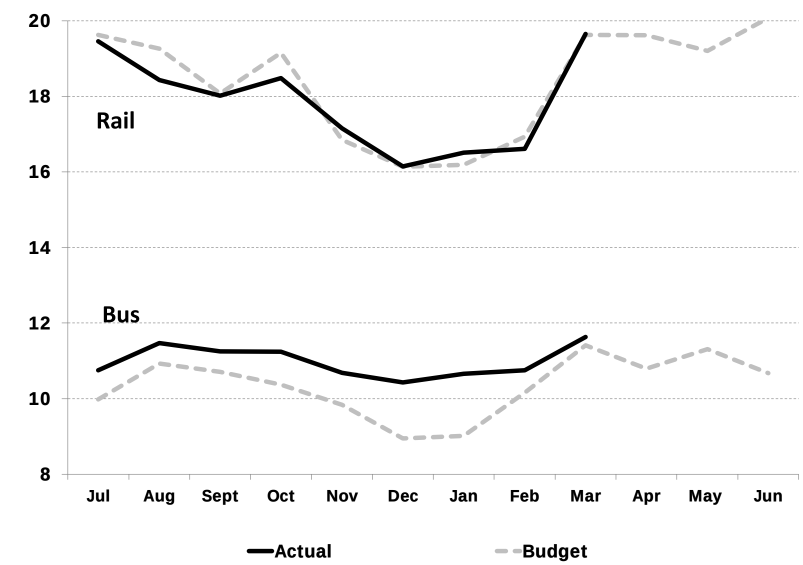
Year-to-date Revenue

- Total revenue is ($5 M) below budget, -1%; Passenger fares plus parking is ($1.5 M) and non-transit revenue is ($3.3 M) below budget.
- Rail passenger fares are ($7.4 M) below budget YTD due to lower than expected ridership; For the second month, average fare was $2.66 compared to a budget of $2.64; Parking revenue YTD is ($1.7 M) below budget.
- Bus passenger revenue YTD is $6.2 M favorable as reflected in the strong ridership numbers; Average fare declined slightly in March for a YTD average of $0.99 compared to a budget of $1.01.
- MetroAccess is $1.2 M above budget; Average fare YTD is $3.77.
- Other revenue is ($3.3 M) below budget, mostly due to advertising revenue that will be received at the end of the fiscal year.

Year-to-date Ridership

- **Rail ridership** YTD is 1% above prior year, though 1% below projection. March ridership MTD was slightly above budget by 0.1%. On Friday March 23, Metro had the highest ridership day of FY2012 with 845,669 trips, compared to an average of 732,000 weekday trips, due to the short-time period for cherry blossom viewing this year. The day marked the 13th highest daily ridership in Metro's history. Average weekend ridership in March was strong at 620,000 trips, greater than it had been since last fall and above FY2011.
- **Bus ridership** YTD is 7.5 M or 8% above budget, and 6.8 M or 7% above prior year. Average weekday ridership has been strong at 444,300 trips per day, compared to

Monthly Ridership for Rail and Bus (in Millions)



Capital Program Report

3rd Quarter FY2012

Sources of Funds ($ in Millions)

	Budget	Forecast	Awarded	Received	To be Rec.
	Expenditure-Based Year to Date Sources of Funds				
FY2011 CIP	$853	$754	$492	$430	$422
FY2012 CIP	$1,042	$805	$622	$484	$433

	Budget	Awarded	Received	To be Rec.
	Obligation-Based to Date Sources of Funds			
Safety & Security	$57	$57	$0	$57
ARRA	56	56	39	17
Reimbursable	100	100	60	40
Total	$213	$213	$99	$114

Uses of Funds ($ in Millions)

	Budget	Forecast	Obligated	Expended	% Obl.	% Exp.
	Expenditure-Based Year to Date Uses of Funds					
FY2011 CIP	$853	$754	$694	$392	92%	52%
FY2012 CIP	$1,042	$805	$805	$462	100%	57%

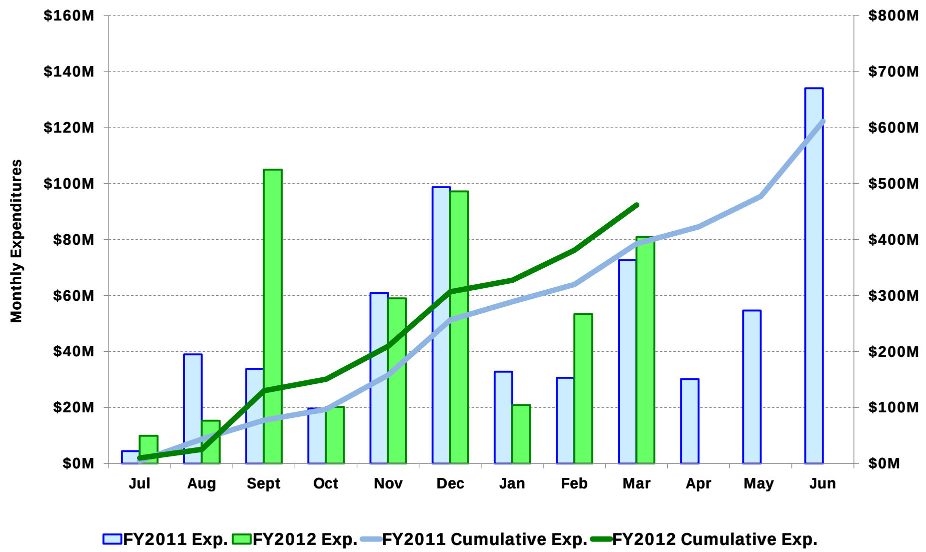
	Budget	Obligated	Expended	% Obl	% Exp
	Obligation-Based to Date Uses of Funds				
Safety & Security	$57	$16	$3	28%	5%
ARRA	56	55	39	99%	70%
Reimbursable	100	85	73	85%	73%
Total	$213	$156	$115	73%	54%

Capital Program Highlights

As of March 31, 2012:

- The Capital Improvement Program (CIP) has expended $462 million in FY2012. This is $70 million more than the same period in FY2011.
- The current forecast is projecting expenditures of $805 million for the fiscal year.
- 95 of the 100 planned buses for FY2012 have been received and all 95 are in service.
- 89 of the 221 planned paratransit vehicles for FY2012 have been received and 55 are in service. The remaining vehicles are scheduled to be delivered by the end of May.
- Continued red line rehabilitation between Dupont Circle and Silver Spring stations.
- 24 of the 42 planned escalator rehabilitations have been completed, including Wheaton, Gallery Pl-Chinatown, and Arlington Cemetery Stations.
- All three of the planned escalator replacements have been completed at the Foggy Bottom –GWU Station
- Track rehabilitation work completed YTD include the following: welded 1,081 open joints; retrofitted 1,375 ln ft of floating slabs; replaced 1,729 "High Voltage" roadway safety signs; rehabilitated 7,303 ln ft of grout pads; tamped 36.4 miles of track; repaired 2,193 leaks; and replaced 15,339 cross ties, 23,304 fasteners, 8,314 insulators, 10.4 miles of running rail, 8,063 direct fixation fasteners, and 24 turnouts.

CIP Expenditures ($ in Millions)



Capital Budget Reprogramming Status ($ in millions)

Through the end of the third quarter, $44.4 million, or 5%, of an approved budget of $888.9 million has been authorized for reprogramming by the General Manager. The 5% authority set by the Board has been reached. Board approval is required for additional reprogramming.

HR Vacancy Report

3rd Quarter FY2012

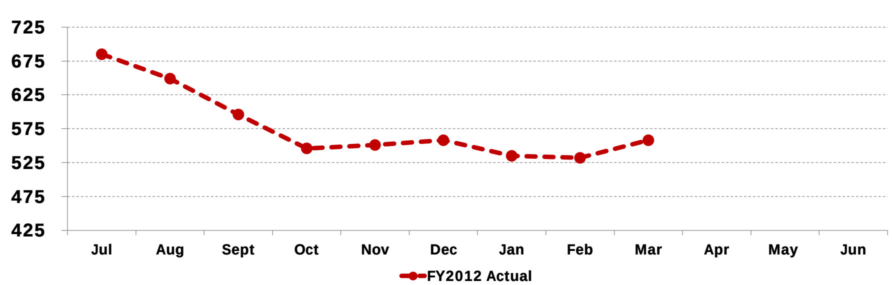
Operating Vacancies

	Budget Approved Positions	Total Number Vacant	Vacancy Rate	Discussion
Total Operating Positions	10,250	558	5%	Operating Vacancies increased due to transfer of employees to Capital.
Departments with a large number of vacancies:				
Transit Infra. & Engineering Services	3,120	155	5%	Increase in vacancies is attributed to transfer of employees to Capital.
Bus Services	3,807	114	3%	
Rail Transportation	1,499	115	8%	Total of Rail Operators in Training Class = 37.
Information Technology	251	52	21%	
Metro Police Department	635	26	4%	

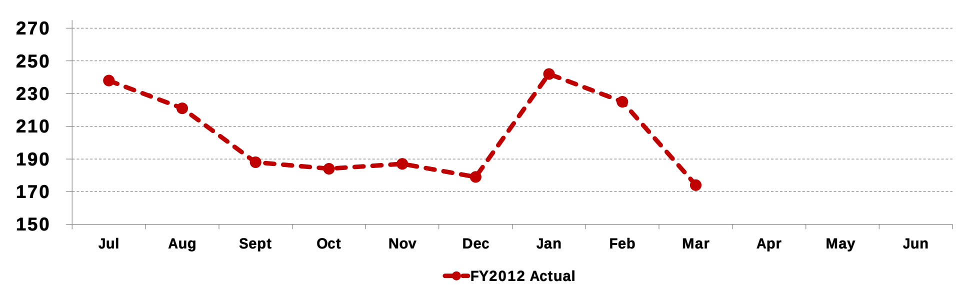
Capital Vacancies

	Budget Approved Positions	Total Number Vacant	Vacancy Rate	Discussion
Total Capital Positions	1,201	174	14%	Reflects GM authorized increased headcount*.
Departments with a large number of vacancies:				
Transit Infra. & Engineering Services	949	126	13%	25% drop due to Speed Hiring initiatives for Engineering staff in March.
Chief Financial Office	382	24	6%	
Information Technology	37	22	59%	Initiative to convert contract positions to full-time employees is ongoing.

Operating Vacancy Trend



Capital Vacancy Trend



*GM authorized 86 additional TIES headcount associated with ramp up of capital program. Recruiting will begin immediately with goal of filling positions by July 1, 2012.

AGENDA ITEM #11

MEMORANDUM

TO: Chairman Fisette and NVTC Commissioners

FROM: Rick Taube and Claire Gron

DATE: May 31, 2012

SUBJECT: Regional Transportation Items

A. SJR 297 Study.

DRPT conducted another stakeholders' meeting on May 7th in Richmond. A copy of the PowerPoint presentation given at the meeting in attached. NVTC staff discussed the attached comments with jurisdiction staff and submitted them to DRPT. The issues mentioned in the comments are likely to persist through the final DRPT report to the General Assembly and in the meantime commissioners should alert NVTC staff to any reactions to the comments.

B. Regional Household Travel Survey

The Metropolitan Washington Council of Governments (MWCOG) first conducted the Transportation Planning Board (TPB) Household Travel Survey (HTS) in 2007-2008 for the purpose of developing a new regional travel demand model. Following requests for additional data from a number of MWCOG member jurisdictions, TPB agreed to expand its work program to include household travel surveys in three to seven smaller geographic areas throughout the region each year. The surveys provide detailed information concerning daily travel behavior which may be useful in local transportation and land use efforts. The data may also be useful to measure changes (before/after) in travel behavior in communities over time.

MWCOG recently released the results from area-specific surveys conducted in spring 2010 and fall 2011. Areas surveyed in Northern Virginia include Jefferson Davis Highway/Crystal City/Pentagon City, Shirlington, Columbia Pike, Reston, and Woodbridge. The surveys reveal an impressive 53% transit mode share in Crystal City for commuting trips, but also in Shirlington (34%) and along Columbia Pike

2300 Wilson Boulevard • Suite 620 • Arlington, Virginia 22201
Tel (703) 524-3322 • Fax (703) 524-1756 • TDD (800) 828-1120
E-mail nvtc@nvtdc.org • Website www.thinkoutsidethecar.org

(25%). The surveys also provide important "before" data for Reston in advance of the planned Metrorail station, and for Columbia Pike in advance of transit improvements in that corridor. Complete survey data are provided in select pages from a presentation to the TPB (attached).

Areas scheduled to be studied in upcoming surveys include the Beauregard Corridor, East and West Falls Church Metrorail stations, and Dulles North in spring 2012, city of Fairfax and city of Manassas in fall 2012, and Tysons Corner in fall 2013.

C. Region Forward

In 2008. MWCOG created the Greater Washington 2050 Coalition to develop a comprehensive long-range vision for the National Capital Region. The resulting vision plan, *Region Forward*, was adopted in January 2010. *Region Forward* is organized around four basic themes—accessibility, sustainability, prosperity, and livability—and identifies 28 targets that can be used to assess the region's progress in these areas. Regular reports examining progress towards attaining *Region Forward*'s targets are expected at least every four years.

MWCOG has prepared a draft Baseline Progress Report measuring the current status of the National Capital Region with respect to the 28 targets. The report also classifies targets as major, moderate, or minor challenges. *Region Forward* includes many transportation-related targets; for example, the plan includes targets for smart growth, vehicle miles traveled (VMT), transportation system management and performance, linkages between—and the availability of transit at—Regional Activity Centers, housing and transportation affordability, regional mode shares, walking, biking and transit trips, bike and pedestrian facilities, greenhouse gas emissions, air quality, and pedestrian and bicyclist safety,

The complete draft Baseline Progress Report is available at http://www.mwcog.org/transportation/committee/committee/archives.asp?COMMITTEE_ID=16.

The Baseline Progress Report will be presented to the MWCOG Board of Directors in June 2012. MWCOG will also be developing an implementation toolkit. In conjunction with the preparation of the Baseline Progress Report, MWCOG is also updating the Regional Activity Centers map, which was last updated in 2007. The updated Regional Activity Center map will be presented to the Board in fall 2012.

Northern Virginia Transportation Commission

NVTC STAFF COMMENTS ON DRPT'S SJR 297 REPORT

-- May 21, 2012--

AWARD WINNER NVTC APTA 1996

2300 Wilson Boulevard • Suite 620 • Arlington, Virginia 22201
Tel (703) 524-3322 • Fax (703) 524-1756 • TDD (800) 828-1120
E-mail nvtc@nvtdc.org • Website www.thinkoutsidethecar.org

DRPT conducted a SJR 297 study stakeholder meeting on May 7, 2012. The following comments are those of NVTC staff and have not been considered or approved by NVTC's Board. These comments are intended to help DRPT develop a SJR 297 report that will receive widespread support from Virginia's transit systems and will fully inform the Virginia General Assembly.

DRPT staff is to be applauded for its sincere efforts to provide well-considered responses to SJR 297's directives and to involve its stakeholders in discussing the consequences of various approaches to improve the current system of state transit assistance. It is hoped that the following comments will assist DRPT in producing a fully supportable and well-documented SJR 297 report that advocates changes designed to provide measureable benefits without unintended consequences.

SJR 297 Requested Responses to Four Specific Questions

DRPT has involved its stakeholder group in productive discussions of performance-based allocation procedures. As illustrated below, DRPT has not involved its stakeholders to the same extent in discussions of the other key components of the SJR 297 study, nor has DRPT shared its analysis or conclusions regarding these additional components. Because the draft report is to be completed within three months, these omissions may reduce the level of consensus among stakeholders.

The study should not dismiss the current system without an explanation. SJR 297 states:

1. Performance: The study should determine if (emphasis added) there should be a system in place to reward operator performance based upon specific criteria (e.g., farebox recovery, cost per passenger trip, passenger trips per vehicle hour, etc.).

In the May 7, 2012 presentation to stakeholders, DRPT describes its current funding strategy in negative terms. For example, it was stated that there is currently "no incentive to improve performance" and "no reward for success." DRPT may have encountered situations that it believes warrant inclusion of performance factors in its allocation formula. These should be fully explained so it can be understood exactly what is broken in the current system that would benefit from a formula change.

The May 7th presentation appears to accept that because the state operating formula does not include performance metrics, transit managers ignore performance. This supposition is open to serious question since there are multiple subsidy contributors and the state subsidy provides a relatively modest share of the total. Local governments and customers also demand strong performance. DRPT could present peer group performance comparisons for Virginia versus other states' transit systems that would illustrate whether transit systems under the current DRPT approach are or are not performing well.

There will likely be negative as well as positive consequences resulting from any substitute allocation process, and these should be acknowledged and discussed to ensure that the study's conclusions are well reasoned. For example, the current system is very likely to be easier to understand and enforce and less complex than a substitute. Currently, transit systems seem to work in concert with DRPT to achieve success throughout the Commonwealth. It is unlikely that DRPT would want to recommend a system that would encourage each transit operator to view its peers as competitors for limited funding. The survival of the fittest may not be the best approach for transit systems that, like libraries, police and fire services, are not designed as profit-making enterprises.

<u>The study should also examine DRPT's approach to capital grants</u>. SJR 297 states:

2. Prioritization: Currently all capital requests are matched equally. The study should examine different funding categories.

In fact, DRPT has adjusted its approach to capital funding considerably over the past few years so SJR 297's statement is incorrect. Instead of including all projects and allocating available funding among projects, DRPT has altered its matching ratio to favor certain categories (e.g. rolling stock) and has given preference to federally funded projects. It has also ruled out certain projects submitted by applicants.

This description of DRPT's capital allocations is not meant as a criticism, but at the very least DRPT's report should examine its current process, determine pros and cons, and involve stakeholders in further discussions of how the current process could be improved.

<u>The study should also examine stability</u>. SJR 297 states:

3. Stability: Match ratios change every year based upon demand and available revenues. The study should examine holding harmless at existing levels and creating a reserve to stabilize funding for both capital and operating expenses.

Stability can be achieved in several ways. The best approach may be to ensure that state assistance grows to match statewide needs. This is where DRPT's data from the statewide transit plan can be most useful. DRPT has taken many other effective measures designed to improve stability, including maintaining equipment databases and requiring Transit Development Plans, both of which are useful in forecasting likely future capital needs.

The pros and cons of these approaches should be analyzed and discussed with the stakeholders group for inclusion in the SJR 297 report.

<u>The study should examine increasing transit's share of the Transportation Trust Fund.</u> SJR 297 states in part:

4. Allocation: …The study should evaluate the allocation of the 14.7 percent of the Transportation Trust Fund revenues among capital and operating expenses and special programs. The study should also address the current code language that allows transit funding up to 95% of eligible capital and operating expenses. The study should determine an appropriate percentage.

As DRPT knows, the 14.7 percent share of the TTF results in a transit allotment that is substantially lower than what the Virginia Code allows. The Virginia Code was amended years ago to permit the Commonwealth to provide the great majority of funding for transit, just as is the case for highways.

The report should examine these issues fully, including the obvious solution of increasing transit's share of the TTF so that the existing statutory transit funding target can be met and transit is not relegated to an inferior state funding position with respect to highways.

Some may argue that there is a stronger state interest in highways and that transit should be primarily a local funding responsibility. DRPT could illustrate in the report how vital transit service is to the economic well being of the Commonwealth, including both those who use transit and those who continue to drive but experience less congestion because others use transit.

<u>The SJR 297 Report Should Be Used As An Opportunity to Support Increased State Funding for Transit</u>

As the stakeholder group has repeatedly emphasized, in order to avoid winners and losers from revised DRPT allocation approaches, a "bigger pie" is needed. While DRPT has stated that its ongoing state transit/TDM plan update will document transit funding needs, it is unclear how the SJR 297 report will use those findings to support the need for additional state transit funding.

Each possible set of factors has its own pros and cons, with its own set of winners and losers. Accordingly, any proposal to implement a new allocation process should hold harmless each existing transit system and to do so requires more state transit funding. Phasing in the new approach over a period of years lessens the impact on the losers, as does retaining elements of the existing cost-based system in the revised process. But those are only "band-aids."

Comments on the Allocation Approach Revealed on May 7th

1. Provide some rational basis for selecting the peer groups, performance factors and weights: Is it sensible to measure the success of the giant regional Metro system with over 10,000 employees using the same factors and weights as those of a much smaller transit system, given the obvious fact that there is no transit system in Virginia that is remotely comparable to WMATA in ridership, operating characteristics, service territory, budget and management structure? If there is no universally accepted set of performance criteria for transit and methods for grouping peer systems, then DRPT could consider the pros and cons of allowing each transit system to identify its own local performance goals and to report to DRPT on the extent to which those goals are met. DRPT could then reward those systems that document meeting local goals and penalize those that do not.

2. Avoid contradictory incentives: Both passengers per hour and passengers per mile create the incentive to reduce fares. If the "financial success" factor excludes local government subsidies in the numerator it creates an incentive to raise fares. Which incentive does DRPT favor? If on the other hand local government subsidies are included in the numerator, all transit systems will have virtually the same ratio and the factor will be meaningless. The term "financial success" is itself a problem, because transit systems are not designed to maximize profits. Given inelastic demand, fare increases raise revenues as ridership drops. But a system with few riders is generally not considered successful.

3. Recognize the real-world differences in transit systems: DRPT undoubtedly recognizes the distinct differences among Virginia's disparate transit systems. Accordingly, DRPT should beware of implementing a revised allocation system that is designed for "vanilla" transit systems, in which all share similar characteristics, such as one transit system per city. Especially in Northern Virginia, there is great diversity of transit systems serving various market niches, and arguably doing so efficiently through effective coordination.

   Not all rail systems are alike so a peer group composed of all of Virginia's rail systems is not defensible. VRE carries peak commuters over long distances with high quality service designed to lure high-income individuals who otherwise would drive. Metrorail is the second largest subway system in the U.S. covering three "states" and serving peak and off-peak travelers and tourists of various income levels for relatively short trips. The Tide is a very new light-rail system providing short trips. All three systems are likely to increase ridership and expand service in the future. Placing these three systems in competition with each other for scarce funding using factors that favor one or the other requires an explanation that has not yet been forthcoming.

Similarly, some transit systems are designed and operated to accomplish specific local objectives. A small local transit system can bring commuters from neighborhoods to connect to a line-haul bus or rail system. Such a feeder system would measure poorly on passengers per mile or hour compared to the line-haul system, but when considering the two in combination could result in an efficient outcome.

Forming peer groups based in part on service territories and populations served is very complex, especially when several transit systems operate within a region. Metrorail does not provide distinctly different service in Falls Church versus Alexandria or even in Virginia. Metrorail serves the entire Metropolitan Washington Area. PRTC's OmniRide serves Prince William County but also connects to activity centers throughout Northern Virginia and even D.C.

4. <u>Appreciate the benefits of a simple system</u>: To implement a complex allocation system with various factors and weights and criteria for peer group selection, transit systems may need to devote more resources to data collection and grant management, while DRPT will certainly have to devote more resources to compliance and audits.

5. <u>Examine other states that have performance-based transit funding</u>: DRPT should include documentation of positive results from elsewhere. Also, DRPT should report on whether implementing such performance-based state transit allocations elsewhere led to more state funding being provided by state legislatures.

<u>Conclusion</u>

In order to provide an effective response to the information requested by the Virginia General Assembly in SJR 297, DRPT should not lose sight of the fact that one-size fits all policies may not be effective in a diverse and highly complex real world. Further, DRPT should consider how transit systems will respond to state incentives when those systems report to other entities that provide much more funding and that may require those transit systems to pursue local objectives (e.g. local sponsors and riders may prefer lower fares to boost ridership while DRPT seeks high farebox recovery to conform to its definition of “financial success.”)

DRPT
Virginia Department of Rail and Public Transportation

Performance-Based Funding

SJ297 Workshop

May 7, 2012

www.drpt.virginia.gov

Overview

- Current DRPT Funding Strategy
- Matching State Support With Success
- Action Plan

5/7/2012

DRPT

Overview

- Current DRPT Funding Strategy
- Matching State Support With Success
- Action Plan

Current Funding Strategy

- Disconnect between funding strategy and vision
- Spending-based versus success-based
- No incentive to improve performance
- No reward for success
- No direct link to policy goals

Senate Joint Resolution No. 297

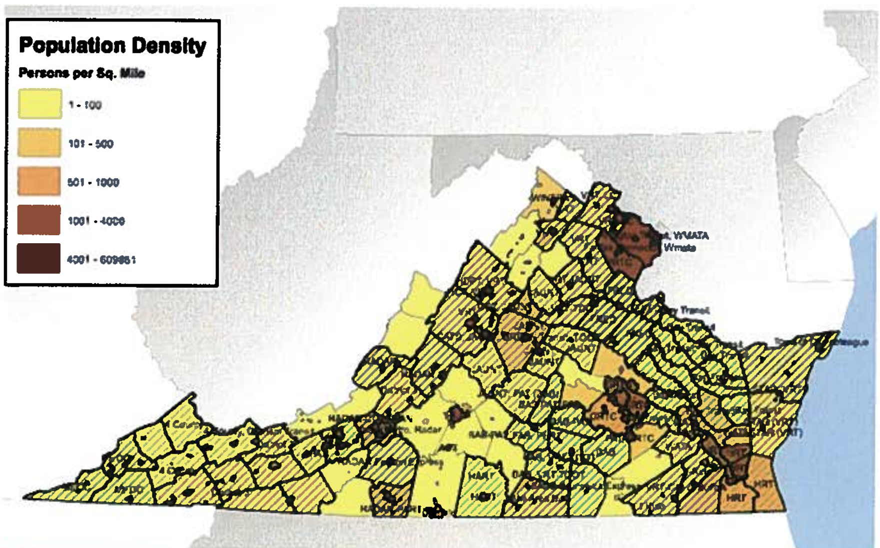
- Reward operator for performance

> **"Performance. The study should determine if there should be a system in place to reward operator performance based upon specific performance criteria."**
>
> **– Resolution No. 297**

Overview

- Current DRPT Funding Strategy
- Matching State Support With Success
- Action Plan

Commonwealth of Virginia



Matching Support With Success

- Performance Matters
- Accountability
- Data Integrity
- Recognition for Innovation

Establishing Peer Groups

- Service Area Population
- Service Area Population Density
- Ridership
- Operating Cost
- Peak Vehicles
- Steel Wheeled vs. Rubber Wheeled

Establishing Peer Groups

NOTE:

The following Peer Group examples are for illustrative purposes only. All data is not yet complete and has not been audited for accuracy. The concepts contained are for philosophical purposes only and no calculations of aid have been either determined or finalized.

Draft Peer Group

A	B
WMATA Arlington - Rail	WMATA Arlington - Bus
WMATA Fairfax County - Rail	Greater Richmond Transit Company
WMATA Alexandria - Rail	WMATA Fairfax County - Bus
VRE	Hampton Roads Transit - Bus
WMATA Fairfax City - Rail	NVTC - Fairfax County
WMATA Falls Church - Rail	PRTC
Hampton Roads Transit - Rail	WMATA Alexandria - Bus
	NVTC - City of Alexandria Office of Transit Services and Programs
	NVTC - Arlington County
	Loudoun County Office of Transportation Services

Draft Peer Group

C	D
Charlottesville Transit Service	District Three Public Transit
Greater Roanoke Transit Company	Danville Transit System
Blacksburg Transit	WMATA Falls Church - Bus
Greater Lynchburg Transit Company	WMATA Fairfax City - Bus
Williamsburg Area Transit Authority	Bay Aging
Fredericksburg Regional Transit	City of Winchester
City of Harrisonburg Dept. of Public Transportation	AASC / Four County Transit
JAUNT, Inc.	City of Radford
Virginia Regional Transit - Loudoun	Mountain Empire Older Citizens, Inc.
NoVA CTB District	
NVTC - City of Fairfax	
City of Petersburg	

Draft Peer Group

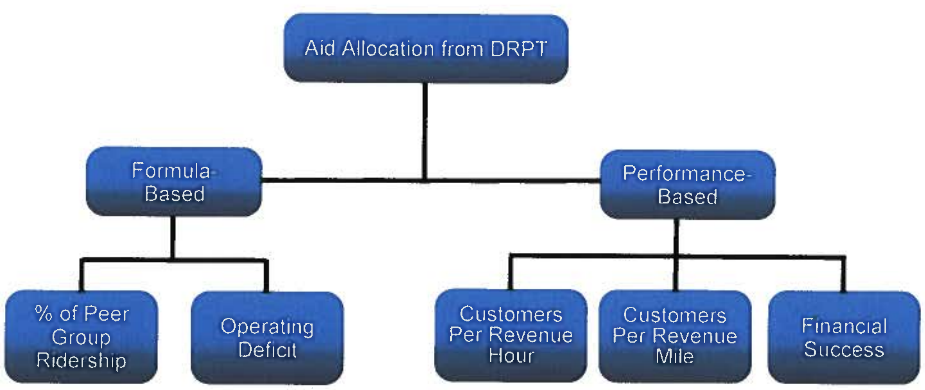
E

- RADAR / Roanoke
- Pulaski Area Transit
- Greene County Transit, Inc.
- N. Shenandoah Valley Reg. Commission
- Farmville Area Bus
- Virginia Regional Transit – Staunton CTB District
- City of Bristol Virginia
- Bay Aging/New Kent/Charles City
- STAR Transit
- Blackstone Area Bus

F

- RADAR / Covington & Clifton Forge
- Virginia Regional Transit - Culpeper CTB District
- FRED - King George
- County of Rockbridge
- Town of Bluefield-Graham Transit
- Lake Country Area Agency on Aging
- Lake Area Bus / Halifax Area Rural Transit
- Town of Altavista
- JAUNT Buckingham
- Town of Chincoteague
- FRED - Caroline County

Funding Allocation



Formula-Based Funding

% of Peer Group Ridership

- The percentage of total annual peer group ridership generated by an individual agency
- (Annual Ridership of Agency)/(Total Annual Ridership of All Peer Group Agencies)

Operating Deficit

- The annual dollar value of an agency's operating costs net of DRPT funding
- Annual Operating Costs minus other operating funds provided by DRPT

5/7/2012

DRPT

SJ297 Workshop 15

Performance-Based Funding

Customers per Revenue Hour

- The average number of customer boardings generated by each hour of revenue service
- (Annual Ridership)/(Total Annual Revenue Hours)

Customers per Revenue Mile

- The average number of customer boardings generated by each mile of revenue service
- (Annual Ridership)/(Total Annual Revenue Miles)

Financial Success

- The percentage of an agency's operating costs recovered by agency-generated revenue
- (Annual Farebox Revenue + Annual Contract and Subsidy Revenue + Annual Advertising Revenue)/(Total Annual Operating Cost)

5/7/2012

DRPT

SJ297 Workshop 16

Funding Methodology

Funds allocated to peer groups based on size

Peer group funds divided among metrics based on weights

Funds in each peer group metric bucket distributed to agencies based on performance

Funding Example Similar Size

Agency	Customers Per Revenue Hour	Size Weight	Performance Weight	Allocation
C-3	27.70	0.66	1.35	$142,662
C-9	7.78	0.67	0.38	$40,202

Funding Example
Similar Performance

Agency	Customers Per Revenue Hour	Size Weight	Performance Weight	Allocation
E-5	4.79	1.35	0.85	$15,010
E-6	4.79	0.77	0.85	$8,617

Overview

- Current DRPT Funding Strategy
- Matching State Support With Success
- Action Plan

Action Plan

- May, 2012 – Focus Group of Operators
- May, 2012 – Virginia Transportation Assoc.
- June, 2012 – Feedback from Providers
- July, 2012 – Draft Report Complete
- August, 2012 – Meetings with Members of the General Assembly
- September, 2012 - Final Report Presented to General Assembly
- January, 2013 – New Performance-Based Legislation
- July, 2014 – Transition Period Begins
- July, 2016 – Full Implementation for Existing/New State Transit Operating Funds

5/7/2012

DRPT

SJ297 Workshop 21

DRPT

Virginia Department of Rail and Public Transportation

Questions?

www.drpt.virginia.gov

Item #9

2011 TPB Geographically-Focused Household Travel Surveys Initial Results

Robert E. Griffiths
Technical Services Director

National Capital Region Transportation Planning Board Meeting
May16, 2012

Project Background

- Follow-on to 2007-2008 TPB Regional Household Travel Survey that was primarily conducted for the development of the new travel demand model
- Household Travel Survey data collection in specific geographic sub-areas of the region (Case Studies)
- Addresses a need expressed by local planners
- Will provide some current small area community-level socio-economic data that are no longer available from the Decennial Census

Project Objectives

- Analyze daily travel behavior in communities with different densities, physical characteristics and transportation options
- Assist local planners with current local land use and transportation planning efforts
- Build a household travel survey database that can measure changes in local community travel behavior over a period of time (Before and After comparisons)

Arlington County Spring 2010 Supplemental Survey Effort

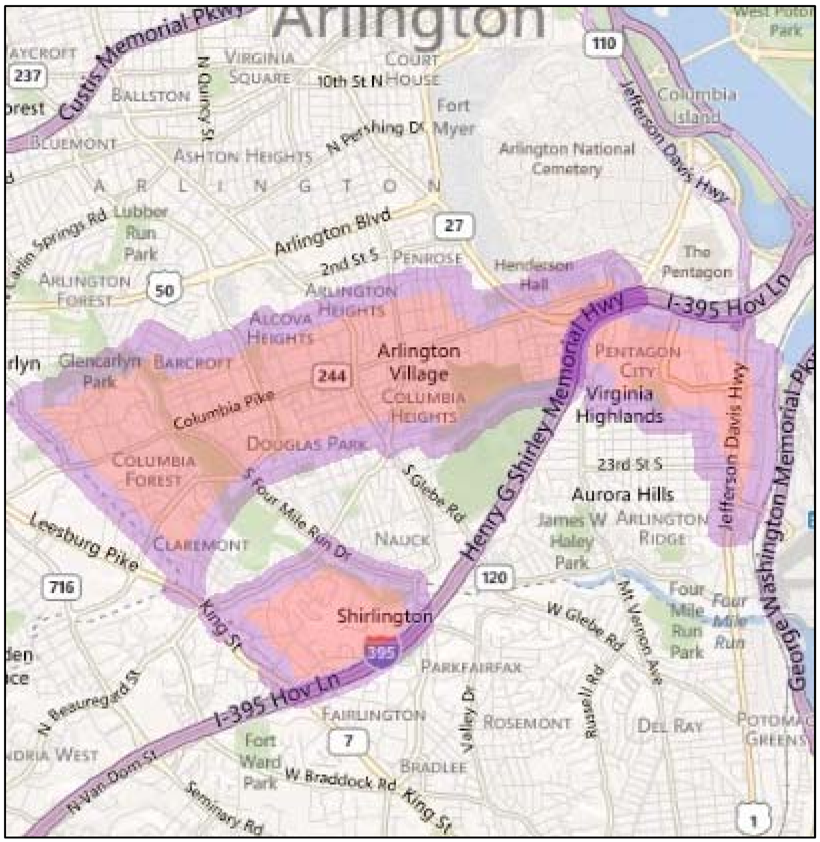
Three areas in Arlington County, Virginia were surveyed:

- The Jefferson Davis Highway/Crystal City/Pentagon City Area
- The Village of Shirlington
- The Columbia Pike Corridor

Collaborative effort between Arlington County and TPB staff to supplement the 2007-2008 TPB Household Travel Survey with additional household travel data collected in 2010.

Interested in knowing more about how new higher density residential and commercial development was affecting daily travel behavior in these areas.

Arlington County Subareas Spring 2010



<u>Jeff Davis Hwy/Crystal City/Pentagon City</u>
Land Area = 0.7 sq mi
Households = 9,600
Population = 15,300
Pop Density = 22,300 persons/sq mi

<u>Shirlington Area</u>
Land Area = 0.6 sq mi.
Households = 4,200
Population = 7,200
Pop Density = 12,900 persons/sq mi

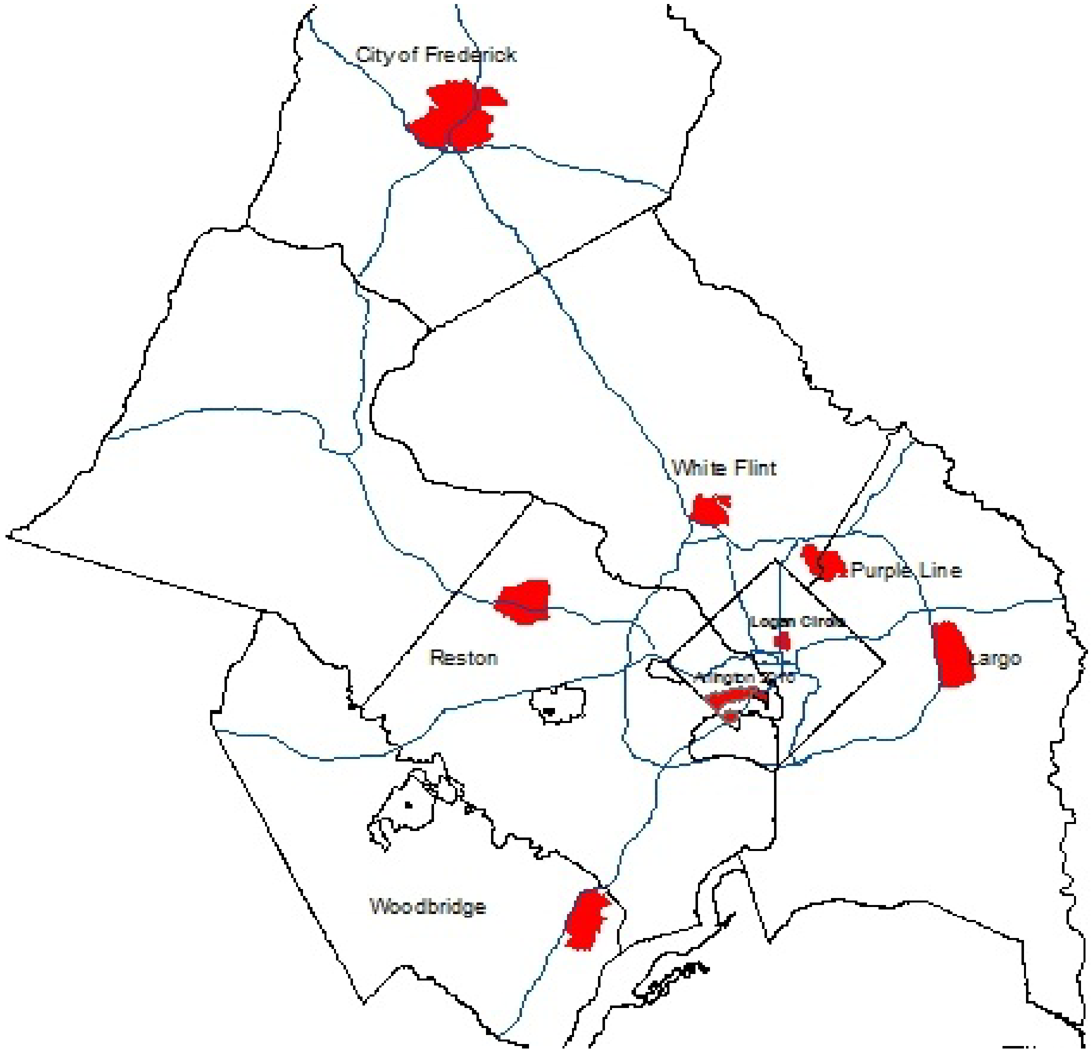
<u>Columbia Pike Corridor</u>
Land Area = 2.5 sq mi
Households = 15,000
Population = 35,200
Pop Density = 14,100

Fall 2011 TPB Survey Areas

The seven areas surveyed in the fall of 2011 are:

- The Logan Circle/14th St NW in the District of Columbia (from Massachusetts Ave NW to north of Florida Ave NW)
- The Purple Line /International Corridor in Montgomery and Prince George's Counties, Maryland (University Blvd from south of I-495 to Adelphi Rd)
- The White Flint area in Montgomery County, Maryland
- The Largo area in Prince George's County, Maryland
- The Reston area in Fairfax County, Virginia
- The Woodbridge area in Prince William County, Virginia
- The City of Frederick, Maryland

Now Have Collected Survey Data in Ten Focused Areas



Logan Circle/ 14th St NW

Notable Features:

Land Area = 1.1 sq mi
Households = 23,900
HH Population = 41,300
Pop Density = 37,100 persons/sq mi

85% - Live in an apartment or condo
57% - “Cell Phone Only” households
Median Household Income = $87,900
More Bicycles than Vehicles per HH
(Av # of Vehicles = 0.65/HH
Av # of Bikes = .82/HH)

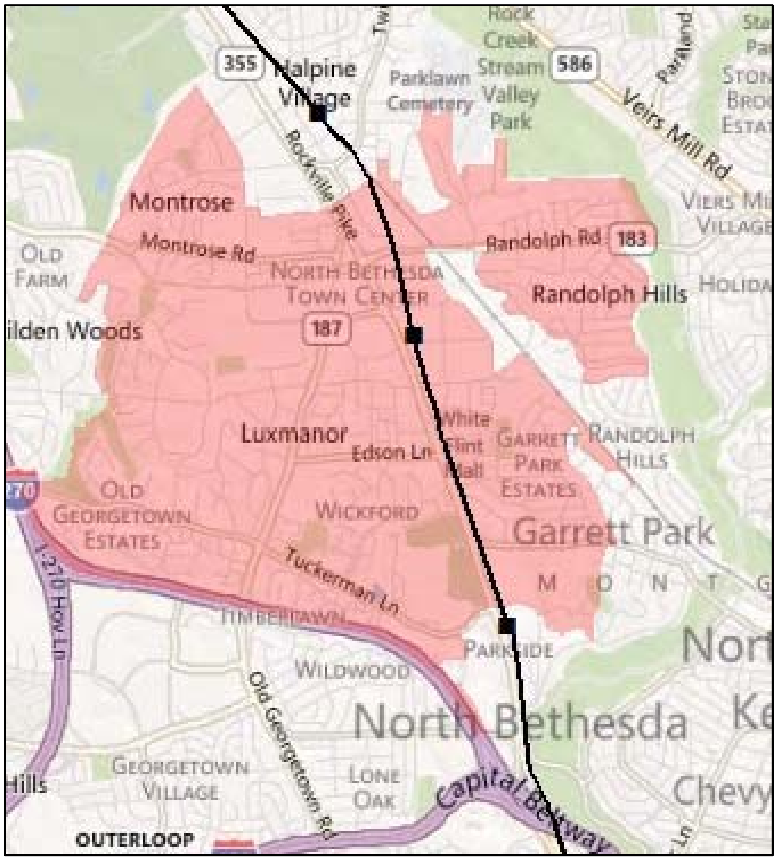
Purple Line / International Corridor – Prince's George's and Montgomery Counties

Notable Features:

Land Area:	=	4.9 sq mi
Households	=	16,100
Population	=	53,800
Pop Density	=	11,000 persons/sq mi

45% - Live in an apartment or condo
46% - "Cell Phone Only" households
Median Household Income = $54,500

White Flint – Montgomery County



Notable Features:

Land Area	=	4.6 sq mi
Households	=	12,500
Population	=	27,800
Pop Density	=	6,000 persons/sq mi

61% - Live in an apartment or condo
33% - “Cell Phone Only” households
Median Household Income = $92,800

Largo/Kettering – Prince George's County

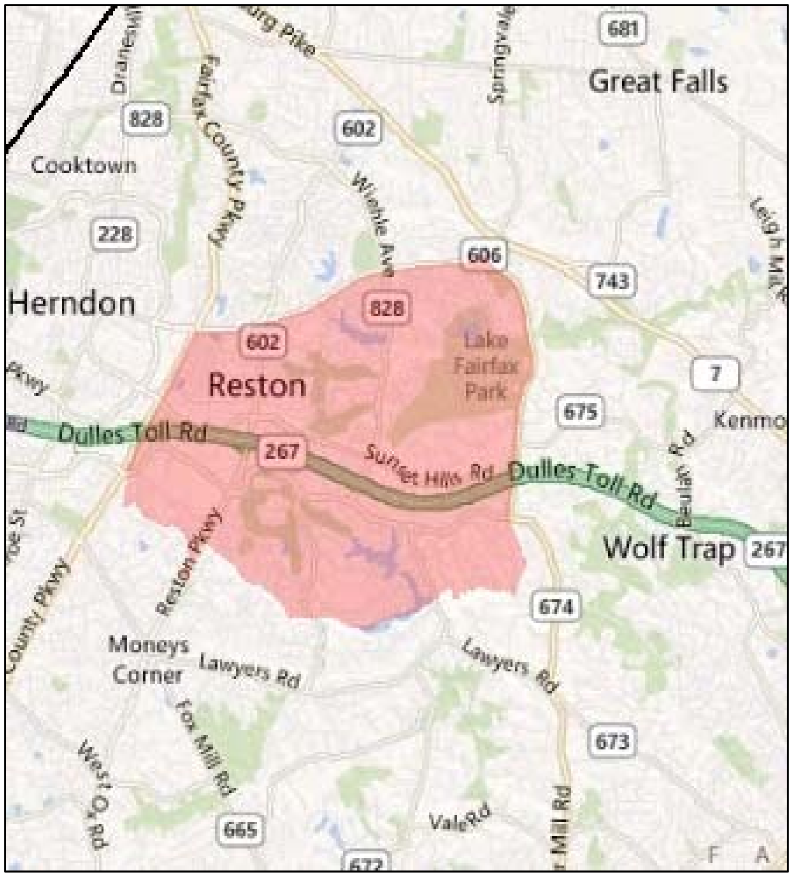
<u>Notable Features:</u>

Land Area	=	9.4 sq mi
Households	=	12,200
Population	=	30,900
Pop Density	=	3,300 persons/sq mi

19% - Live in an apartment or condo
12% - "Cell Phone Only" households
Median Household Income = $83,400

New Development is taking place now close to Metro, future opportunities for more growth

Reston – Fairfax County

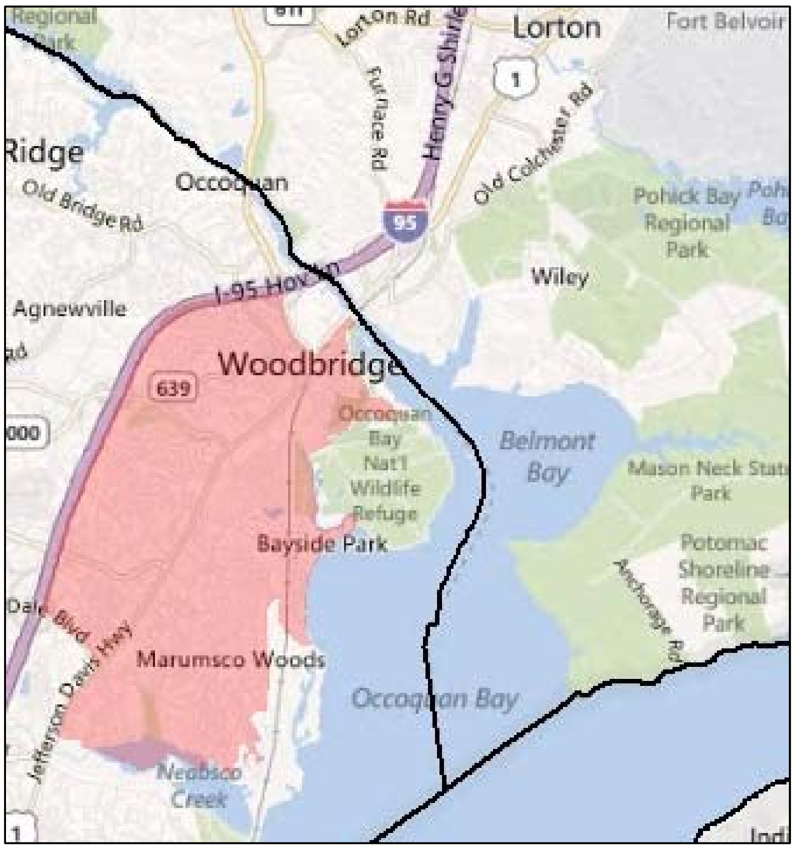


Notable Features:

Land Area	=	8.2 sq mi
Households	=	15,700
HH Population	=	34,700
Pop Density	=	4,200 persons/sq mi

49% - Live in an apartment or condo
35% - “Cell Phone Only” households
Median Household Income = $94,200

Woodbridge – Prince William County

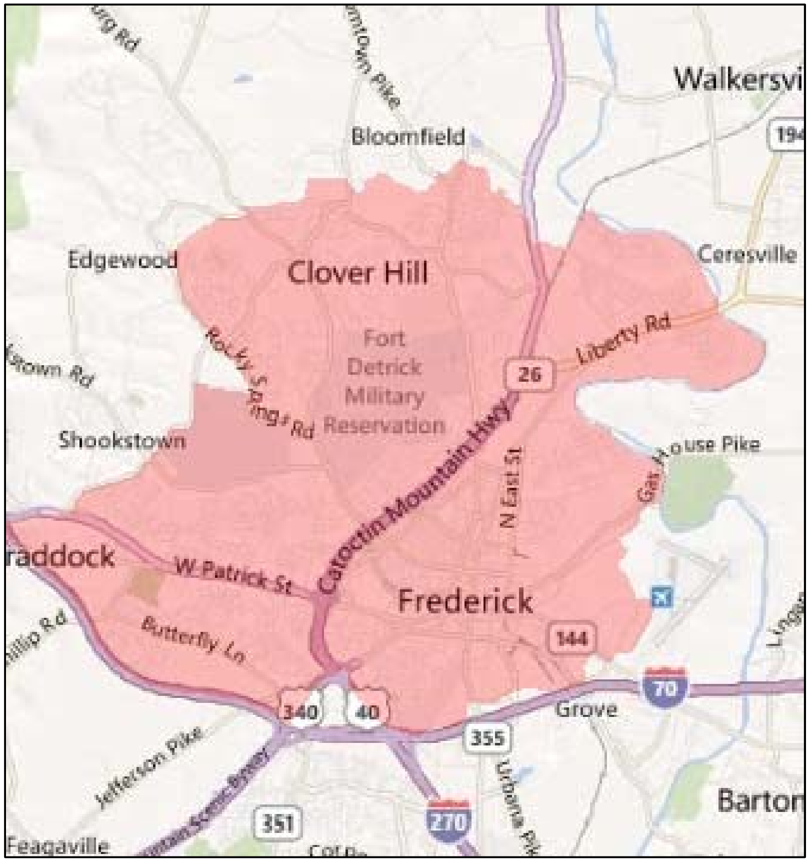


<u>Notable Features:</u>

Land Area	=	8.0 sq mi
Households	=	12,900
Population	=	40,300
Pop Density	=	5,000 persons/sq mi

34% - Live in an apartment or condo
33% - "Cell Phone Only" households
Median Household Income = $68,800

City of Frederick, Maryland



<u>Notable Features:</u>

Land Area	=	19.8 sq mi
Households	=	26,500
HH Population	=	68,300
Pop Density	=	3,400 persons/sq ml

28% - Live in an apartment or condo
35% - "Cell Phone Only" households
Median Household Income = $70,200

Daily Modal Shares – All Weekday Trips

Area	Drive Alone (SOV)	Carpool (HOV2+)	Transit	Walk	Bike	Other
Logan Circle	13%	6%	15%	56%	7.2%	3%
Crystal City	30%	14%	21%	31%	0.2%	4%
Shirlington	47%	23%	13%	15%	0.4%	2%
Columbia Pike	45%	38%	11%	11%	0.3%	2%
Purple Line	32%	30%	7%	23%	2.4%	5%
White Flint	40%	28%	8%	18%	0.5%	6%
Largo	50%	32%	4%	9%	0.5%	5%
Reston	48%	32%	3%	14%	0.2%	3%
Woodbridge	39%	41%	2%	12%	0.3%	6%
Frederick	45%	37%	2%	11%	0.9%	5%
Regional Average	**43%**	**37%**	**6%**	**9%**	**0.6%**	**4%**

Commuting Trip Modal Shares

Area	Drive Alone (SOV)	Carpool (HOV2+)	Transit	Walk	Bike	Other
Logan Circle	21%	4%	28%	33%	10.6%	2%
Crystal City	22%	4%	53%	19%	0.7%	2%
Shirlington	57%	3%	34%	4%	0.9%	---
Columbia Pike	64%	8%	25%	2%	1.3%	---
Purple Line	56%	17%	16%	4%	6.6%	1%
White Flint	61%	12%	20%	6%	0.2%	2%
Largo	70%	11%	13%	3%	2.8%	---
Reston	70%	17%	8%	3%	0.7%	2%
Woodbridge	76%	13%	8%	1%	0.3%	2%
Frederick	78%	12%	4%	4%	1.5%	---
Regional Average	**70%**	**8%**	**18%**	**3%**	**1.1%**	**1%**

Household Size Distribution

Area	1-Person HH	2-Person HH	3-Person HH	4+-Person HH
Logan Circle	56%	31%	7%	6%
Crystal City	57%	32%	8%	3%
Shirlington	53%	32%	9%	6%
Columbia Pike	38%	28%	14%	20%
Purple Line	22%	23%	15%	40%
White Flint	37%	34%	14%	16%
Largo	32%	28%	17%	23%
Reston	38%	33%	14%	16%
Woodbridge	22%	26%	17%	35%
Frederick	30%	31%	16%	23%
Regional Average	**28%**	**30%**	**16%**	**26%**

Vehicle Availability Distribution

Area	0-Vehicle HH	1-Vehicle HH	2-Vehicle HH	3+-Vehicle HH
Logan Circle	44%	49%	6%	1%
Crystal City	21%	60%	19%	1%
Shirlington	1%	71%	24%	3%
Columbia Pike	10%	57%	29%	5%
Purple Line	9%	46%	32%	13%
White Flint	9%	49%	32%	10%
Largo	3%	40%	36%	20%
Reston	4%	42%	40%	14%
Woodbridge	3%	32%	47%	18%
Frederick	4%	34%	47%	16%
Regional Average	**7%**	**34%**	**40%**	**19%**

Age Distribution

Area23%	0-4	5-17	18-34	34-49	50-64	65+
Logan Circle	3%	5%	50%	24%	12%	6%
Crystal City	3%	2%	52%	20%	13%	10%
Shirlington	6%	5%	42%	27%	15%	4%
Columbia Pike	7%	12%	35%	25%	15%	6%
Purple Line	9%	14%	36%	22%	13%	6%
White Flint	6%	12%	25%	22%	18%	17%
Largo	6%	18%	22%	24%	21%	10%
Reston	7%	13%	27%	23%	19%	12%
Woodbridge	9%	19%	30%	23%	14%	6%
Frederick	7%	16%	26%	22%	17%	11%
Regional Average	**7%**	**17%**	**25%**	**23%**	**18%**	**10%**

Northern Virginia Transportation Commission

AGENDA ITEM #12

TO: Chairman Fisette and NVTC Commissioners

FROM: Rick Taube

DATE: May 31, 2012

SUBJECT: NVTC Correspondence

A. NVTC Comments on CTB's Six-Year Improvement Program.

The letter is attached for your information. It incorporates a message discussed at NVTC's May 3rd meeting.

B. NVTC Letter to DMV Regarding NVTC's 2.1% Motor Fuels Tax.

The letter is attached.

C. Letter to NVTC from the Virginia Department of Taxation.

TAX Commissioner Burns has replied to NVTC's letter and provides more details about his department's ongoing efforts to improve the accuracy of taxpayers' allocation of the 2.1% motor fuels tax to the correct jurisdiction.

AWARD WINNER NVTC APTA 1996

2300 Wilson Boulevard • Suite 620 • Arlington, Virginia 22201
Tel (703) 524-3322 • Fax (703) 524-1756 • TDD (800) 828-1120
E-mail nvtc@nvtdc.org • Website www.thinkoutsidethecar.org

A.

NVTC
Northern Virginia Transportation Commission

May 16, 2012

The Honorable Sean Connaughton
Secretary of Transportation
P.O. Box 1475
Richmond, VA 23218

Re: Comments for the Record on CTB's FY 2013-2018 Six-Year Improvement Program

Dear Secretary Connaughton:

On behalf of the Northern Virginia Transportation Commission I am offering the following observations for consideration by the Commonwealth Transportation Board regarding the draft FY 2013-2018 Six-Year Improvement Program (SYIP).

NVTC values our partnership with the Commonwealth and offers these comments to support the allocations contained in the SYIP.

1. NVTC and its jurisdictions appreciate the financial assistance allocated to this region by the Commonwealth Transportation Board. Total state funding in the budget of the Department of Rail and Public Transportation (DRPT) grew by $50 million for the Northern Virginia region (reflecting additional funding for the vital Dulles Metrorail extension). For FY 2013, NVTC receives 43.5 percent of state transit assistance, which illustrates the important partnership we share with DRPT.

2. The $50 million of special funding in the SYIP for WMATA to match annual federal appropriations for safety improvements is also important to maintaining the economic vitality of our region.

3. We understand that the additional $9.9 million in transit operating assistance included in the approved biennial budget will be allocated by formula in the final SYIP that the CTB approves in June, 2012. That new assistance makes a positive contribution to relieving the gap between the target level of state assistance identified in the Virginia statutes and the funds actually available in the Transportation Trust Fund for allocation.

2300 Wilson Boulevard • Suite 620 • Arlington, Virginia 22201
Tel (703) 524-3322 • Fax (703) 524-1756 • TDD (800) 828-1120
E-mail nvtc@nvtdc.org • Website www.thinkoutsidethecar.org

4. NVTC is a partner with the Potomac and Rappahannock Transportation Commission and the George Washington Regional Commission in a new Vanpool Incentive Program that anticipates bringing new federal transit assistance to our region in excess of $4 million annually net of expenses. CTB and DRPT have recognized the benefits of this cooperative inter-regional program and have provided $3.4 million of the $5+ million of seed money needed to initiate the project prior to the new federal assistance becoming available. NVTC appreciates this important state bridge funding.

   Because local budgets are already set for FY 2013, identifying the $1.6 million needed to match the state-provided funds is posing a hardship. We ask your help in devising a "work-around" by providing additional state funding in either FY 2013 or FY 2014.

   In the meantime, DRPT has asked for assurances by August 1, 2012 that the $1.6 million will be available. Because we don't intend to draw down the great majority of the state-provided funds before FY 2014, we should be able to develop a win-win solution, and we hope that DRPT's August 1st deadline can be relaxed to allow our local partners to utilize funds to be budgeted for FY 2014, if the Commonwealth is unable to provide the entire amount.

5. We understand that CTB is now able to take funds off the top of DRPT's resources to cover transit expenses related to the new HOT (Express) Lanes, as well as off the top of VDOT funds for park-and-ride lot expenses related to those lanes. This provision is equivalent to an earmark and we respectfully request that CTB use its new authority with discretion, recognizing that with extremely limited resources choosing to fund HOT-lanes related transit services could come at the expense of other established transit services that also could be fulfilling important state and local objectives.

In closing I ask you to envision a Northern Virginia region without transit. The $1 billion in annual congestion savings identified by the Texas Transportation Institute from transit would not be realized. The half million daily transit trips in Northern Virginia would occur instead by automobile. The 45% of daily trips to the core occurring by Metrorail would crowd onto a few highway corridors and clog neighborhood streets. The two million jobs located within a half mile of Metrorail stations would be virtually inaccessible during peak hours. Currently $470 million of property taxes are collected annually within a half mile of Metrorail stations in Virginia. Property values around Metrorail stations, which are now boosted from seven to 10 percent by such proximity, would drop thereby diminishing this region's ability to offer other services that make it a magnet for employers. And with fewer jobs, reduced quality of life, and no transit-oriented development, state revenues would drop precipitously as well.

Such a frightening scenario makes us realize the enormous value of Northern Virginia's transit system as it exists today. It is only prudent to protect that system by maintaining it in a state of good repair and nurturing its growth. We value your assistance in that vital mission.

Sincerely,

Jay Fisette

Jay Fisette
Chairman

cc: Honorable Thelma Drake
J. Douglas Koelemay
F. Gary Garczynski
NVTC Commissioners

B.

Northern Virginia Transportation Commission

May 10, 2012

Richard D. Holcomb
Commissioner
Virginia Department of Motor Vehicles
PO Box 27412
Richmond, VA 23269

Dear Commissioner Holcomb:

Thank you for your response to NVTC's concerns regarding the transfer of responsibility for administering the 2.1% NVTC and PRTC motor fuels tax to DMV from the Virginia Department of Taxation (TAX). We welcome the opportunity to discuss any concerns with your transition team and with TAX officials. We appreciate your assurances that you understand our concerns and will seek to apply automated solutions to ensure accurate returns beginning on July 1, 2013.

As we emphasized in our letter, the issue of the taxpayer errors since the 2.1% tax began in January, 2010 remains to be addressed. TAX Commissioner Burns has provided some clarifications on this point but since almost 14 months remain until TAX completes its responsibilities we trust that you will invite representatives from TAX to participate in your upcoming meeting.

We are looking forward to receiving your invitation to meet. NVTC's Executive Director is the correct point of contact (rick@nvtdc.org).

Sincerely,

Jay Fisette

Jay Fisette
Chairman

cc: TAX Commissioner Burns
PRTC Chairman May

2300 Wilson Boulevard • Suite 620 • Arlington, Virginia 22201
Tel (703) 524-3322 • Fax (703) 524-1756 • TDD (800) 828-1120
E-mail nvtc@nvtdc.org • Website www.thinkoutsidethecar.org

Item #10 B

RECEIVED
APR 30 2012

COMMONWEALTH of VIRGINIA

Richard D. Holcomb
Commissioner

Department of Motor Vehicles
2300 West Broad Street

Post Office Box 27412
Richmond, VA 23269-0001

April 20, 2012

The Honorable Jay Fisette
Chairman
Northern Virginia Transportation Commission
2300 Wilson Boulevard, Suite 620
Arlington, Virginia 22201

Dear Mr. Fisette:

Thank you for your letter of April 5, 2012 regarding the transfer of responsibility for administering the 2.1% motor fuels tax collected in the Northern Virginia Transportation Commission (NVTC) and Potomac and Rappahannock Transportation Commission (PRTC) districts. As you note, the Department of Motor Vehicles (DMV) will assume responsibility for this tax from the Department of Taxation effective July 1, 2013.

We are looking forward to working with both Commissions as well as other stakeholders to ensure a smooth transition and to build an effective program that meets the needs of all the parties. My staff will be reaching out to representatives of the two Commissions soon to schedule an initial meeting.

I understand that you have concerns about misallocated revenues due to taxpayer filing errors and that you desire to see greater audit activity to address those misallocations. It is our hope that as we work with your representatives, representatives of the PRTC, and industry partners that we will identify automated solutions that will better position taxpayers to accurately file and account for tax revenues. We anticipate that the application of technology can address your concerns and mitigate the need for extensive audit coverage or punitive measures, accomplishing the same objective without penalizing distributors and at a lower cost. Should we not find agreed upon automated solutions to accomplish this goal, we are committed to working with both Commissions to develop tax collection and audit programs that will assure that your tax dollars are adequately protected.

That said, please keep in mind that DMV assumes responsibility for administering the motor fuels tax on behalf of the NVTC and PRTC effective July 1, 2013. DMV is not and will not become responsible for the collection or audit of taxes levied prior to July 1, 2013. As such you will need to work with the Department of Taxation to address your concerns about audit coverage for tax periods prior to that time.

Phone: (804) 497-7100 TDD: 1-800-272-9268 Email: commish@dmv.virginia.gov Website: www.dmvNOW.com

The Department of Taxation has advised us that their primary point of contact for the NVTC has been Richard Taube. We will be contacting Mr. Taube soon to arrange a meeting. If there is another point of contact that you would like for us to work with please let us know. Tammy West, our Tax Services Director, is leading the transition. Tammy can be reached at (804) 367-0883 or tammy.west@dmv.virginia.gov. We look forward to working with you and your staff.

Sincerely,

Richard D. Holcomb

cc: Craig M. Burns, Department of Taxation
Al Harf, PRTC

RDH:rrh

C.

RECEIVED

MAY 1 4 2012

COMMONWEALTH of VIRGINIA

Department of Taxation

May 3, 2012

The Honorable Jay Fisette
Chairman
Northern Virginia Transportation Commission
2300 Wilson Boulevard, Suite 620
Arlington, Virginia 22201

Dear Mr. Fisette:

Thank you for your letter regarding the Motor Vehicle Fuel Sales Tax on behalf of the Northern Virginia Transportation Commission concerning the transfer of administration of the Motor Vehicle Fuel Sales Tax from the Department of Taxation ("Department") to the Department of Motor Vehicles ("DMV"). You also suggested legislative proposals to extend the current three year statute of limitations to identify allocation errors and to provide penalties for allocation errors.

I believe that several of your concerns regarding our audit process may be resolved by a clearer understanding of our procedures. While our records show seven completed audits, this does not include the four initial audits our auditors completed when the Motor Vehicle Fuel Sales Tax shifted to being collected by distributors. We have also reviewed the records of approximately 20 distributors specifically for allocation errors since July 1, 2010. These distributors were selected using information provided by staff of both transportation commissions in an effort to minimize errors in the localities where there was the most concern. Because errors in allocation do not result in an assessment to the taxpayer, the Department does not wait for an audit to be completed before reporting transfers between localities in the same transportation commission to the staff of the commission.

Additionally, the Department has 21 audits in progress and 28 on our schedule, including more in-depth reviews of the distributors whose records were reviewed for allocation errors. For the February 2012 filing period, the top 13 distributors remitted approximately \$5.7 million of the \$7.2 million in Motor Vehicle Fuel Sales Tax revenues received. Of the top 13 distributors, representing almost 80% of total tax revenues, the Department has completed reviews of 10 and has scheduled audits for the remaining three distributors. We believe this will provide a solid basis for the transition of the Motor Vehicle Fuel Sales Tax to DMV.

You are correct that extending the statute of limitations and providing penalties for allocation errors would require legislation. However, such legislation should not be necessary given the work of our auditors through this transition and the assurance from DMV that they will also address allocation errors when administering the tax beginning July 1, 2013. DMV anticipates that the application of technology and automated solutions will better position taxpayers to accurately file and account for tax revenues without the need for punitive measures.

During this transitional period, please let us know of any concerns you may have regarding misallocations and we will review and act on as appropriate. If you have any questions, please contact Mr. Richard C. Dotson, Assistant Commissioner for Compliance, at (804) 786-2126.

Sincerely,

Craig M. Burns
Tax Commissioner

C: Mr. Richard Holcomb
Department of Motor Vehicles

Mr. Richard K. Taube
Executive Director

Northern Virginia Transportation Commission

April 5, 2012

Craig M. Burns
Commissioner
Virginia Department of Taxation
PO Box 2475
Richmond, VA 23218-2475

Richard D. Holcomb
Commissioner
Virginia Department of Motor Vehicles
PO Box 27412
Richmond, VA 23269

Dear Commissioners Burns and Holcomb:

In the 2011 session of the Virginia General Assembly HB 876 and SB 503 were adopted. As you know, they call for a July 1, 2013 transfer of responsibility among your two departments for administering the 2.1% motor fuels tax collected in the Northern Virginia Transportation Commission's district and that of the Potomac and Rappahannock Transportation Commission.

As staff of NVTC and PRTC have made clear to staff of both of your departments, the allocation of these taxes to the correct jurisdiction within the two districts has proved to be a serious and continuing problem since the 2.1% tax went into effect on January 1, 2010. The transfer of administrative responsibilities may offer an opportunity to resolve this serious issue, but only if a thoughtful transition plan is prepared in the next year.

While Department of Taxation management has been cooperative in working with commission staff to identify misallocated revenues, we understand that the Department has closed seven audits out of an estimated 150 annual taxpayers in the past two and a half years, resulting in correcting approximately $3.7 million of taxpayer errors within NVTC's district (and $2.7 million in PRTC's district).

In a single audit TAX recently identified $1.9 million in taxpayer misallocations among NVTC's jurisdictions. With this level of taxpayer error identified in the very few audits to date, the urgency of an effective audit plan is obvious. TAX has provided an audit plan designed to initiate 38 new audits in 2012 and complete 40 (plus another 13 to be completed in the first six months of 2013 prior to the transition). If the plan is successful, about a third of the 150 taxpayers would receive a completed audit prior to the transition.

Unfortunately, so far in 2012 TAX is not keeping pace with its own audit plan, starting only seven of the 11 planned audits and completing only four of the 16 promised in the plan.

An accelerated pace of audits by TAX is important because of the three-year statute of limitations that exists in the current law. By January, 2013 TAX will be unable to audit some taxpayers because of this limit. Given the extent of taxpayer errors discovered in the few completed audits to date, we anticipate that many similar errors will not be corrected prior to the three-year limit being reached.

Further, staff of the Department of Taxation has indicated they will start no audits that cannot be concluded by July 1, 2013 and based on current experience, such audits typically require many months to complete. Staff of the Department of Motor Vehicles has indicated that they have no plans to audit taxes due prior to July 1, 2013 and will not initiate any new audits of their own for a year or more thereafter. This leaves an extensive period of at least a year and a half in which no audits will occur.

Because it has been conclusively demonstrated that some taxpayers are not correctly identifying the local jurisdictions in which their sales occur, this gap will pose a significant hardship for us. We urge you to direct your staffs to work with us to produce an effective audit plan to resolve this gap, and if necessary, to propose legislative remedies for the January, 2013 General Assembly session. Such remedies might include:

1. Extending the three-year statute of limitations, at least during the transition and perhaps limited to identifying the correct point-of-sale, in order to allow completion of necessary audits to fully resolve inaccurate allocation of tax revenues among our jurisdictions; and

2. Providing a penalty for failure to accurately identify the point-of-sale, in the same manner that penalties exist for failure to pay the required tax. Currently taxpayers have no financial incentive to commit any resources to ensure that their tax returns correctly identify the point of sale.

Your staffs invited our reactions to HB 876/ SB 503 that enacted the change in administrative responsibilities, but the concerns we have expressed above were not included in those bills. We respectfully request that you work with us now to resolve our concerns in a timely manner.

Sincerely,

Jay Fisette

Jay Fisette
Chairman

cc: Al Harf

Northern Virginia Transportation Commission

AGENDA ITEM #13

TO: Chairman Fisette and NVTC Commissioners

FROM: Rick Taube and Kala Quintana

DATE: May 31, 2012

SUBJECT: NVTC Public Outreach

Each month NVTC staff will provide examples of communications with the media, the public, transit allies and others that comprise NVTC's public outreach work program.

May, 2012

Efficiency & Consolidation Task Force (ECTF)

Staff is working closely with JACC colleagues as part of the ECTF support team and attended several staff meetings to collect documentation, provide planning support and to respond to Task Force requests for information.

DRPT Funding Policy Change

Staff coordinated closely with local jurisdictions to draft and send a letter to the DRPT Director, the Secretary of Transportation, the Governor and the Northern Virginia Delegation regarding DRPT's sudden decision to change the way that transit funding is distributed in the region, by-passing long-standing NVTC policy and agreements amongst its members. Staff continues to coordinate and work closely with all partners to determine how to manage this change and mitigate the negative impact on some of NVTC's member jurisdictions.

TransAction 2040

Staff continues to work with NVTA volunteer staff to manage the Transaction 2040 project.

Staff continues to attend the Technical Advisory Committee (TAC) and Project Coordination Advisory Committee (PCAC) meetings for the TransAction 2040 update and to keep these groups apprised of management team progress and outreach efforts.

2013 Presidential Inauguration Planning and Coordination

Staff participated in a meeting at VDOT's Northern Virginia headquarters along with representatives from the Virginia Department of Emergency Management (VDEM), VRE, WMATA, Arlington County ART and PRTC to discuss planning and preparation for the upcoming Presidential Inauguration.

To enhance planning efforts, staff pulled all materials that NVTC had on file from the last Inauguration, including valuable transit ridership and cost data, and shared that with regional partners.

Staff continues to advocate for early and adequate coordination with regional PIO's as well as the transit community. NVTC staff suggested that NVTC take the lead on coordinating meetings with the transit community to determine proposed costs, needs and assessments in order to prepare for the upcoming Inauguration event scheduled for January 19, 2013.

VTA Conference

Staff attended the annual VTA conference on May 17-18, 2012. Staff created and chaired a break-out session entitled "The EZ way to Open Source Transit Data: making the 'Next Big thing' in technology work for you." The session room was full and approximately 50 people attended.

The panel of speakers that staff brought together are considered some of the brightest minds on this subject in the region. They included: David Alpert, Blogger and Open Source Data advocate from the Greater Greater Washington Blog; Kevin Webb Co-Director of OpenPlans.org and Michael Elepano Project Manager from Redmon Group (Redmon is a pioneer in e-transit information technology and supports the e-schedules project for NVTC).

The subject of the session also ties in directly with a DRPT demonstration grant that Arlington County received to develop Open Source Data best practices that are scalable and can be applied across the Commonwealth. NVTC staff will continue to work closely with Arlington County on this grant effort.

NVTC Strategic Communication Planning

Staff continues to work collaboratively to develop messaging approaches and tactics to reach local and down state legislators about the benefits of greater investments in public transit.

TAGS

Staff continues to attend TAGS meetings and to serve as Vice President of Legislative Affairs. Staff provided an update to the TAGS board regarding legislative matters that could have an impact on the Greater Springfield area, the TAGS circulator system, as well as Northern Virginia transportation funding as a whole.

Staff is working with TAGS to plan another Friends of TAGS event to promote the circulator service in downtown Springfield. The Friends of TAGS concept was one that NVTC staff introduced last year to encourage a grassroots approach to TAGS membership by offering a less expensive “micro-membership” to TAGS for individual riders. This was a response to concerns regarding the lack of large businesses in Springfield becoming members of TAGS. Staff determined that it might be more beneficial to reach out to the individual riders directly and build the grassroots base one person at a time rather than wasting valuable and limited resources marketing to the large businesses and focusing too heavily on corporate membership in difficult economic times.

Media and Public Inquiries

Staff responded to several media inquiries and requests for information about transit issues.

Staff also responded to requests for information regarding the NVTC statement to CTB.

Regional PIO’s

Staff attended the regional PIO’s meeting.

Vanpool Initiative

Staff continues to work with jurisdictional partners to work out details regarding the Vanpool initiative.

AGENDA ITEM #14

TO: Chairman Fisette and NVTC Commissioners

FROM: Scott Kalkwarf and Colethia Quarles

DATE: May 31, 2012

SUBJECT: NVTC Financial Items for April, 2012

The financial report for April, 2012 is attached for your information. Also attached are more details about corrections to mistakes by taxpayers in allocating their payments to the proper jurisdictions.

2300 Wilson Boulevard • Suite 620 • Arlington, Virginia 22201
Tel (703) 524-3322 • Fax (703) 524-1756 • TDD (800) 828-1120
E-mail nvtc@nvtdc.org • Website www.thinkoutsidethecar.org

NVTC
Motor Vehicle Fuels Sales Tax Adjustments

	Period Posted	Adjustment From: Alexandria	Arlington	Fairfax City	Fairfax County	Falls Church	Loudoun	PRTC	Total
ADJ #2	11-10, received 1-11	-	-	(110,276.05)	-	(1,093.49)	-	-	(111,369.54)
ADJ #1	12-10, received 2-11	(104,038.35)	-	(170,435.39)	(22,069.72)	(42,087.14)	-	-	(338,630.60)
ADJ #3	2-11, received 4-11	(3,601.08)	(1,851.63)	(70,768.68)	(123,449.59)	(6,856.63)	(1,018.24)	-	(207,545.85)
ADJ #4	3-11, received 5-11	(108,726.85)	-	(25,427.74)	-	-	-	-	(134,154.59)
ADJ #5	4-11, received 6-11	-	(12,240.65)	-	-	-	(1,345.23)	-	(13,585.88)
ADJ #6	6-11, received 8-11	(88,014.78)	(68,006.86)	(2,756.38)	(46,756.33)	(448,661.57)	(1,541.68)	-	(655,737.60)
ADJ #7	10-11, received 12-1	-	(154.91)	(173,102.39)	(7,542.20)	(873.29)	-	-	(181,672.79)
ADJ #8	1-12, received 3-12	(609,893.53)	(59.45)	(1,107,487.84)	(21,072.45)	(301,982.53)	(4,438.04)	-	(2,044,933.84)
ADJ #9	3-12, received 5-12	-	-	-	(5,809.80)	-	(4.65)	(290,691.77)	(296,506.22)
		(914,274.59)	(82,313.50)	(1,660,254.47)	(226,700.09)	(801,554.65)	(8,347.84)	(290,691.77)	(3,984,136.91)

	Period Posted	Adjustment To: Alexandria	Arlington	Fairfax City	Fairfax County	Falls Church	Loudoun	PRTC	Total
ADJ #2	11-10, received 1-11	11,948.00	-	-	-	-	29,077.00	70,344.54	111,369.54
ADJ #1	12-10, received 2-11	-	-	-	316,560.87	-	22,069.73	-	338,630.60
ADJ #3	2-11, received 4-11	6,843.00	-	-	83,224.94	67,729.89	49,748.02	-	207,545.85
ADJ #4	3-11, received 5-11	-	-	-	134,154.59	-	-	-	134,154.59
ADJ #5	4-11, received 6-11	-	-	-	12,024.17	-	-	1,561.71	13,585.88
ADJ #6	6-11, received 8-11	56,176.76	5,904.21	-	551,750.18	41,888.26	18.19	-	655,737.60
ADJ #7	10-11, received 12-1	7,542.20	-	-	174,130.59	-	-	-	181,672.79
ADJ #8	1-12, received 3-12	2,587.52	59.18	31.81	2,023,861.38	624.78	17,769.17	-	2,044,933.84
ADJ #9	3-12, received 5-12	362.78	40.54		125,176.77	969.74	164,141.94	5,814.45	296,506.22
		85,460.26	6,003.93	31.81	3,420,883.49	111,212.67	282,824.05	77,720.70	3,984,136.91

Net Transfers to Date - (From) To: Alexandria	Arlington	Fairfax City	Fairfax County	Falls Church	Loudoun	PRTC	Total
(828,814.33)	(76,309.57)	(1,660,222.66)	3,194,183.40	(690,341.98)	274,476.21	(212,971.07)	-

AUDIT PLAN - PROJECTED VERSUS ACTUAL

Projected Schedule Start	Number of Audits
In Progress as of 1/1/12	15
Jan-12	3
Feb-12	5
Mar-12	3
Apr-12	3
May-12	3
Jun-12	3
Jul-12	3
Aug-12	3
Sep-12	3
Oct-12	3
Nov-12	3
Dec-12	3
Total (excluding 1/1/12 in progress)	**38**

Actual Schedule Start	Number of Audits
Jan-12	1
Feb-12	3
Mar-12	3
Apr-12	2
May-12	
Jun-12	
Jul-12	
Aug-12	
Sep-12	
Oct-12	
Nov-12	
Dec-12	
Total	**9**

Expected Completion Calendar Year 2012	Number of Audits
Jan-12	11
Feb-12	3
Mar-12	2
Apr-12	2
May-12	1
Jun-12	3
Jul-12	3
Aug-12	3
Sep-12	2
Oct-12	4
Nov-12	4
Dec-12	2
Total	**40**

Actual Completion Calendar Year 2012	Number of Audits
Jan-12	1
Feb-12	1
Mar-12	2
Apr-12	1
May-12	
Jun-12	
Jul-12	
Aug-12	
Sep-12	
Oct-12	
Nov-12	
Dec-12	
Total	**5**

Expected Completion Calendar Year 2013	Number of Audits
Jan-13	2
Feb-13	3
Mar-13	2
Apr-13	3
May-13	3
Total	**13**

Actual Completion Calendar Year 2013	Number of Audits
Jan-13	
Feb-13	
Mar-13	
Apr-13	
May-13	
Total	**0**

Audits in progress January 2012	15
Audits started in 2012	38
Total Audits Worked	**53**
Audits completed in 2012	40
Audits completed in 2013	13
Total Audits Completed	**53**

Started means the taxpayer has been contacted and the site visit has been scheduled.

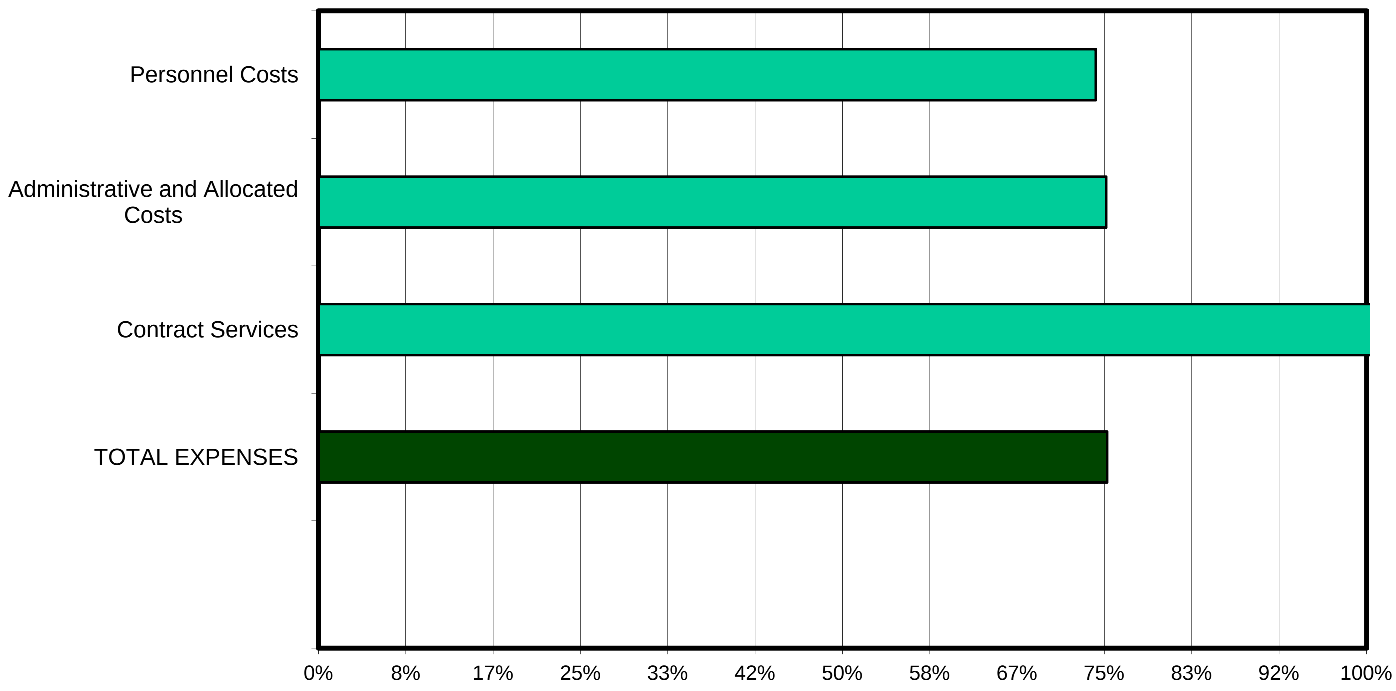
Closed/Completed means the audit has been finished and the liability, if any, has been assessed.

Northern Virginia Transportation Commission

Financial Reports

April, 2012

Percentage of FY 2012 NVTC Administrative Budget Used
April, 2012
(Target 83.34% or less)



Note: Refer to pages 2 and 3 for details

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
G&A BUDGET VARIANCE REPORT
April 2012

	Current Month	Year To Date	Annual Budget	Balance Available	Balance %
Personnel Costs					
Salaries	$ 48,908.59	$ 535,510.47	$ 693,150.00	$ 157,639.53	22.7%
Temporary Employee Services	-	-	-	-	
Total Personnel Costs	48,908.59	535,510.47	693,150.00	157,639.53	22.7%
Benefits					
Employer's Contributions:					
FICA	3,484.69	37,278.17	48,250.00	10,971.83	22.7%
Group Health Insurance	7,463.61	52,929.92	92,900.00	39,970.08	43.0%
Retirement	4,475.00	46,050.00	68,800.00	22,750.00	33.1%
Workmans & Unemployment Compensation	0.18	754.50	3,100.00	2,345.50	75.7%
Life Insurance	276.89	2,782.91	4,000.00	1,217.09	30.4%
Long Term Disability Insurance	243.98	2,330.67	3,650.00	1,319.33	36.1%
Total Benefit Costs	15,944.35	142,126.17	220,700.00	78,573.83	35.6%
Administrative Costs					
Commissioners Per Diem	900.00	9,350.00	16,850.00	7,500.00	44.5%
Rents:	*15,605.31*	*151,960.65*	*185,100.00*	*33,139.35*	*17.9%*
Office Rent	14,880.31	143,965.05	172,900.00	28,934.95	16.7%
Parking	725.00	7,995.60	12,200.00	4,204.40	34.5%
Insurance:	*200.00*	*4,205.19*	*5,600.00*	*1,394.81*	*24.9%*
Public Official Bonds	200.00	1,500.00	2,300.00	800.00	34.8%
Liability and Property	-	2,705.19	3,300.00	594.81	18.0%
Travel:	*592.41*	*4,042.23*	*5,800.00*	*2,007.77*	*34.6%*
Conference Registration	-	250.00	-	-	0.0%
Conference Travel	-	391.75	1,500.00	1,108.25	73.9%
Local Meetings & Related Expenses	592.41	3,400.48	4,000.00	599.52	15.0%
Training & Professional Development	-	-	300.00	300.00	100.0%
Communication:	*1,022.61*	*6,976.21*	*9,900.00*	*2,923.79*	*29.5%*
Postage	600.00	2,698.92	3,800.00	1,101.08	29.0%
Telecommunication	422.61	4,277.29	6,100.00	1,822.71	29.9%
Publications & Supplies	*1,147.95*	*8,812.33*	*15,100.00*	*6,287.67*	*41.6%*
Office Supplies	366.73	2,467.43	3,100.00	632.57	20.4%
Duplication	781.22	5,944.90	11,500.00	5,555.10	48.3%
Public Information	-	400.00	500.00	100.00	20.0%

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
G&A BUDGET VARIANCE REPORT
April 2012

	Current Month	Year To Date	Annual Budget	Balance Available	Balance %
Operations:	-	*3,005.38*	*10,500.00*	*7,494.62*	*71.4%*
Furniture and Equipment	-	739.55	3,000.00	2,260.45	0.0%
Repairs and Maintenance	-	344.30	1,000.00	655.70	65.6%
Computers	-	1,921.53	6,500.00	4,578.47	70.4%
Other General and Administrative	*360.33*	*4,915.17*	*5,350.00*	*623.83*	*11.7%*
Subscriptions	189.00	189.00	-	-	0.0%
Memberships	-	894.44	1,400.00	505.56	36.1%
Fees and Miscellaneous	171.33	2,937.80	2,950.00	12.20	0.4%
Advertising (Personnel/Procurement)	-	893.93	1,000.00	106.07	10.6%
Total Administrative Costs	19,828.61	193,267.16	254,200.00	61,371.84	24.1%
Contracting Services					
Auditing	-	28,515.00	27,360.00	(1,155.00)	-4.2%
Consultants - Technical	-	-	-	-	0.0%
Legal	-	-	-	-	0.0%
Total Contract Services	-	28,515.00	27,360.00	(1,155.00)	-4.2%
Total Gross G&A Expenses	$ 84,681.55	$ 899,418.80	$ 1,195,410.00	$ 296,430.20	24.8%

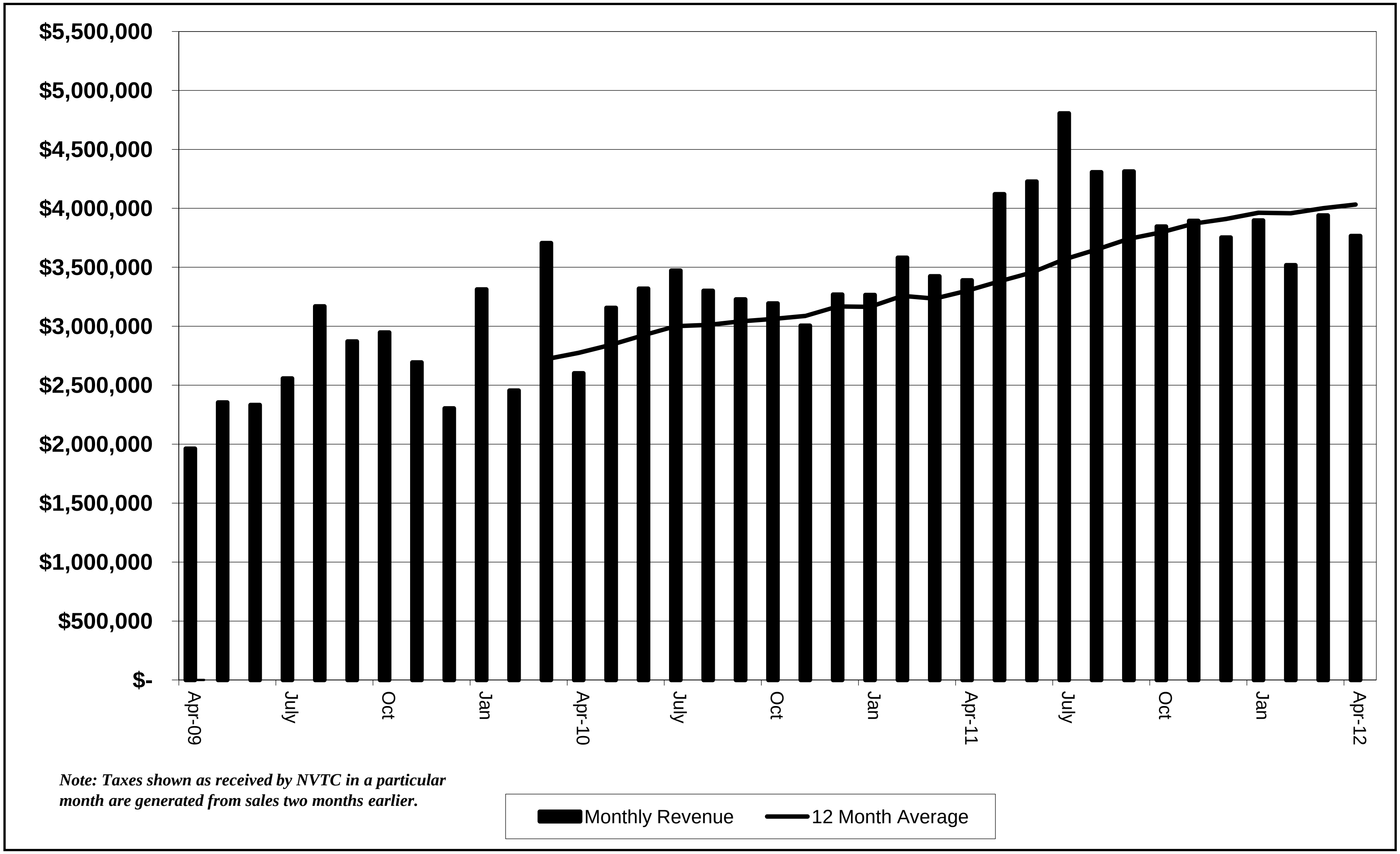
NVTC
RECEIPTS and DISBURSEMENTS
April, 2012

Date	Payer/ Payee	Purpose	Wells Fargo (Checking)	Wells Fargo (Savings)	VA LGIP G&A / Project	VA LGIP Trusts
	RECEIPTS					
2	City of Alexandria	G&A contribution		6,358.25		
5	DRPT	Capital grant receipts				15,577.00
5	Loudoun	G&A contribution			3,314.25	
6	DRPT	NVTA update grant receipt			16,361.00	
6	DRPT	Capital grants receipts - VRE			647,959.00	
9	DRPT	Capital grant receipts				811,122.00
9	DRPT	Capital grants receipts - VRE			8,897.00	
13	Dept. of Taxation	Motor Vehicle Fuels Sales tax receipt				3,765,738.13
17	DRPT	Operating grants receipts				8,320,821.00
17	DRPT	Operating grant receipt - VRE			1,559,255.00	
18	DRPT	Capital grants receipts				5,515,235.00
18	DRPT	Capital grants receipts - VRE			101,313.00	
25	VRE	Staff support		6,352.28		
25	American General	Insurance refund		2.58		
30	Banks	Interest income		4.67	19.14	16,657.30
			-	12,717.78	2,337,118.39	18,445,150.43
	DISBURSEMENTS					
1-30	Various	G&A expenses	(80,601.70)			
1	WMATA	Metrobus operating				(15,158,067.00)
1	WMATA	Metrorail operating				(7,917,002.00)
1	WMATA	Paratransit operating				(3,110,188.00)
1	WMATA	Debt service				(1,879,087.00)
1	WMATA	CIP funding				(2,315,245.00)
1	WMATA	Project development				(173,000.00)
5	Stantec	Consulting - NTD collection	(23,039.06)			
5	Cambridge	Consulting - NVTA update	(16,360.91)			
5	Loudoun	Other operating				(3,314.25)
6	VRE	Capital grant revenue			(647,959.00)	
9	VRE	Capital grant revenue			(8,897.00)	
17	VRE	Operating grant revenue			(1,559,255.00)	
18	DRPT	Capital grant revenue			(101,313.00)	
30	Banks	Service fee	(32.75)	(50.87)		
			(120,034.42)	(50.87)	(2,317,424.00)	(30,555,903.25)
	TRANSFERS					
5	Transfer	From LGIP to LGIP (NTD project)			23,039.06	(23,039.06)
			-	-	23,039.06	(23,039.06)
	NET INCREASE (DECREASE) FOR MONTH		$ (120,034.42)	$ 12,666.91	$ 42,733.45	$ (12,133,791.88)

NVTC
INVESTMENT REPORT
April, 2012

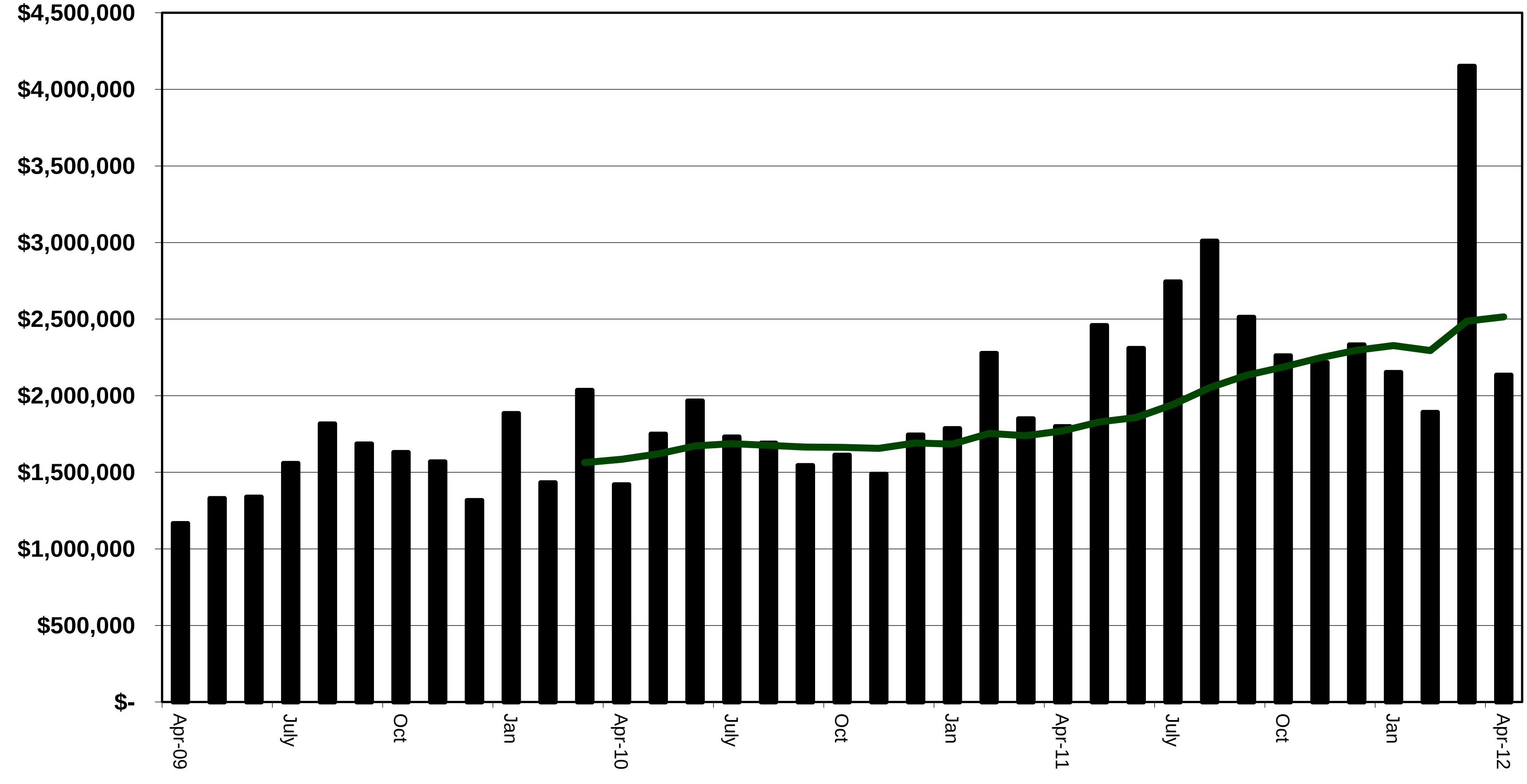
Type	Rate	Balance 3/31/2012	Increase (Decrease)	Balance 4/30/2012	NVTC G&A/Project	Jurisdictions Trust Fund	Loudoun Trust Fund
Cash Deposits							
Wells Fargo: NVTC Checking	N/A	$ 159,307.17	$ (120,034.42)	$ 39,272.75	$ 39,272.75	$ -	$ -
Wells Fargo: NVTC Savings	0.020%	277,969.82	12,666.91	290,636.73	290,636.73	-	-
Investments - State Pool							
Bank of America - LGIP	0.166%	144,125,805.07	(12,091,058.43)	132,034,746.64	151,979.11	114,841,986.55	17,040,780.98
		$ 144,563,082.06	$ (12,108,001.71)	$ 132,364,656.12	$ 481,888.59	$ 114,841,986.55	$ 17,040,780.98

NVTC MONTHLY GAS TAX REVENUE
ALL JURISDICTIONS
FISCAL YEARS 2009-2012



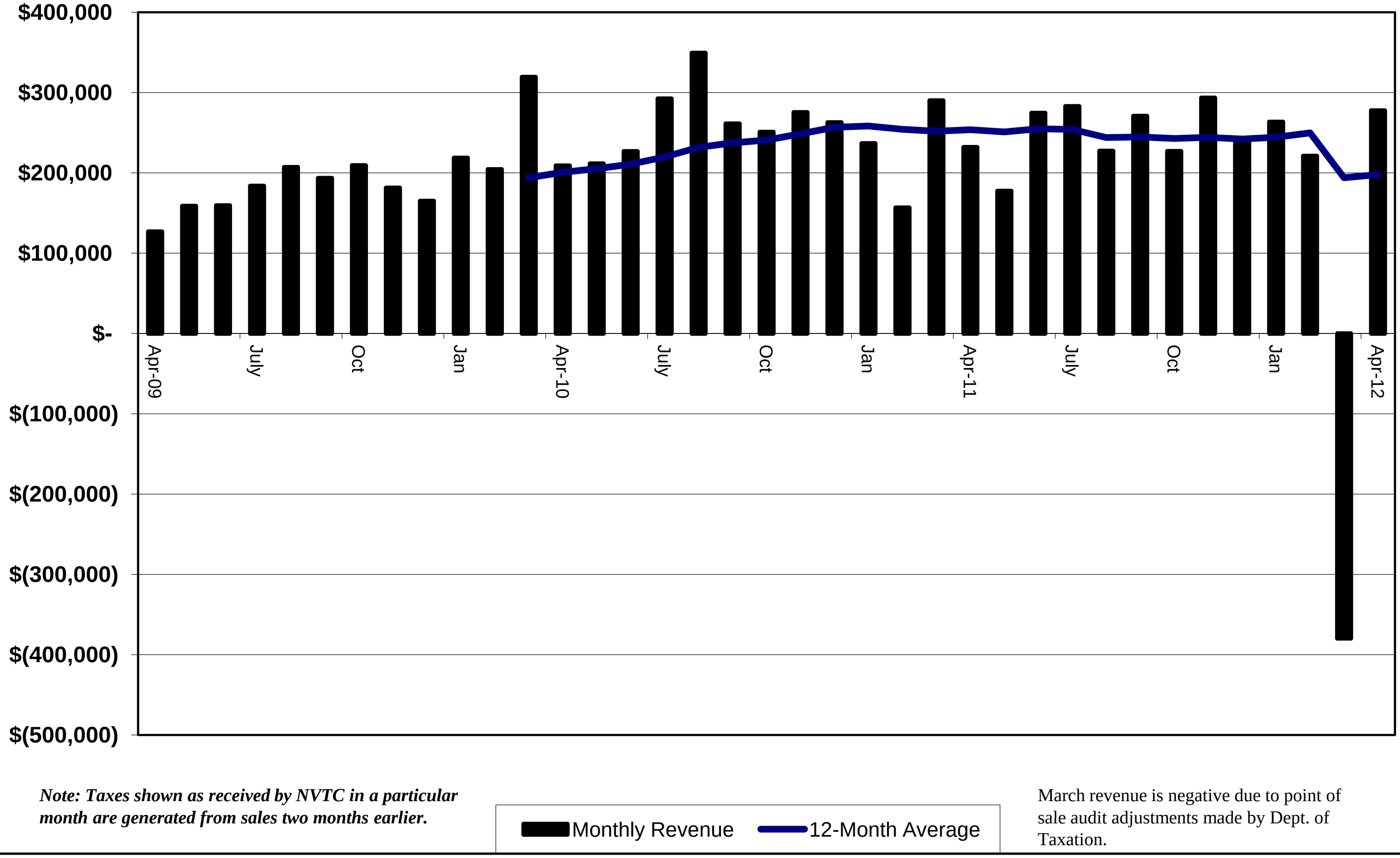
Note: Taxes shown as received by NVTC in a particular month are generated from sales two months earlier.

NVTC MONTHLY GAS TAX REVENUE
FAIRFAX COUNTY
FISCAL YEARS 2009-2012



Note: Taxes shown as received by NVTC in a particular month are generated from sales two months earlier.

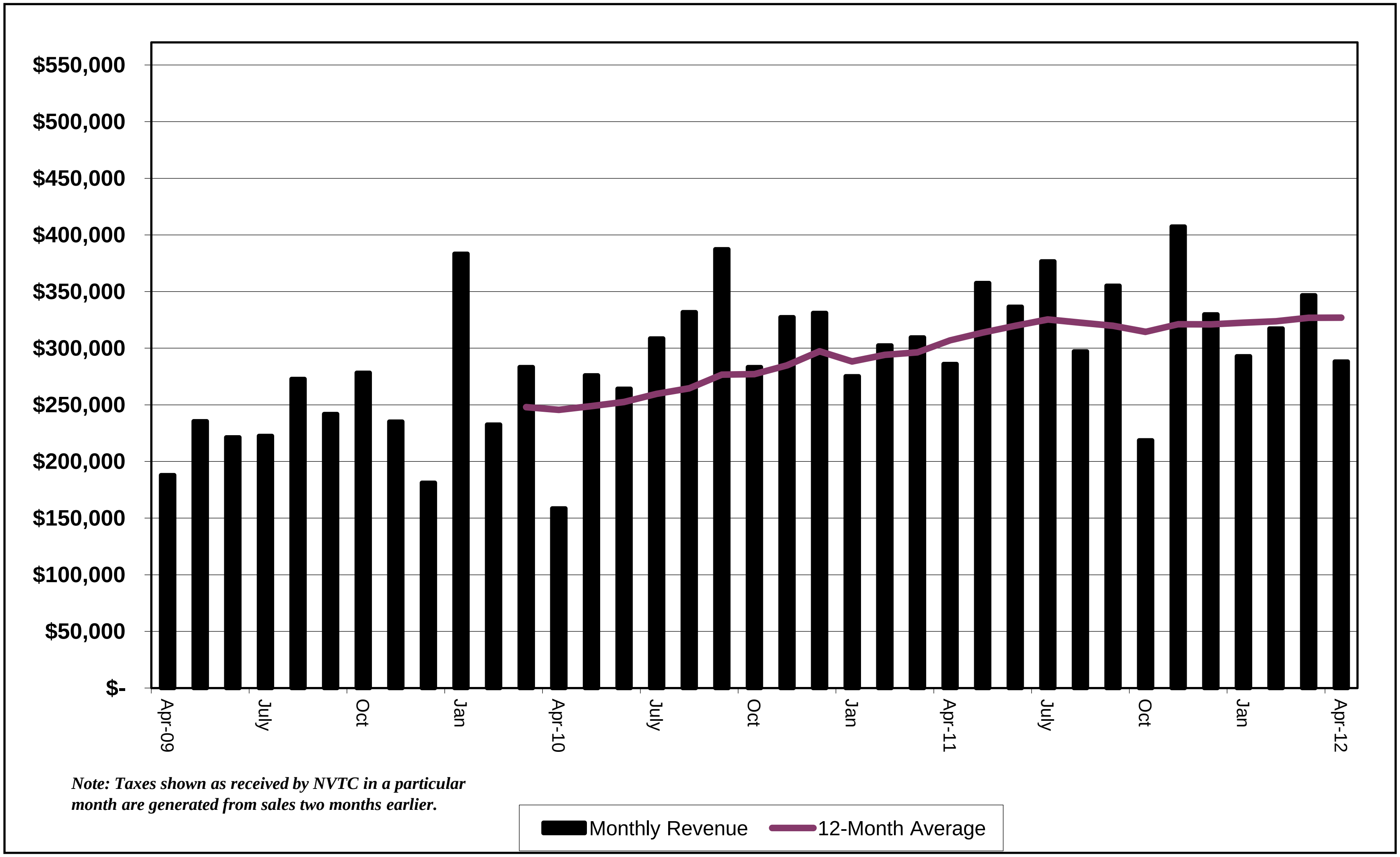
NVTC MONTHLY GAS TAX REVENUE
CITY OF ALEXANDRIA
FISCAL YEARS 2009-2012



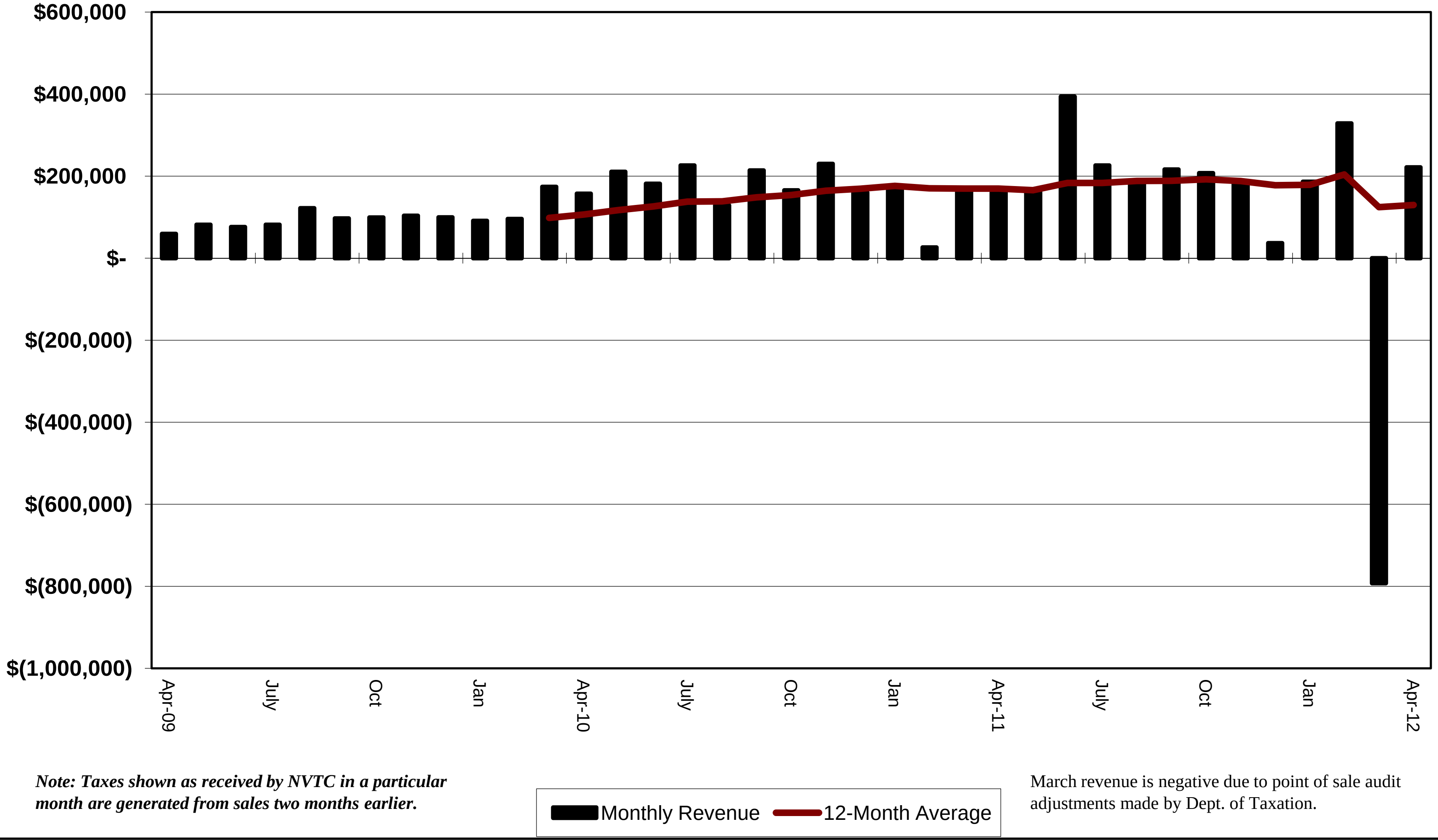
Note: Taxes shown as received by NVTC in a particular month are generated from sales two months earlier.

March revenue is negative due to point of sale audit adjustments made by Dept. of Taxation.

NVTC MONTHLY GAS TAX REVENUE
ARLINGTON COUNTY
FISCAL YEARS 2009-2012



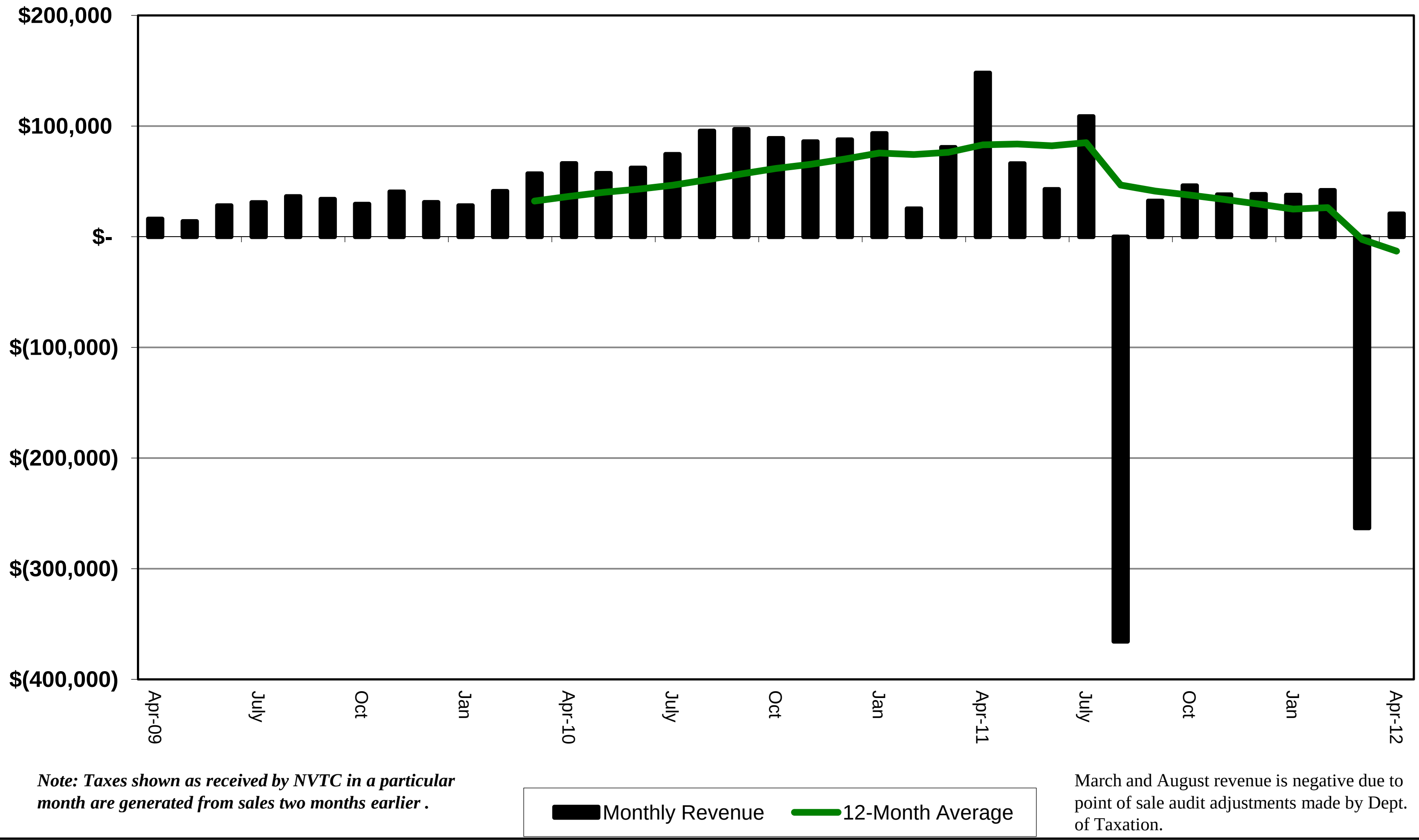
NVTC MONTHLY GAS TAX REVENUE
CITY OF FAIRFAX
FISCAL YEARS 2009-2012



Note: Taxes shown as received by NVTC in a particular month are generated from sales two months earlier.

March revenue is negative due to point of sale audit adjustments made by Dept. of Taxation.

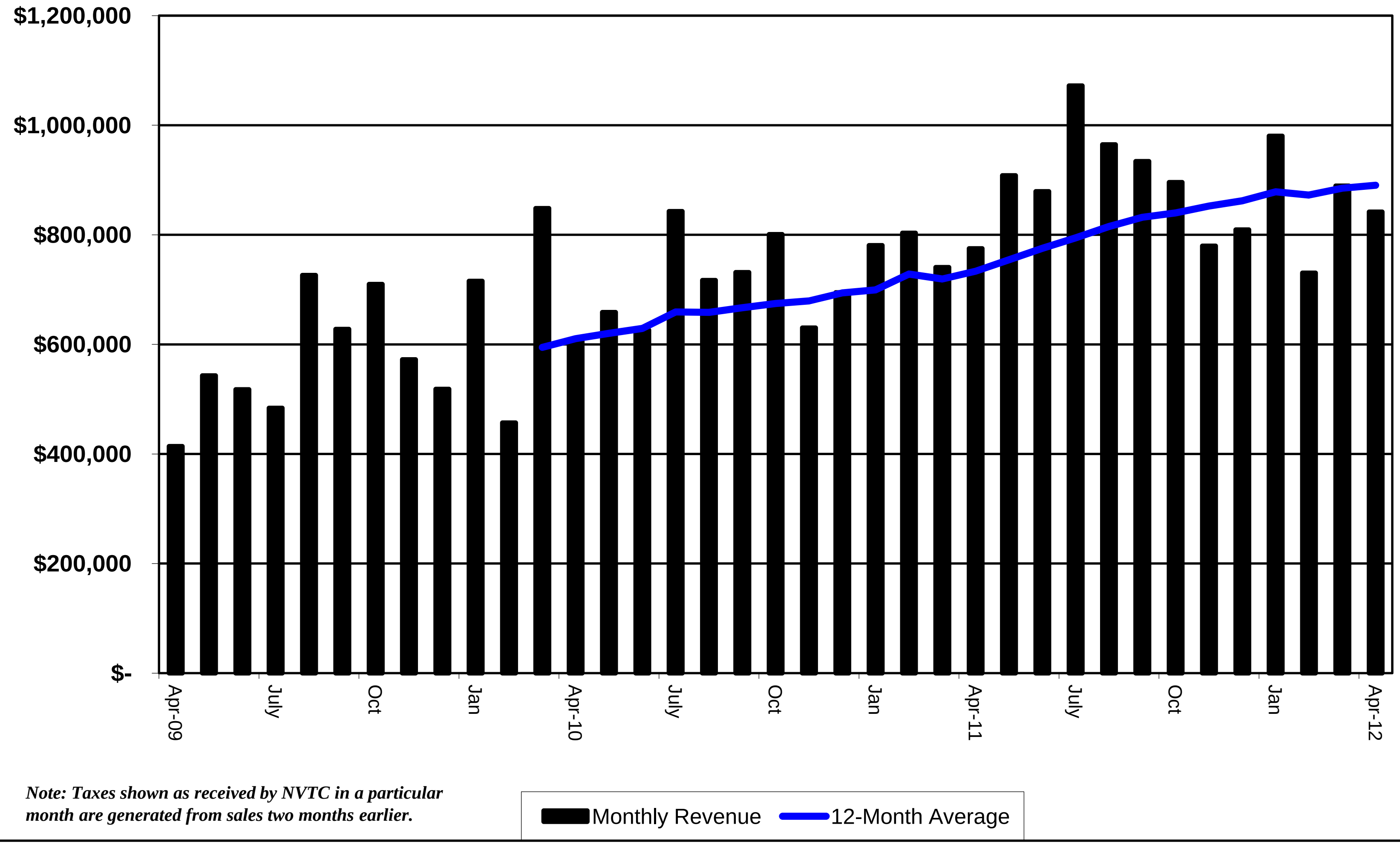
NVTC MONTHLY GAS TAX REVENUE
CITY OF FALLS CHURCH
FISCAL YEARS 2009-2012



Note: Taxes shown as received by NVTC in a particular month are generated from sales two months earlier .

March and August revenue is negative due to point of sale audit adjustments made by Dept. of Taxation.

NVTC MONTHLY GAS TAX REVENUE
LOUDOUN COUNTY
FISCAL YEARS 2009-2012



Note: Taxes shown as received by NVTC in a particular month are generated from sales two months earlier.

Agenda Item #6

DRAFT

June 19, 2012

The Honorable Sean Connaughton
Secretary of Transportation
Patrick Henry Building, Third Floor
1111 East Broad Street
Richmond, VA 23219

Dear Secretary Connaughton:

We are writing to explain to you and the Commonwealth Transportation Board (CTB) why the Northern Virginia Transportation Commission (NVTC) and its member jurisdictions strenuously object to the new process that the Department of Rail and Public Transportation (DRPT) has demanded for transmitting state transit financial assistance to WMATA and other Northern Virginia transit systems.

On May 15, 2012, DRPT Director Drake informed NVTC, its member jurisdictions, and the Washington Metropolitan Area Transit Authority (WMATA) that DRPT would no longer provide funding to WMATA and NVTC's jurisdictions through NVTC. Unless all of the entities agreed within 10 days, transit funding allocated to our region by the Commonwealth Transportation Board (CTB) in the draft FY 2013 Six Year Improvement Program (SYIP) would be removed from the final SYIP to be presented to CTB on June 20, 2012. In response to unanimous opposition from NVTC's WMATA jurisdictions, the deadline was subsequently extended to June 8, 2012.

While NVTC and its jurisdictions appreciate the importance of DRPT funding and value the role DRPT plays in delivering these services, we are concerned that DRPT's order could well undermine those services, require additional administrative expense, introduce other inefficiencies that would waste precious transit funding and potentially violate state law. Our concerns are outlined below. In considering these adverse consequences, we ask you to consider that Northern Virginia has by far the greatest transit ridership in the Commonwealth. We should all be focused on supporting continued transit success in this region.

1. Statutory Requirements Prohibit DRPT's Approach

Legal counsel informs us that Section 58.1-638.A.5 of the Virginia Code compels that DRPT's transit assistance for WMATA must be allocated in accordance with NVTC's Subsidy Allocation Model (SAM). Failure to do so would be a violation of state law. (Attachments explain the use of NVTC's SAM which shares state and regional transit financial resources to sustain the regional WMATA partnership.)

2. Lack of Notice

NVTC has used its SAM in various forms since FY 1974 and no state representative to NVTC has ever voted against it. DRPT Director Drake voted for it as recently as June 2, 2011. This formula allows NVTC's jurisdictions to cushion the impact of abrupt changes in state aid and protects especially NVTC's smaller jurisdictions. It is not reasonable to change NVTC's successful and long-standing process with only 10 days notice after FY 2013 local budgets have been adopted and after NVTC had completed applications for the state aid documented in CTB's draft SYIP. NVTC's current formula is the result of significant regional negotiations. Unfortunately, this unexpected action occurred without any consultation, which would have quickly identified the serious concerns. It will create local winners and losers with no time to identify other workable solutions to achieve DRPT's objectives.

3. Failure to Understand WMATA's Role

While WMATA operates transit service, it is not the entity financially responsible for that service. NVTC's jurisdictions must pay WMATA's bills at the beginning of each quarter or lose access to that service. NVTC's WMATA-related application for state aid is submitted on behalf of NVTC's WMATA jurisdictions collectively and reflects the combined shares of the total WMATA subsidy eligible for DRPT funding. State aid now received through NVTC covers only a portion of each bill and each jurisdiction must assemble sufficient funds from a variety of sources (e.g. regional gas tax received by NVTC, other Trust Funds at NVTC, General Funds, and credits at WMATA).

Since DRPT's capital assistance is provided on a reimbursement basis, if DRPT provides reimbursement directly to WMATA, WMATA will actually be paid twice for the same bill. Trying to track and correct this would be complicated, and certainly less transparent than the current SAM. Similarly, DRPT's operating assistance is also not available for jurisdictions to use to pay WMATA's first quarterly billing each year.

4. Interference with General Assembly Delegation's Request

Elected officials and staff of Northern Virginia's transportation and planning agencies and its member jurisdictions are in the midst of an ambitious study to respond to a written request signed by every member of Northern Virginia's General Assembly delegation. The mandate is to identify efficiency improvements to four Northern Virginia planning and transportation agencies as well as consider any benefits of possible consolidation of two or more of those agencies. The delegation has asked for a response to this request by this fall, and the agencies and member jurisdictions are acting vigilantly on the study and response. Regardless of DRPT's intent, the result of its new policy makes the task of completing the study on time even more difficult by suddenly shifting NVTC's role significantly.

5. Administrative Costs

DRPT's policy change creates financial burdens for NVTC and its jurisdictions, because NVTC currently prepares grant applications, submits invoices and assures compliance with DRPT's complex rules. If DRPT requires WMATA and NVTC's member jurisdictions to separately accomplish these activities, additional administrative burdens would be created with no recourse within already approved local FY 2013 budgets. This approach may be contradictory to the McDonnell Administration's ongoing efforts to improve government efficiency.

NVTC's SAM also provides for shared funding of NVTC's administrative budget and of several other regional projects including electronic transit schedules and data collection resulting in an additional $6 million of federal funding for WMATA. Interference with these vital projects should have been considered by DRPT before taking its recent action.

6. Better Ways to Achieve DRPT Objectives

In discussions with DRPT Director Drake, "transparency" has been cited as the motivation for the sudden policy shift. The implication is that by following the process mandated in the Virginia Code, NVTC is denying the public the opportunity to learn how much funding is actually provided by DRPT. Because NVTC and its jurisdictions value DRPT's funding, it would seem very likely that an approach could be worked out that will achieve DRPT's objectives without disrupting a highly effective and efficient process involving NVTC that has served this region well.

7. Conclusion

NVTC's WMATA jurisdictions have for decades utilized NVTC as their agent for grant purposes and their fiduciary for all grant funds received. This approach is embedded in the Virginia Code and has been consistently supported by DRPT Directors in the past. This approach is consistent with regional cooperation and has helped coordinate Northern Virginia's successful transit network. CTB should not alter its SYIP without a full understanding of the legal and other consequences of DRPT's unilateral action.

We respectfully request that you and the CTB continue the current process of distributing state funds for Northern Virginia's transit systems through NVTC. At the very least, the legal ramifications of disrupting NVTC's role should be fully understood before any action is taken to change the process.

Sincerely,

Jay Fisette, NVTC Chairman	Sharon Bulova, Fairfax County	Nader Baroukh, City of Falls Church
Mary Hynes, Arlington County	Bill Euille, City of Alexandria	Robert Lederer, City of Fairfax

Attachments Included

cc: The Honorable Robert F. McDonnell, Governor of Virginia
Members, Commonwealth Transportation Board
Ms. Thelma Drake, Director of Virginia Department of Rail and Public Transportation
The Honorable George Barker
The Honorable Richard Black
The Honorable Charles Colgan
The Honorable Adam Ebbin
The Honorable Barbara Favola
The Honorable Mark Herring
The Honorable Janet Howell
The Honorable David Marsden
The Honorable Chap Petersen
The Honorable Toddy Puller
The Honorable Richard Saslaw
The Honorable David Albo
The Honorable Richard Anderson
The Honorable Robert Brink
The Honorable David Bulova
The Honorable Barbara Comstock
The Honorable David Englin
The Honorable Eileen Filler-Corn
The Honorable Thomas Greason
The Honorable Charniele Herring
The Honorable Patrick Hope
The Honorable Timothy Hugo
The Honorable Mark L. Keam
The Honorable Kaye Kory

The Honorable James M. LeMunyon
The Honorable Scott Lingamfelter
The Honorable Alfonso Lopez
The Honorable Robert Marshall
The Honorable Joe May
The Honorable J. Randall Minchew
The Honorable Jackson Miller
The Honorable Ken Plum
The Honorable David Ramadan
The Honorable Thomas Davis Rust
The Honorable Jim Scott
The Honorable Mark Sickles
The Honorable Scott A. Surovell
The Honorable Luke E. Torian
The Honorable Vivian Watts

COMMONWEALTH of VIRGINIA

Thelma D. Drake
Director

DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION
600 EAST MAIN STREET, SUITE 2102
RICHMOND, VA 23219-2416

(804) 786-4440
FAX: (804) 225-3752
VIRGINIA RELAY CENTER
1-800-828-1120 (TDD)

June 1, 2012

VIA E-MAIL

Dear Grantee:

At the request of Secretary Connaughton, I am writing to notify you that the Department of Rail and Public Transportation (DRPT) will allow for comments and concerns until 5:00 pm on June 19, 2012 regarding the shift of providing DRPT grant funds directly to WMATA and the local jurisdictions instead of through NVTC beginning July 1, 2012.

DRPT will submit the Six-Year Improvement Plan (SYIP) in the name of WMATA and the local jurisdictions for approval to the Commonwealth Transportation Board (CTB) in June. If it is determined that there are significant reasons for the current DRPT funding process with NVTC as the direct recipient of DRPT administered funds to continue, I will request that the CTB amend the SYIP to reflect that change at its July action meeting.

In order for DRPT to include you in the SYIP being presented to the CTB for approval, we need in writing your acceptance of the application that was submitted on your behalf by NVTC by **5:00 pm, June 8, 2012** (note that this is an extension from our previous request). **Please note that by agreeing to accept the application you are in no way indicating that you concur with our proposed change to the NVTC funding process.** If you elect not to accept the NVTC application, the funding that would have been allocated to your entity will be redistributed to all other transit properties in the Commonwealth according to Code specified distribution formulas.

I look forward to hearing your concerns about the new WMATA and jurisdiction direct funding process. Between now and June 19th, DRPT will conduct a documentation of the Subsidy Allocation Model (SAM) currently in use by NVTC to better understand the model and method of funding.

Sincerely,

Thelma Drake

Thelma Drake

DRPT/NVTC Funding Proposal Meeting

Dulles Corridor Metro Project Office
1593 Spring Hill Road, Suite 300
Vienna, VA

May 31, 2012
4:00 pm

Agenda

I. Introductions
   a. Elected officials
   b. Staff

II. Common Ground & Goals of the Region
   a. Transparency
   b. Efficiency & Effectiveness
   c. What are we trying to accomplish?

III. Background of Subsidy Allocation Model (SAM)
   a. History
   b. Statutory language
   c. How it works for the region
   d. DRPT & jurisdictional historical support of the process

IV. DRPT Funding Proposal
   a. Overview
   b. DRPT Objectives
   c. Specific regional concerns
   d. Implementation options

V. Open Discussion

SUMMARY OF THE RESOLUTION #756 AGREEMENT FOR A NEW NVTC ALLOCATION FORMULA BEGINNING IN FY 2000

1. Change NVTC's formula by legislation (amend Virginia Code Section 58.1-638.A.5.) to mirror WMATA's allocation formulas by using the relative WMATA-allocated subsidies and relative shares of local transit subsidies. This will provide a simpler NVTC formula that is responsive to changing trends and reflects a sound policy basis. (See section 9 of the attached Resolution #756).

2. Continue the current practice of applying a five year rolling average to local transit capital expenses, in order to smooth yearly fluctuations. (See section 9).

3. Pay 95% of WMATA debt service using state aid taken off the top before allocation to the jurisdictions. Pay the remaining 5% using gas taxes taken off the top. Do not first allocate the debt service expenses to the jurisdictions. (See section 5).

4. Do not change NVTC's current practice of not allowing net local VRE subsidies to be included in the formula allocation process. (See section 12).

5. Do not change NVTC's current practice of using the formula allocation shares in effect in the year in which state transit bond proceeds are received to allocate those proceeds. However, for the $13.3 million in Metrorail construction bonds approved in the 1998 General Assembly, proceeds will be allocated based on individual jurisdictions' commitments toward financing these bonds.(See section 15).

6. Continue NVTC's current practice of requiring Falls Church to pay an additional 5% each year of its allocated Metrobus subsidy from a FY 2000 base of $275,625. The commission will continue to hold harmless Falls Church against any additional increase in net local burden due to its Metrobus subsidy using gas taxes taken off the top, after taking into account any incremental reductions in net burden due to new gas tax allocations and/or the new NVTC formula for state aid and/or any new revenue sources. (See section 8).

AWARD WINNER NVTC APTA 1996

4350 N. Fairfax Drive • Suite 720 • Arlington, VA 22203
703-524-3322 • Fax 703-524-1756 • TDD: 800-828-1120 • VA Relay Service • E-mail: nvtc@nvtdc.org

7. Continue NVTC's current practice of requiring the city of Fairfax to pay its entire Metrobus subsidy to the extent the city can do so using increased gas tax and state aid allocations resulting from NVTC's formula changes. If these revenues are not sufficient, the city would be held harmless using the mechanism defined in items 9 and 10 below.(See section 8 and 14).

8. Continue NVTC's current agreement to allocate in FY 2000 75% of gas taxes after payment of debt service to jurisdictions based on point of sale. Allocate in FY 2001 and beyond 100% of gas taxes remaining after payment of debt service to jurisdictions based on point of sale. (See section 7).

9. Use $1.3 million of new state aid from FY 1999 to help hold harmless jurisdictions against any increase in local net burden resulting from the new changes to NVTC's formula (percent of debt service paid with state aid; Metro-like, 100% subsidy approach). These funds will not be used to help hold harmless jurisdictions against any losses in gas tax revenues due to the point of sale allocation methods approved by the commission in February, 1998. (See section 14).

10. Assume conservatively additional growth of state aid by 1% in FY 2000, 2% in FY 2001 and 3% in FY 2002, and use up to this maximum of any such growth to help hold jurisdictions harmless against any increase in local net burden resulting only from the new changes to NVTC's formula (as in #9 above). State forecasts call for actual growth of the transit portion of the Transportation Trust Fund to be 5% in each of those years. Any actual growth above the amounts needed to hold jurisdictions harmless (subject to the 1%, 2%, and 3% maximums summing to 6% over the three years) would be allocated using NVTC's new formula. In FY 2003 and beyond, growth in state aid compared to FY 1999 can continue to be used to hold jurisdictions harmless, but the absolute amount of state aid used to do so can never exceed the amount actually used in FY 2002.

    In the event of insufficient funds for NVTC to compensate fully all jurisdictions, the city of Fairfax and Falls Church will be fully compensated first and remaining funds will be allocated proportionately between Alexandria and Arlington. If these funds are not sufficient to fully compensate Alexandria and Arlington, they will make up the difference themselves. (See section 14).

11. The term of this agreement is indefinite (it does not expire and will remain in effect until changed by vote of the commission). (See section 3).

12. In recognition of the severe constraints in transit program funding, the region will proactively cooperate to seek new and expanded sources of transit assistance. (See section 1).

13. Jurisdictions will use additional formula funds to support public transit. (See section 2).

14. Jurisdictions pledge their best efforts to accomplish the legislative changes necessary to implement this approach. (See section 1).

15. NVTC desires to use a formula that is fair, responsive to change, and has a sound policy basis. (See final whereas clause).

16. NVTC will use the best available data from adopted budgets for its formula allocation each year. (See section 10).

17. No other changes in the NVTC allocation formula described in Resolution #730 (February, 1998) are included.

Northern Virginia Transportation Commission

RESOLUTION #2171A

SUBJECT: Allocation of Northern Virginia Motor Fuel Sales Tax Revenue and State Aid for Mass Transit Beginning in Fiscal Year 2012.

WHEREAS: The Northern Virginia Transportation Commission is the recipient of revenues from NVTC's motor fuel sales tax, which is available for operating and capital expenses, including debt service, of the Washington Metropolitan Area Transit Authority;

WHEREAS: The Northern Virginia Transportation Commission is the recipient of state aid for mass transit which is appropriated to pay up to 95 percent of the transit administrative expenses incurred by NVTC and its member jurisdictions (including WMATA and VRE); up to 95 percent of non-federal capital outlays; up to 95 percent of costs for fuels, lubricants, tires and maintenance parts; and up to 95 percent of payments of WMATA revenue bond debt service;

WHEREAS: NVTC desires to allocate funds to its member jurisdictions, pay transit subsidy bills at the direction of member jurisdictions and hold funds in trust while making investments on behalf of the jurisdictions;

WHEREAS: NVTC desires to use an allocation formula that is fair, responsive to change and has a sound policy basis; and

WHEREAS: NVTC desires to update Resolution #1065 (February 3, 2005) to deduct deobligated project costs greater than $1 million from a jurisdiction's costs in the fiscal years after the project is deobligated by that jurisdiction. The purpose of NVTC's action is to restore to NVTC's other jurisdictions the amounts of revenue lost due to crediting the deobligating jurisdiction for project costs it did not actually incur.

NOW, THEREFORE BE IT RESOLVED for fiscal years 2012 and beyond:

1. In recognition of the severe constraints in transit program funding, the members of the commission agree to proactively support the development of new and expanded sources of funding to meet the needs of Northern Virginia.

AWARD WINNER NVTC APTA 1996

2300 Wilson Boulevard • Suite 620 • Arlington, Virginia 22201
Tel (703) 524-3322 • Fax (703) 524-1756 • TDD (800) 828-1120
E-mail nvtc@nvtdc.org • Website www.thinkoutsidethecar.org

2. NVTC's members pledge to continue to use any gains resulting from the approach defined herein to support public transit that will reduce congestion in this region and improve mobility and access opportunities.

3. The allocation formula and accompanying conditions specified below shall remain in effect during FY 2012 and beyond and be used by NVTC to allocate revenues received by NVTC on behalf of its member jurisdictions, with the exceptions noted in Sections 4 through 6 below.

4. Except as noted in Section 5, motor fuel tax revenues received by NVTC for Loudoun County are not subject to the following allocation provisions, but are subject to the trust obligations in Sections 17 and 18 below.

5. The maximum available funds from state aid are to be used (before being allocated to local jurisdictions) to pay up to 95 percent of the NVTC administrative costs; up to 95 percent of the Northern Virginia share of WMATA revenue bond debt service, before those debt service obligations are allocated to the jurisdictions; to pay the eligible costs agreed upon by the jurisdictions of assisting local bus systems in filing annual National Transit Database reports; and to pay the eligible costs agreed upon by the jurisdictions of updating electronic transit schedules. To the extent that additional funds are required for these purposes, motor fuel taxes (before being allocated to local jurisdictions) will be used. The executive director is hereby authorized to transmit the appropriate payments to WMATA or other parties on or before the dates upon which such payments are due. Loudoun County's percentage share of the cost of updating electronic transit schedules is the same as the county's percentage share of NVTC's annual administrative budget. The agreed upon amount for electronic schedules will be withheld each year from the county's motor fuel tax proceeds received by the commission.

6. If, at local option, federal Congestion Mitigation and Air Quality or Regional Surface Transportation Program or other federal or state program monies are provided to a local jurisdiction for a local project through NVTC using NVTC's state aid contract or some other mechanism, those proceeds will not be allocated by formula but instead will be provided directly to the local jurisdiction or held in trust for the jurisdiction. The local subsidies for such eligible transit projects would still be incorporated into NVTC's formula for purposes of determining the jurisdiction's share of NVTC total aid.

7. Remaining motor fuels taxes (net of any portion used for WMATA debt service) will be allocated based on the jurisdictions in which the tax was collected (point of sale), using annual data for the most recent available fiscal year.

8. To the extent motor fuel tax revenues, using the point of sale method defined in Section 7 above, that are provided to the cities of Fairfax and Falls Church exceed NVTC aid that would be provided using NVTC's previous formula (Resolution #689), and to the extent those cities also benefit from changes defined in Section 9 below compared to Resolution #730, those cities will apply the additional aid to their assigned Metrobus subsidies. Also, if new revenues become available to NVTC such that the NVTC aid to those cities exceeds the amounts that would have been available from previous sources, the cities will apply the increment to pay their assigned Metrobus subsidies. If for any year increased shares of motor fuel taxes and of any new revenues are anticipated not to be sufficient to cover their full assigned Metrobus subsidies, NVTC will continue to use gas tax taken off the top for Falls Church and the hold harmless mechanism defined in Section 14 below for the city of Fairfax. For FY 2000 Falls Church agreed to pay at least $275,625 of its Metrobus subsidy from existing revenues and to increase that minimum by five percent annually in each subsequent year. This section supersedes the obligations of NVTC to the city of Falls Church defined in Resolution #689 (January 2, 1997) and in Resolution #730 (February 5, 1998) and is identical to the obligations defined in Resolution #756 (November 5, 1998) and Resolution #971 (June 5, 2003).

9. The executive director shall allocate all remaining state aid to mass transit using the shares of WMATA and local transit subsidies estimated to be paid by NVTC's local governments in adopted budgets for each year, and shall hold the funds in trust while making investments on behalf of the jurisdictions, pending written instructions to make payments for eligible transit subsidies. However, only 20 percent of eligible local transit capital project costs will be included in this allocation through a five-year rolling average each year.

10. NVTC will use the best available data from adopted budgets for its formula allocation each year.

11. To be included as an eligible subsidy in NVTC's allocation formula, local transit operations (including transit services for mobility-impaired and other persons) must be available to the general public.

12. The only eligible subsidies in NVTC's formula for the Virginia Railway Express commuter rail program are those capital costs of parking lots not otherwise reimbursed from state or federal grants.

13. Subsidies for locally sponsored park-and-ride facilities located at Metrorail stations or served by transit vehicles are eligible for inclusion in NVTC's formula, but only at such time as funds for construction of the lots have been appropriated by the government. Any locally incurred capital costs of such a facility will be included in NVTC's formula at the rate of one-fifth of the total capital subsidies, or if debt financed, then actual annual debt service will be included.

14. To the extent possible, each NVTC jurisdiction will be held harmless against increases in net local burden due to the effects of applying the approach defined in Section 9 compared to the net local burden resulting from the hypothetical use of the formula defined in Resolution #730.

    $1.3 million of new state aid from FY 1999 was used to help hold harmless jurisdictions experiencing such increased net local burdens. Also, any growth in state aid in FY 2000 of up to one percent was used to hold harmless, up to two percent in FY 2001 and up to three percent in FY 2002, totaling six percent over those three years. Any growth in state aid above those amounts used to hold harmless was allocated using the method described above in Section 9. For FY 2003 and beyond, growth in state aid compared to FY 1999 was and can continue to be used to hold harmless these jurisdictions, but the absolute amount of state aid used to do so can never exceed the amount actually used in FY 2002.

    These funds will not be used to hold harmless jurisdictions against any increases in net local burden due to the point of sale allocation methods described in Section 7 above.

    If these funds prove to be too small to hold harmless all jurisdictions, the cities of Fairfax and Falls Church will first be fully compensated and the remaining funds applied proportionately among the remaining jurisdictions.

15. NVTC's policy for allocating state bond proceeds for WMATA received by NVTC on behalf of its member jurisdictions is to use the formula shares in effect in the fiscal year in which the funds are received, determined using the methods defined in Section 9 above.

16. A jurisdiction credited with local capital costs for a project that is deobligated with an unbilled balance of $1 million or greater will have its eligible costs reduced by the amount previously amortized. This will occur over the same number of years those amortized

costs were included in the formula. This adjustment will begin in the first year after the funding is deobligated, and none of the remaining amortized costs will be included in the formula. If the project is reinstated in the future after the adjustment is completed, the jurisdiction may again include costs for that project in the formula.

17. The funds allocated to the member jurisdictions shall be held in trust by NVTC (hereinafter "Trustee") for the benefit of the member jurisdictions. The Trustee may combine the funds allocated to each member jurisdiction for investment purposes. The Trustee shall keep records of the exact amount held by each member jurisdiction in the trust. The Trustee shall invest such funds prudently to earn the greatest return consistent with requirements of safety and liquidity.

The Trustee will encourage bids for investment funds from financial institutions approved by the Virginia Treasury Board, or otherwise eligible under state statutes, and require adequate collateral which, in the case of bidders not approved by the Treasury Board, shall consist of U.S. Government or Agency securities of at least 100 percent of the value of trust funds, to be held for the trust by a third-party institution, with proper verification provided to the Trustee. To provide a greater investment return, and consistent with state statutes, the Trustee may seek bids for purchase or repurchase of Certificates of Deposit, U. S. Treasury Bills, Government National Mortgage Association debt, other Federal Agency securities, top grade commercial paper rated by Moody's and Standard and Poor's and bankers acceptances rated by Keith Bank Watch service.

The Trustee will evaluate bids in terms of return and safety and, depending on market conditions, award the investment funds to the bidder(s) with the best prospects of a substantial and safe yield, recognizing that funds also may be kept on deposit at the Local Government Investment Pool or other money market accounts.

Any funds, allocated to the member jurisdictions, which are held in trust by the Trustee for the benefit of the member jurisdictions shall be granted irrevocably for the benefit of the member jurisdictions. NVTC reserves no power, other than these powers granted to it in its position as Trustee of the trust, to invest, spend or otherwise use the funds held in trust. NVTC reserves the right to amend the allocation resolution which determines the funds which will be allocated to each member jurisdiction in the future. Funds held in the trust may only be disbursed by the Trustee when it receives a request in writing for payment from those funds by a member jurisdiction in whose name the funds are held. Member jurisdictions may only request disbursement from the trust for purposes which are in accordance with applicable federal and state regulations regarding such funds.

If at any time the size of any trust under this resolution is so small that, in the opinion of the Trustee, the trust is uneconomical to administer, the Trustee may terminate the trust and distribute the assets among the member jurisdictions. The Trustee shall distribute the remaining funds held on behalf of each member jurisdiction to that member jurisdiction.

18. The NVTC executive director is hereby instructed to implement these policies, and to obtain the written approval of the NVTC Secretary-Treasurer for any and all investments of the funds held in trust for the benefit of the member jurisdictions.

Adopted this 2nd day of June, 2011.

William Euille
Chairman

Jeffery McKay
Secretary-Treasurer

NVTC SUBSIDY ALLOCATION MODEL (SAM)

The data inputs of the SAM formula include:

- The budgeted operating subsidies for WMATA by jurisdiction
- The budgeted capital subsidies for WMATA by jurisdiction
- The budgeted local operating deficit for each system
- The budgeted local capital system needs

Those inputs are totaled for each jurisdiction, with the local capital system needs amortized over a 5 year period. The total for each jurisdiction is compared to the total for NVTC to arrive at a percentage, which is applied to the total state operating and capital assistance reimbursements actually received during the fiscal year.

Gas tax revenue is allocated among the jurisdictions using the previous year's collections on a point of sale basis compared to the NVTC total. That percentage is used to allocate the gas tax received during the fiscal year among the jurisdictions.

95% of WMATA debt service is taken off the top of capital assistance reimbursements as it is received. 5% of the WMATA debt service is taken off the top of the motor fuels tax. These funds are required to be withheld and remitted directly to WMATA by NVTC.

Revenue is taken off the top of the state assistance and gas tax revenue before allocating among the jurisdictions for certain expenses. These include a portion of NVTC's G&A budget, as reflected in the annual approved budget, the NTD bus data collection, and electronic schedule program.

The SAM formula includes several hold harmless mechanisms as explained in the "summary of the resolution #756…" document.

Allocated revenue is held in trust for each jurisdiction for their restricted use for transit purposes. Disbursements from the trust are made by written request by the jurisdiction. These disbursements include payments to WMATA and the local systems for operating and capital needs.

2300 Wilson Boulevard • Suite 620 • Arlington, Virginia 22201
Tel (703) 524-3322 • Fax (703) 524-1756 • TDD (800) 828-1120
E-mail nvtc@nvtdc.org • Website www.thinkoutsidethecar.org

NVTC Formula Allocation Chronology (FY 1975-2013)

FY 1975

- Received $1.5 million of federal Section 5 operating assistance funds allocated to jurisdictions in proportion to their WMATA bus operating subsidies (which were allocated by WMATA based on bus-miles) (Resolution #131). Other alternatives initially considered included combinations of bus-miles and population/population density. Allocated state capital funds (at least $3.5 million annually) in proportion to WMATA capital billings (e.g. Metro construction in proportion to the first interim capital contributions agreement).

FY 1978

- Received $4.0 million of federal Section 5 operating assistance funds allocated to jurisdictions in proportion to their combined Metrobus and Metrorail operating subsidies (Resolution #157).

FY 1979

- Endorsed allocation of fixed Metrobus costs to Virginia based on FY 1975 peak bus requirements, but continued to allocate those costs within Virginia in proportion to the jurisdictions' shares of variable bus costs. Directed staff to prepare "alternatives to the fixed cost allocation" (Resolution #163).

FY 1981

- Received $8.7 million of regional two percent motor fuels tax revenues eligible for WMATA debt service and operating subsidies, with proceeds taken "off-the-top" for debt service and—using FY 1982 gas tax proceeds—to cover past due Metrobus and Metrorail subsidies of the city of Fairfax. A portion of federal operating assistance is taken off-the-top to pay the FY 1982 Metrorail operating subsidy of the city of Fairfax. All remaining gas tax and federal operating funds are to be allocated to NVTC's jurisdictions in proportion to combined Metrobus and Metrorail operating subsidies (Resolution #182).

2300 Wilson Boulevard • Suite 620 • Arlington, Virginia 22201
Tel (703) 524-3322 • Fax (703) 524-1756 • TDD (800) 828-1120
E-mail nvtc@nvtdc.org • Website www.thinkoutsidethecar.org

FY 1983

- Pay off-the-top using aid ($20.6 million) half of NVTC's administrative costs, WMATA debt service, Metrobus capital one-tenth amortizing adjustment. With federal operating assistance ($4.8 million) pay off-the-top to WMATA the city of Fairfax's Metrorail operating subsidy. Allocate all remaining federal operating assistance, regional fuel taxes, and a portion of state aid equal to half of Virginia's WMATA administrative costs to the five jurisdictions in proportion to shares of WMATA combined bus and rail <u>operating subsidies</u> and WMATA construction management costs. Allocate all remaining state aid to the five jurisdictions in proportion to shares of combined bus and rail <u>capital costs</u> of WMATA (Resolution #200). Other alternatives considered included shares of operating costs or subsidies and population density.

FY 1984

- Same as FY 1983 except after covering off-the-top payments, allocate all remaining federal operating assistance, motor fuel sales tax revenues and state aid in proportion to <u>the average of</u>: A) shares of combined bus and rail operating <u>subsidies</u>, construction management costs and bus and rail capital costs of WMATA and operating <u>subsidies</u> and 20 percent of capital outlays for local bus systems; and B) shares of combined bus and rail operating <u>costs</u>, construction management costs, bus and rail capital costs of WMATA and the operating <u>costs</u> and 20 percent of capital outlays for local bus systems (excluding city of Fairfax operating/capital costs and subsidies). The remaining 80 percent of local bus capital outlays would be included in subsequent years at a rate of 20 percent each year for four years (Resolution #205). This was a compromise reached after extensive debate and involved accepting two alternatives and dividing by two. A motion to reconsider and "spread it on the minutes" for the next meeting was made. At the next meeting, several votes eventually reconfirmed Resolution #205.

FY 1985-87

- Pay off-the-top with state aid half of NVTC administrative costs, WMATA debt service, Metrobus capital one-tenth amortizing adjustment and $100,000 as a contingency to defray unanticipated overruns in Metro costs of the city of Fairfax (the city had agreed to begin paying Metrorail and Metrobus operating subsidies). Allocate all remaining federal, state and regional funds in proportion to <u>three-quarters</u> A) combined WMATA bus and rail operating <u>subsidies</u>, construction management costs and bus and rail capital costs and the operating <u>subsidies</u> and 20 percent of capital outlays for local bus systems and <u>one-quarter</u> B) [Same as A) but substitute costs for subsidies] (Resolution #224). Again, lengthy and heated debate occurred, with proposed alternatives including distribution of gas tax based on point of sale and allocations based totally of relative subsidies. As part of the motion that was adopted, the commission agreed to seek a legislative change to base local shares of NVTC's administrative budget on shares of NVTC aid (versus shares of population). Also, Fairfax County agreed to withdraw its lawsuit against the city of Falls Church regarding shares of payment for a new county courthouse.

FY 1988

- Add costs of W-3 bus service in D.C. to off-the-top allocations. Commuter rail expenses excluded from the formula given other direct sources of state aid. Include park-and-ride lot costs serving Metrorail, either debt service or one-fifth of cost, after deducting project revenues. Provisions for possible advance funding of the Franconia/Springfield Metrorail station (Resolution #258).

FY 1989-91

- Delete provisions for $100,000 contingency for guaranteeing city of Fairfax's Metro subsidy agreements. Allow capital costs of VRE parking lots into the formula if not covered by state or federal grants. Broaden Metro park-and-ride lots allowed to include those served by "transit vehicles." Add hold harmless provisions capping maximum reduction in percentage share of NVTC aid in any one year at 10 percent for Alexandria, Arlington and Fairfax County and at 20 percent for the cities of Falls Church and Fairfax. Add extensive definition of NVTC's trust responsibilities and investment policy (for protection of assets due to pending start of VRE service) (Resolution #284).

FY 1995

- Allow NVTC to pass CMAQ or RSTP grants through to local recipients at their option without applying NVTC's allocation formula. Define formula for allocation of state bond proceeds received by NVTC to be NVTC's formula in effect in the year in which the funds are received (Resolution #587).

FY 1996

- Create a process to develop formula alternatives by December, 1995 that are in accordance with the commission's objectives and policies stated in its June, 1994 strategic bus process. Reserve $1.8 million of gas tax revenues to be allocated as part of consideration of alternative formulas.

FY 1997

- Use approximately $500,000 of the reserve fund each year for two years to pay the balance of the Metrobus subsidy of Falls Church to preserve service while the region works on a long-term solution.

FY 1999

- Begin allocating gas tax revenues according to point of sale, phased in over three years. Agree to work together to resolve additional issues pertaining to allocation of state aid and NVTC membership. Cities of Fairfax and Falls Church agree to pay full assigned Metrobus subsidies. Also agree to seek changes in the Virginia Code to base NVTC's formula on WMATA's formulas so that jurisdictions receive state aid from NVTC according to their relative WMATA and local transit subsidies. NVTC will pay debt service using 95 percent state aid. Jurisdictions will be held harmless up to a specified level using growth in state aid (Resolution #756).

FY 2000

- Following action by the 1999 General Assembly, implement Resolution #756.

FY 2001

- Point of sale gas tax fully implemented.

FY 2003

- Allow funds to be taken off the top of NVTC's revenues for assisting Northern Virginia transit systems in complying with federal reporting requirements for the National Transit Database (Resolution #971).

FY 2004

- Authorize NVTC's allocation formula to be applied to $27 million of state assistance for WMATA Railcars (Resolution #973).

FY 2005

- Authorize funds to be taken off the top of state aid to pay the expenses agreed upon by NVTC's jurisdictions for the commission's electronic schedule project, with Loudoun County's share to be withheld from its motor fuels tax (Resolution #1065).

FY 2010

- 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, then the gain will be recaptured (Resolution #2171A).

FY 2013

- In response to DRPT's revised policy of no longer sending transit assistance for WMATA and NVTC's jurisdictions to NVTC, several changes in NVTC's allocation formula will be required (Resolution #___).

subdivision 4 b.

f. The remaining 25 percent shall be distributed for capital purposes on the basis of 95 percent of the nonfederal share for federal projects and 95 percent of the total costs for nonfederal projects. In the event that total capital funds available under this subdivision are insufficient to fund the complete list of eligible projects, the funds shall be distributed to each transit property in the same proportion that such capital expenditure bears to the statewide total of capital projects. Prior to the annual adoption of the Six-Year Improvement Program, the Commonwealth Transportation Board may allocate up to 20 percent of the funds in the Commonwealth Mass Transit Fund designated for capital purposes to transit operating assistance if operating funds for the next fiscal year are estimated to be less than the current fiscal year's allocation, to attempt to maintain transit operations at approximately the same level as the previous fiscal year.

g. There is hereby created in the Department of the Treasury a special nonreverting fund known as the Commonwealth Transit Capital Fund. The Commonwealth Transit Capital Fund shall be part of the Commonwealth Mass Transit Fund. The Commonwealth Transit Capital Fund subaccount shall be established on the books of the Comptroller and consist of such moneys as are appropriated to it by the General Assembly and of all donations, gifts, bequests, grants, endowments, and other moneys given, bequeathed, granted, or otherwise made available to the Commonwealth Transit Capital Fund. Any funds remaining in the Commonwealth Transit Capital Fund at the end of the biennium shall not revert to the general fund, but shall remain in the Commonwealth Transit Capital Fund. Interest earned on funds within the Commonwealth Transit Capital Fund shall remain in and be credited to the Commonwealth Transit Capital Fund. Proceeds of the Commonwealth Transit Capital Fund may be paid to any political subdivision, another public entity created by an act of the General Assembly, or a private entity as defined in § 56-557 and for purposes as enumerated in subdivision 4c of § 33.1-269 or expended by the Department of Rail and Public Transportation for the purposes specified in this subdivision. Revenues of the Commonwealth Transit Capital Fund shall be used to support capital expenditures involving the establishment, improvement, or expansion of public transportation services through specific projects approved by the Commonwealth Transportation Board. Projects financed by the Commonwealth Transit Capital Fund shall receive local, regional or private funding for at least 20 percent of the nonfederal share of the total project cost.

5. Funds for Metro shall be paid by the Northern Virginia Transportation Commission (NVTC) to the Washington Metropolitan Area Transit Authority (WMATA) and be a credit to the Counties of Arlington and Fairfax and the Cities of Alexandria, Falls Church and Fairfax in the following manner:

a. Local obligations for debt service for WMATA rail transit bonds apportioned to each locality using WMATA's capital formula shall be paid first by NVTC. NVTC shall use 95 percent state aid for these payments.

b. The remaining funds shall be apportioned to reflect WMATA's allocation formulas by using the related WMATA-allocated subsidies and relative shares of local transit subsidies. Capital costs shall include 20 percent of annual local bus capital expenses. Hold harmless protections and obligations for NVTC's jurisdictions agreed to by NVTC on November 5, 1998, shall remain in effect.

Appropriations from the Commonwealth Mass Transit Fund are intended to provide a stable and reliable source of revenue as defined by Public Law 96-184.

B. The sales and use tax revenue generated by a one percent sales and use tax shall be distributed among the counties and cities of this Commonwealth in the manner provided in subsections C and D.

C. The localities' share of the net revenue distributable under this section among the counties and cities shall be apportioned by the Comptroller and distributed among them by warrants of the Comptroller drawn on the Treasurer of Virginia as soon as practicable after the close of each month during which the net revenue was received into the state treasury. The distribution of the localities' share of such net revenue shall be computed with respect to the net revenue received into the state treasury during each month, and such distribution shall be made as soon as practicable after the close of each such month.

D. The net revenue so distributable among the counties and cities shall be apportioned and distributed upon the basis of the latest yearly estimate of the population of cities and counties ages five to 19, provided by the Weldon Cooper Center for Public Service of the University of Virginia. Such population estimate produced by the Weldon Cooper Center for Public Service of the University of Virginia shall account for persons who are domiciled in orphanages or

City of Fairfax

Mayor Robert F. Lederer

City Council

Daniel F. Drummond
Jeffrey C. Greenfield
David L. Meyer

Eleanor D. Schmidt
R. Scott Silverthorne
Steven C. Stombres

May 29, 2012

VIA FACSIMILE (804-371-6351) AND FIRST CLASS MAIL

The Honorable Robert F. McDonnell
Office of the Governor
Patrick Henry Building, 3rd Floor
1111 East Broad Street
Richmond, Virginia 23219

Re: DRPT Funding Changes

Dear Governor McDonnell:

I am writing on behalf of the City Council of the City of Fairfax to ask your immediate attention to an issue that is of urgent concern to our City.

As you know, NVTC is an entity that was created decades ago for the purpose of facilitating regional cooperation amongst the member jurisdictions in the area of distributing transit funds. NVTC has proven an invaluable venue for representatives of the jurisdictions to achieve consensus in decisions affecting the spending of millions of dollars of federal and commonwealth funding.

On May 15, 2012, the Director of the Department of Rail and Public Transportation (DRPT) sent communication to all of the NVTC member jurisdictions that fundamental changes would immediately be made in the method DRPT would use in transmitting funds to the jurisdictions. The Director stated that the jurisdictions either accept this sudden change or risk losing funding. The deadline for a response was initially 10 days from the receipt of her email; however, after a conference call with the DRPT director, the deadline was extended to June 4.

This change has the potential to do significant financial harm to the City.

Fairfax City Hall • 10455 Armstrong Street • Fairfax, Virginia 22030-3630
(703) 385-7850 • FAX (703) 385-7811 • TTY 711 • www.fairfaxva.gov

Specifically, my concerns are these:

1. The announced change by DRPT will have potential undetermined but substantial negative financial implications for the city. Virginia Code stipulates how the NVTC sharing formula is to work and this announced change may not be consistent with the Code. We project that the City of Fairfax could lose at least $200,000 per year if this change advances. As you know, City budgets for FY 2013 were adopted a mere three weeks ago. We cannot begin a new fiscal year with a projected deficit of $200,000.
2. DRPT has stated that this proposed action will have no administrative impact on the NVTC jurisdictions. We believe that the expertise and manpower currently offered by NVTC cannot be easily replaced by our city staff.

The City of Fairfax requests that this proposed change be delayed for a reasonable amount of time in order that the City may assess the implications and impact of these changes on the City's budget. We have a very workable system at NVTC; we don't want to see it potentially harmed without an effort to understand the impact on our city and our sister jurisdictions.

Sincerely,

Robert F. Lederer
Mayor

Cc: City Council
Robert Sisson, City Manager
David Hodgkins, Asst. City Manager
David Summers, Public Works Director
Alexis Verzosa, Transportation Director
Sean Connaughton, Secretary of Transportation
Rick Taube, Executive Director, NVTC
Thelma Drake, Director DRPT

Attachments

May 18, 2012

The Honorable Thelma Drake
Director
Virginia Department of Rail and Public Transportation
600 E. Main Street, Suite 2102
Richmond, VA 23219

Dear Director Drake:

Our respective agencies and jurisdictions have received your letters informing us of DRPT's decision to bypass NVTC and provide state aid funds directly to "actual providers of transit services." Per your letter, failure to agree within 10 days would result in losing the allocated transit assistance included in the FY 2013-18 Six-Year Improvement Program.

Each of us is fully aware of the important role DRPT plays in supporting public transit systems throughout the Commonwealth and especially here in Northern Virginia. We also understand your interest in greater public transparency of the role DRPT plays in funding our transit systems.

We wish you had consulted us prior to this notification initiating a major change to the longstanding method of distributing transit funds for transit in Northern Virginia. Our process for using NVTC's services in applying for, receiving, allocating and holding in trust our state transit assistance has served us well for many good reasons.

We would appreciate the opportunity to discuss those reasons with you and to carefully consider your new proposal.

Among the reasons for our request are:

1. The Northern Virginia General Assembly Delegation has asked NVTC and other transportation and planning agencies to report on efficiency and consolidation measures. We are working intensively now to meet a tight deadline and the significant change in NVTC's role resulting from DRPT's unilateral action preempts our efforts to respond to our General Assembly Delegation.

2. Our FY 2013 budgets have all been recently adopted and without allocating our state aid through the NVTC sharing formula that is in the Virginia Code, DRPT is creating winners and losers. For example, some jurisdictions could lose hundreds of thousands of dollars as a result of this change.

3. In order to apply for DRPT aid and process DRPT invoices, each of NVTC's jurisdictions will need to acquire staff and expertise. This will be especially burdensome for determining WMATA's allocations, since WMATA bills each NVTC jurisdiction separately and those jurisdictions must pay those bills with a combination of local funds and regional gas tax received by NVTC, in addition to state aid. DRPT's approach adds complications and risks confusion without an adequate transition period.

We respectfully request that you postpone implementation of your new approach and ask that you engage in a constructive dialogue with us that would lead to a mutually beneficial outcome that ensures that DRPT's substantial contributions to our success are fully recognized, while also ensuring the most efficient and effective distribution mechanism for these transit funds.

Sincerely,

Jay Fisette,
NVTC Chairman

Sharon Bulova,
Fairfax County

David Snyder,
City of Falls Church

Mary Hynes,
Arlington County

Bill Euille,
City of Alexandria

Jeff Greenfield,
City of Fairfax

Enc.

cc: The Honorable Robert McDonnell
The Honorable Sean Connaughton
The Honorable George Barker
The Honorable Richard Black
The Honorable Charles Colgan
The Honorable Adam Ebbin
The Honorable Barbara Favola
The Honorable Mark Herring

The Honorable Janet Howell
The Honorable David Marsden
The Honorable Chap Petersen
The Honorable Toddy Puller
The Honorable Richard Saslaw
The Honorable David Albo
The Honorable Richard Anderson
The Honorable Robert Brink
The Honorable David Bulova
The Honorable Barbara Comstock
The Honorable David Englin
The Honorable Eileen Fisher-Corn
The Honorable Thomas Greason
The Honorable Charniele Herring
The Honorable Patrick Hope
The Honorable Timothy Hugo
The Honorable Mark L. Keam
The Honorable Kaye Kory
The Honorable James M. LeMunyon
The Honorable Scott Lingamfelter
The Honorable Alfonso Lopez
The Honorable Robert Marshall
The Honorable Joe May
The Honorable J. Randall Minchew
The Honorable Jackson Miller
The Honorable Ken Plum
The Honorable David Ramadan
The Honorable Thomas Davis Rust
The Honorable Jim Scott
The Honorable Mark Sickles
The Honorable Scott A. Surovell
The Honorable Luke E. Torian
The Honorable Vivian Watts

COMMONWEALTH of VIRGINIA

Thelma D. Drake
Director

DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION
600 EAST MAIN STREET, SUITE 2102
RICHMOND, VA 23219-2416

(804) 786-4440
FAX: (804) 225-3752
VIRGINIA RELAY CENTER
1-800-828-1120 (TDD)

May 15, 2012

Mr. Rick Taube
NVTC
2300 Wilson Blvd., Suite #620
Arlington, Virginia 22201

Dear Mr. Taube:

As part of our continuing efforts to conduct our business in a transparent manner, the Department of Rail and Public Transportation (DRPT) will be contracting directly with the actual providers of transit services for the funding included in the FY 2013 Six Year Improvement Program (SYIP). This change will improve our working relationship with our transit partners as we move forward by allowing direct financial interaction with the actual provider of the transit services that the Commonwealth is funding.

Each local provider/jurisdiction for which the Northern Virginia Transportation Commission (NVTC) applied for funding on behalf of is being asked to confirm to DRPT in writing their acceptance of the application made by NVTC, with the exception of the Virginia Railway Express (VRE). VRE will continue to be funded through NVTC as the joint owner of that entity and designated pass-through recipient of those funds.

Since funding will be provided directly to the local providers/jurisdictions, we must receive this affirmation by May 25, 2012, in order to include the funding for these services in the final recommended FY 2013 – 2018 SYIP presented for the Commonwealth Transportation Board's approval in June. Funding allocations for FY 2012 and prior and executed project agreements between DRPT and NVTC are not affected.

If you have any questions regarding this business process improvement, please feel free to contact me or my staff.

Sincerely,

Thelma Drake

Thelma Drake

C: Scott Kalkwarf
Steve Pittard
Kevin Page

The Smartest Distance Between Two Points
www.drpt.virginia.gov

COMMONWEALTH of VIRGINIA

Thelma D. Drake
Director

DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION
600 EAST MAIN STREET, SUITE 2102
RICHMOND, VA 23219-2416

(804) 786-4440
FAX: (804) 225-3752
VIRGINIA RELAY CENTER
1-800-828-1120 (TDD)

May 15, 2012

Mr. Dennis Leach
Arlington County
2100 Clarendon Blvd., Suite 900
Arlington, Virginia 22201

Dear Mr. Leach,

As part of our continuing efforts to conduct our business in a transparent manner, the Department of Rail and Public Transportation (DRPT) will be contracting directly with the actual providers of transit services for the funding included in the FY 2013 Six Year Improvement Program (SYIP). This change will improve our working relationship with our transit partners as we move forward by allowing direct financial interaction with the actual provider of the transit services that the Commonwealth is funding.

From an administrative perspective, DRPT is requesting that Arlington County accept the application for funding made by the Northern Virginia Transportation Commission (NVTC) on your behalf as your direct application to DRPT. Please confirm to us in writing by May 25, 2012 your acceptance of the application made by NVTC. Since funding will be provided directly to Arlington County, we must receive this affirmation in order to include the funding for these services in the final recommended FY 2013 – 2018 SYIP presented for the Commonwealth Transportation Board's approval in June.

If your have any questions regarding this business process improvement, please feel free to contact me or my staff.

Sincerely,

Thelma Drake

Thelma Drake

C: Chris Hamilton
Steve Pittard
Kevin Page

COMMONWEALTH of VIRGINIA

Thelma D. Drake
Director

DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION
600 EAST MAIN STREET, SUITE 2102
RICHMOND, VA 23219-2416

(804) 786-4440
FAX: (804) 225-3752
VIRGINIA RELAY CENTER
1-800-828-1120 (TDD)

May 15, 2012

Mr. Tom Biesiadny
Fairfax County
4050 Legato Road, Suite 400
Fairfax, Virginia 22033

Dear Mr. Biesiadny,

As part of our continuing efforts to conduct our business in a transparent manner, the Department of Rail and Public Transportation (DRPT) will be contracting directly with the actual providers of transit services for the funding included in the FY 2013 Six Year Improvement Program (SYIP). This change will improve our working relationship with our transit partners as we move forward by allowing direct financial interaction with the actual provider of the transit services that the Commonwealth is funding.

From an administrative perspective, DRPT is requesting that Fairfax County accept the application for funding made by the Northern Virginia Transportation Commission (NVTC) on your behalf as your direct application to DRPT. Please confirm to us in writing by May 25, 2012 your acceptance of the application made by NVTC. Since funding will be provided directly to Fairfax County, we must receive this affirmation in order to include the funding for these services in the final recommended FY 2013 – 2018 SYIP presented for the Commonwealth Transportation Board's approval in June.

If your have any questions regarding this business process improvement, please feel free to contact me or my staff.

Sincerely,

Thelma Drake

Thelma Drake

C: Steve Pittard
Kevin Page

COMMONWEALTH of VIRGINIA

Thelma D. Drake
Director

DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION
600 EAST MAIN STREET, SUITE 2102
RICHMOND, VA 23219-2416

(804) 786-4440
FAX: (804) 225-3752
VIRGINIA RELAY CENTER
1-800-828-1120 (TDD)

May 15, 2012

Mr. Shiva Pant
WMATA
600 Fifth Street, NW
Suite 6E-12
Washington D.C. 20001

Dear Mr. Pant,

As part of our continuing efforts to conduct our business in a transparent manner, the Department of Rail and Public Transportation (DRPT) will be contracting directly with the actual providers of transit services for the funding included in the FY 2013 Six Year Improvement Program (SYIP). This change will improve our working relationship with our transit partners as we move forward by allowing direct financial interaction with the actual provider of the transit services that the Commonwealth is funding.

From an administrative perspective, DRPT is requesting that WMATA accept the application for funding made by the Northern Virginia Transportation Commission (NVTC) on your behalf as your direct application to DRPT. Please confirm to us in writing by May 25, 2012 your acceptance of the application made by NVTC. Since funding will be provided directly to WMATA, we must receive this affirmation in order to include the funding for these services in the final recommended FY 2013 – 2018 SYIP presented for the Commonwealth Transportation Board's approval in June.

If your have any questions regarding this business process improvement, please feel free to contact me or my staff.

Sincerely,

Thelma Drake

Thelma Drake

C: Carol O'Keeffe
Regina Sullivan
Steve Pittard
Kevin Page

The Smartest Distance Between Two Points
www.drpt.virginia.gov

Northern Virginia Transportation Commission

MEMORANDUM

TO: Chairman Fisette and NVTC Commissioners

FROM: Rick Taube and Scott Kalkwarf

DATE: March 29, 2012

SUBJECT: Explanation of NVTC's Role in the State Aid Process for WMATA Operations, Capital Expenses and Debt Service

---

It has come to our attention that there may be some misunderstanding of how state financial assistance is used to help pay for WMATA's operations and capital expenses, including debt service. DRPT covers a significant share of WMATA's eligible operating costs by providing regular monthly payments to NVTC, which are allocated and held in trust for NVTC's jurisdictions to use at their discretion to pay their quarterly WMATA bills. DRPT also pays a significant share of WMATA's eligible capital quarterly bills on a reimbursal basis. These reimbursals are also allocated by NVTC and held in trust for its jurisdictions.

The following is an explanation of the process using FY 2012 as an example:

Operations

1. By February 1, 2011 NVTC submitted an electronic application to DRPT containing the NVTC jurisdictions' share of WMATA's FY 2012 preliminary operating budget. The maximum state operating assistance was computed as 95 percent of fuels, tires, maintenance and administrative costs (excluding certain expenses such as operator payroll), up to 95 percent of the deficit. This maximum eligibility amount equaled $136 million for FY 2012.

2. As part of the application process, the NVTC jurisdictions' share of WMATA's FY 2010 actual operating expenses (all expenses including operator payroll, etc.) was provided to DRPT. WMATA's share of FY 2010 statewide transit operating expenses was determined (51 percent). This percentage was applied to available state operating assistance for FY 2012 and the resulting amount was the preliminary operating assistance for WMATA ($62 million). Actual assistance was the lesser of the preliminary or the maximum eligibility amount (in this case $62 million).

2300 Wilson Boulevard • Suite 620 • Arlington, Virginia 22201
Tel (703) 524-3322 • Fax (703) 524-1756 • TDD (800) 828-1120
E-mail nvtc@nvtdc.org • Website www.thinkoutsidethecar.org

3. After approval by CTB, execution by NVTC of DRPT's Master Agreement and a Project Agreement containing a payment schedule, DRPT provided regular monthly payments to NVTC of operating assistance for WMATA, usually commencing in July and ending in the next May. The final payment will be withheld by DRPT until WMATA's final eligibility form is filed by NVTC. The form will show NVTC jurisdictions' share of the actual WMATA operating expenses for FY 2012. After receipt of that form from NVTC, DRPT will make the final payment to ensure that state funds paid to NVTC for this purpose do not exceed the maximum eligibility based on WMATA's actual bills.

4. Upon receipt of each monthly payment from DRPT for WMATA operating expenses, NVTC allocates the funds among its five WMATA jurisdictions using the approved subsidy allocation model. Allocated funds are then deposited into the local trust funds at NVTC for each jurisdiction.

5. NVTC maintains two distinct types of trust funds for its jurisdictions. One type contains state aid, consisting of the regular payments for WMATA and local transit system operating costs plus state reimbursals for WMATA and local transit system capital projects. The other contains the proceeds of the 2.1 percent motor fuels tax, which for NVTC's five WMATA jurisdictions is restricted to payment of WMATA bills.

6. When a jurisdiction receives its quarterly bill from WMATA, it chooses from which sources to pay the bill, including its NVTC state aid trust account, NVTC motor fuels tax trust account, or other local sources. Because WMATA billings exceed state aid, it is not possible for jurisdictions to pay only with their NVTC state aid trust accounts. For example, WMATA operating subsidies paid by the NVTC jurisdictions totaled $130 million in FY 2011. NVTC jurisdictions used $98 million in trust funds and $32 million in local funds. State operating assistance for WMATA recognized by the NVTC trust fund during FY 2011 totaled $51 million.

<u>Capital</u>

1. NVTC submitted an electronic application to DRPT by February 1, 2011 containing the NVTC jurisdictions' share of WMATA's preliminary FY 2012 capital program. The maximum state share is 95 percent. For FY 2012 this amount was $54 million, but available state formula assistance only allowed $31 million to be included in the grant (55 percent of eligible costs).

2. Upon approval by CTB, execution by NVTC of DRPT's Master Agreement and of a Project Agreement, NVTC is submitting requests each quarter during FY 2012 to DRPT showing the WMATA bills and evidence that the jurisdictions have paid the bills.

3. Upon receipt of each reimbursement from DRPT, NVTC allocates the funds among its five WMATA jurisdictions and holds the funds in trust.