



NVTC COMMISSION MEETING

**THURSDAY, NOVEMBER 7, 2013
MAIN FLOOR CONFERENCE ROOM
2300 Wilson Blvd
Arlington, VA 22201
8:00 P.M.**

NOTE: Executive Committee will meet at **7:00 P.M.**
Dinner is also available at that time.

AGENDA

- 1. ACTION ITEM: Approve Minutes of NVTC's Meeting of October 3, 2013**
- 2. EXECUTIVE DIRECTOR'S UPDATE**
- 3. VRE**
 - A. Report from the VRE Operations Board and VRE Chief Executive Officer
 - CEO October 2013 Report
 - Minutes of October 18, 2013 VRE Operations Board Meeting
 - B. ACTION ITEM: Resolution #2226: Approve VRE's Financial and Debt Management Principles
 - C. ACTION ITEM: Resolution #2227: Approve the Appointment of John Cook as Chairman of the VRE Joint Audit Committee
 - D. WMATA Momentum Support
 - E. VRE System Plan Update
 - F. Results of the 2013 Customer Satisfaction Survey

4. Transit Service Delivery Advisory Committee (TSDAC)

5. NVTC Financial Items

- A. NVTC Financial Report for September
- B. FY 2014 Proposed Revised Budget
- C. NVTC State Assistance Process

6. WMATA

- A. Vital Signs/Dashboard Report
- B. New Electronic Payment Program (NEPP)
- C. Regional Transit System Plan (RTSP)
- D. WMATA Budget Development
- E. Metro 2025 (*Momentum*)

7. Department of Rail and Public Transportation (DRPT) Report

8. Northern Virginia Transportation Authority (NVTA) and JACC Update

9. Information Items

- A. MWCOG/TPB Commuter Bus Staging Area Study
- B. MAP-21 MPO Representation
- C. Regional Transportation Priorities Plan (RTPP)
- D. CTB Reallocation Hearing Testimony
- E. MWCOG/TPB Planning Website



NVTC EXECUTIVE COMMITTEE MEETING

**THURSDAY, NOVEMBER 7, 2013
MAIN FLOOR SMALL CONFERENCE ROOM
2300 Wilson Blvd
Arlington, VA 22201**

7:00 P.M.

AGENDA

- 1. Summary of the Executive Committee Meeting of October 3, 2013**
- 2. Summary of the October 15, 2013 MAC Meeting**
- 3. Review of the Commission Meeting Agenda for November 7, 2013**
- 4. Suggestions for Future Agenda Items**
- 5. New Business**

Committee Members:

Jeff McKay, Chairman
Sharon Bulova
Jim Dyke
Bill Euille
Jay Fisette
Cathy Hudgins
Mary Hynes
Tom Rust
Paul Smedberg
Dave Snyder

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**NVTC EXECUTIVE COMMITTEE
MEETING SUMMARY
NVTC Conference Room – First Floor
2300 Wilson Blvd.
Arlington, VA 22201
October 3, 2013**

Attendees:

NVTC Executive Committee:

Jeff McKay	Jim Dyke
Mary Hynes	Jay Fisette
Dave Snyder	Cathy Hudgins
Paul Smedberg	Sharon Bulova
Tom Rust	Bill Euille

Chairman McKay convened the meeting at 7:30 P.M. Delegate Joe May also participated in the meeting.

Ms. Coyner reviewed the Commission agenda focusing on the work session on key planning activities. Presentations are being given by Amy Inman, DRPT's Acting Planning & Mobility Programs Administrator, on the Route 1 Multimodal Alternatives Analysis Study; Mariela Garcia-Colberg, NVTC's Public Transit Projects and Grants Specialist, on the Route 7 Alternatives Analysis Study; Tom Burke, Senior Transportation Planner for the Fairfax County Department of Transportation, on the Fairfax County Countywide Transit Network Study; Christine Hoeffner, Planning Manager for VRE, on the VRE System Plan; and Ms. Coyner on the Transportation Planning Board's Regional Transportation Priorities Plan (RTTP).

Chairman McKay reported on the Legislative Committee Meeting that was held prior to this meeting. He noted that staff will revise NVTC's Draft Legislative Agenda before the next Commission meeting on November 7, 2013. He stated that approval of the Legislative Agenda is anticipated at the December 5th NVTC meeting.

Ms. Coyner reviewed her assessment of NVTC's management functions. She stated that she will provide committee members with a written report prior to the next Executive Committee meeting.

The Executive Committee adjourned at 8:15 P.M.





AGENDA ITEM #1

MINUTES
NVTC COMMISSION MEETING – OCTOBER 3, 2013
NVTC CONFERENCE ROOM – ARLINGTON, VIRGINIA

The meeting of the Northern Virginia Transportation Commission was called to order by Chairman McKay at 8:18 P.M.

Members Present

Richard Black
Sharon Bulova
James Dyke
William D. Euille
Jay Fisette
John Foust
Catherine Hudgins
Mary Hynes
Joe May
Jeffrey McKay
David Ramadan
Ken Reid
Thomas Rust
Paul Smedberg
David F. Snyder
Christopher Zimmerman

Members Absent

Barbara Comstock
John Cook
Jeffrey Greenfield
Mark R. Herring

Staff Present

Donna Boxer (VRE)
Kelley Coyner
Mariela Garcia-Colberg
Rhonda Gilchrest
Claire Gron
Christine Hoeffner (VRE)
Scott Kalkwarf
Steve MacIsaac (VRE)
Kala Quintana

Recognition of NVTC Staff Member Mariela Garcia-Colberg

Chairman McKay announced that Mariela Garcia-Colberg is leaving NVTC to join the American Public Transit Association as the Director of International Programs. Ms. Garcia-Colberg has been key staff member since October 2011 working on NVTC's civil rights program and oversight; the recompetes of the National Transit Data contract; oversight of FTA grants to NVTC jurisdictions; involvement with NVRTA, JACC and the Project Implementation Working Group; leading the Route 7 Alternatives Analysis-Phase I; and monitoring WMATA's New Electronic Payment Program (NEPP). On behalf of the Commission, Chairman McKay presented Ms. Garcia-Colberg with a framed letter of recognition and thanked her for her service at NVTC.

Minutes of the September 6, 2013 NVTC Meeting

On a motion by Mr. Zimmerman and a second by Mr. Smedberg, the Commission approved the minutes. The vote in favor was cast by Commissioners Black, Bulova, Dyke, Fisette, Foust, Hudgins, Hynes, May, McKay, Rust, Smedberg and Zimmerman. Commissioners Euille, Ramadan, Reid and Snyder abstained.

Change to the Agenda

Chairman McKay stated that Mr. Dyke asked that Agenda Item #11 be moved to the beginning of the agenda so that he can give the DRPT Report before he leaves. There were no objections.

Department of Rail and Public Transportation (DRPT) Report

Mr. Dyke urged Commissioners to read the written DRPT Report for more details about the activities and projects being conducted by DRPT. He stated that at tonight's NVTC meeting there will be a presentation about the Route 1 Alternative Analysis Study and an update on the Transit Service Advisory Committee (TSDAC).

Chairman McKay noted that NVTC has implemented DRPT's requirement to process state funding agreements in a new way. Agreements now have to be approved by the jurisdictions first. In Fairfax County, the Board of Supervisors has had to approve more than 20 individual agreements compared to approving one agreement before the change was made. DRPT's rationale for the change was for the process to be more efficient and transparent, but the changes have been a significant burden on jurisdictional and NVTC staff. He requested that Mr. Dyke take this concern back to DRPT.

Mr. Kalkwarf reviewed some of the changes and challenges NVTC and the jurisdictions now face because of the new procedures. Currently there are 75 different agreements compared to the previous total of five agreements with NVTC's WMATA jurisdictions. Also, project agreements used to have one signature page for several agreements and now each agreement has its own signature page. The project agreement review process is also slowed down because of the additional information

now required to be included in each agreement. Mr. Dyke observed that the new process also creates an extra burden on DRPT staff so he will bring these issues back to DRPT. Chairman McKay noted that because this process is new, it is expected that there would be an adjustment period, but there could be ways to improve the process.

NVTC Financial Report for August 2013

Mr. Kalkwarf stated that the report is provided for Commissioners' information. He stated that for most years, jurisdictions receive capital and operating funds from DRPT by August, but these funds have not yet been received. It is his understanding that some of the project agreements are still being reviewed and approved by the jurisdictions. Ms. Coyner further stated that NVTC cannot draw on capital and operating assistance until the project agreements are in place. This not only means that the projects cannot move forward, but a major portion of NVTC's operating support is affected.

Mr. Fisette asked if this delay is having any practical impact. Mr. Kalkwarf stated that as of September 30th had the project agreements been in place, \$26-28 million of funding would have flowed to the jurisdictions. Some jurisdictions keep sufficient reserves in their Trust Fund Account, but it usually has more of a significant impact on the smaller jurisdictions. If delays continue into the next fiscal quarter, there could be significant issues. WMATA's next quarterly payment is due January 1, 2014.

Mr. Fisette asked staff to continue to monitor this and inform Commissioners if there is any tangible negative impact. Chairman McKay noted that there already is a tangible impact to the process component, but he agreed that it is also important to monitor the cash flow component. Mr. Fisette stated that it would be useful for staff to quantify the impact on the process and cash flow so Mr. Dyke has information to take back to DRPT.

Work Session: Update on Key Planning Activities

Ms. Gron reviewed her role as NVTC's Public Transit Policy Analyst. She explained that NVTC staff monitors or participates in more than 30 regional transportation studies and planning activities. She explained that the principal objective of this work session is to provide brief updates on five planning activities.

Route 1 Alternatives Analysis Study. Amy Inman, DRPT's Acting Planning & Mobility Programs Administrator, gave a presentation on the Route 1 Multimodal Alternatives Analysis Study, which is being led by DRPT in consultation with Fairfax County, Prince William County, VDOT and the Office of Intermodal Planning and Investment. The study area consists of a 14-mile section of Route 1 from the Beltway through Fairfax County to Route 123 at Woodbridge in Prince William County. The study is currently developing purpose and needs, project goals and objectives, and multimodal alternatives development and evaluation. The study is considering alternative strategies for the corridor to include Bus Rapid Transit (BRT), Light Rail Transit (LRT), heavy rail, monorail, roadway widening, and restructured

pedestrian/bicycle pathways and facilities. Ms. Inman explained that this study will also confirm the recommendations that were identified in the VDOT Route 1 Centerline Study.

Ms. Inman explained that a very robust organizational structure has been implemented for this study, including an Executive Steering Committee, a Technical Advisory Committee, and a Community Involvement Committee. Innovative outreach is being conducted through back-to-school nights, farmers markets, and career fairs to educate people and target the diverse population along this corridor. The first of three public meetings will be held on October 9th at the South County Government Center at 6:00 P.M. The study is expected to continue through June 2014.

Mr. Reid observed that a monorail option is a very expensive fixed guideway system. Chairman McKay explained that Fairfax County's old comprehensive plan language included monorail and that is why it was included in this study. Mr. Fisette stated that he is interested in how Fairfax County sees this study integrating into their land use plans. Chairman McKay responded that Fairfax County expects to have one or more amendments to its comprehensive plan following the completion of this study. The economic development component is an important part of this study. The reason to do the economic analysis is two part—one to know in the future what development will be needed to support it and secondly, it is a reality check for those people living in that corridor. There is a strong advocacy for extending Metrorail and the public needs to understand the costs and issues associated with such a plan.

Mr. Fisette stated that it is fundamentally important to have transit options driving land use development. He stated that the most important thing is that Fairfax County is not only looking at transit options for today but also for 20-40 years down the road and determining what the investments will drive. Chairman McKay stated that the current redevelopment activities in this corridor cry out for a transit alternative so it's hard to determine if it is land use that is driving it or if it is the other way around. The Route 1 corridor is already the most heavily used bus transit corridor in Fairfax County.

Mr. Fisette asked if there is an existing right-of-way for a 14-mile section of dedicated transit lane. Chairman McKay replied that there is not enough space in the existing right-of-way but the Route 1 Road Widening Project at Fort Belvoir, which is a federally funded project, will be built with the necessary right-of-way for a transit component that is consistent with what will be included in Fairfax County's plan.

Delegate May suggested that before any construction begins, the multimodal alternatives evaluation include some optimization modeling where the proposed system is mathematically built, which allow analysis of incorporating a variety of options to see what works best. It is fairly inexpensive process. Delegate May noted that George Mason University has some expertise in this area.

Route 7 (Phase I of Alternatives Analysis). Ms. Garcia-Colberg gave a presentation on the Route 7 Alternatives Analysis Study, which includes a study area from Tysons to Alexandria. This is a prime corridor for transit, since it connects people from the Falls Church area to Tysons, Baileys Crossroads and Seven Corners areas.

The corridor will also connect the Orange, Silver and Blue Metrorail Lines, the Columbia Pike Streetcar and the Beauregard Corridor in Alexandria.

Ms. Garcia-Colberg stated that the study consultant has done density analysis, market research, demographic analysis, as well as outreach to the public to find out what types of transit they want in that corridor. Phase I of the study is almost complete and the study recommendations include transportation system management, BRT and LRT. Moving forward, Phase II will look at alignments and modal options, as well as environmental and funding issues. Funding has been approved by NVTa for Phase II of the study. She stated that it will also be important to look at the physical constraints of the corridor.

In response to a question from Delegate Rust, Ms. Garcia-Colberg stated that the alternatives that were eliminated include streetcar, monorail, commuter rail and heavy rail. Chairman McKay and Mr. Zimmerman observed that the estimated capital costs for BRT are listed as a range from \$3.5 to \$30 million. This is a quite a significant span. Ms. Garcia-Colberg stated that the cost estimates are mostly driven by right-of-way issues.

Mr. Snyder observed that this corridor offers some great opportunities to relieve congestion and improve the economics and quality of life. This corridor represents a snapshot of America—from the earliest part of our country's history to the current day where virtually dozens of ethnic groups live and have businesses along the corridor. However, in its current congested state it is an embarrassment to the entire region. Mr. Fissette agreed and reinforced that this corridor will connect different transit networks. Building a transit network around a corridor like this (not going into the Core) will provide much access and activity.

Mrs. Hynes observed that parts of the Route 7 corridor are very developed while others areas are not and the corridor is a mix of areas between residential and business. She asked how the three recommended options relate to land use. Mrs. Hynes stated that transit will not work if jurisdictions do not plan ahead to provide a framework for higher density. She asked if this study connects to other regional corridor studies, such as the Route 1 study. Ms. Inman stated that the Route 7 and Route 1 studies do not connect. Mrs. Hynes stated that the different corridors need to support and connect with each other. Mr. Zimmerman agreed and stated that it should be a fundamental rule that corridors should connect. He stated that the screening process does not screen out heavy or light rail. It's the other way around-- what's remaining is that the light rail alternative is heavier than streetcar. Light rail is included because it is a heavier capacity. Even with the current land use pattern this corridor has a lot of density and a lot of volume on the road. The only other alternative is basically "a do nothing alternative." He strongly urged the study to select a real alternative and actually test it. It is his opinion that for future development, any alternative needs to be a transit alternative with its own dedicated right-of-way.

Senator Black asked about the western terminus of the study area. Ms. Garcia-Colberg responded that it is Route 267 which is basically near the Metrorail station in Tysons. Senator Black noted that there are over 100,000 cars a day that flow from Loudoun County through this corridor. Mrs. Hudgins stated that the question is if the

corridor should be defined up to the Metrorail station or beyond farther west to the perimeter. The road widening that have been defined are also looking at the transit alternatives that can exist, such as BRT.

Mr. Dyke left the meeting at 8:59 P.M. and did not return.

Fairfax County Countywide Transit Network Study. Tom Burke, Senior Transportation Planner for the Fairfax County Department of Transportation, explained that Fairfax County initiated this study in July 2012 to develop a long-range 2050 plan to accommodate growth in Fairfax County by improving transit usage. The final study recommendations are being completed during the fall of 2013. In July 2013 the Proposed Transit Concept was introduced to the public. The concept builds upon the existing and Constrained Long Range Plan (CLRP) transit investments to create an interconnected network of commuter corridors and destination corridors, supported by a system of express bus routes. The draft plan identifies eight corridor where enhanced public transportation, including Metrorail extensions, Light Rail Transit (LRT), Bus Rapid Transit (BRT), or express bus in managed lanes. These corridors include I-66, Route 28, Route 7, and Route 1. The goals of the plan include providing transportation choices and regional connectivity, supporting local and regional economic development, and strengthening quality of life through transit-friendly, sustainable investments.

In response to a question from Mr. Zimmerman about a future extension on the Metrorail Blue Line, Mr. Burke stated that the 10-mile extension would run from Franconia-Springfield to Potomac Mills, with stations at Newington, Lorton (using VRE's existing station), and Potomac Mills. Mr. Zimmerman asked why a Metrorail extension is being recommended compared to enhancing VRE commuter rail service that already serves this corridor. Mr. Burke responded that this recommendation is part of the "beyond 2040 vision" and so it is long-range planning. Fairfax staff sees value in enhancing the longer trips of VRE as well as extending Metrorail. Chairman McKay stated that another major influence on the Fairfax Study is what the results of the Route 1 Alternatives Analysis Study will be because it will play a major role in whether recommendations would go forward. They are parallel corridors serving the same population. Mr. Zimmerman stated that it doesn't make sense to put people on a train that will take longer than other routes. If the goal is to develop new areas along the way, it doesn't make sense until capacity is maximized at the existing stations. Mr. Reid observed that if it doesn't make sense to build stations in outer locations, then the region should not have supported Dulles Rail. In his opinion what Fairfax County is doing is great. It is a process of thinking outside the box and looking at long-term issues. In regards to the Route 28 corridor, he thanked Fairfax for including Loudoun County, since the county has several proposals to build residential, retail, and office development on the northside of the proposed Route 28 Metrorail station. Mr. Burke noted that LRT was included in the TransAction 2030 and 2040 plans, especially the Route 28 corridor. Fairfax County is looking at land use development in the Route 28 Corridor and the Dulles Urban area where there could be sufficient demand for LRT running parallel to Route 28.

Mr. Burke stated that one more public meeting will be held, but Fairfax County will delay completing this study until the Route 1 Alternatives Analysis Study can be

completed to learn of those recommendations before decisions are made concerning this study.

Chairman McKay stated that this study is one of the most important initiatives Fairfax County has done and the depth of analysis is significant. The biggest challenge is to make connections through the county and neighboring jurisdictions.

Delegate May stated that there are people advocating for BRT or express bus service from Manassas to the Dulles Airport area. MWAA has the authority to initiate some of this kind of service. As a short-term solution, Delegate May noted that it would be a fraction of the cost of rail. Mr. Burke stated that express bus service in the Route 28 corridor is already included in the plan, as well as parallel LRT service.

Ms. Hudgins talked about the challenges of not having a land use development initiative. The community needs to understand the economic value added of the land use that is created.

Delegate Ramadan asked if Fairfax County is coordinating this plan with Loudoun County staff because there are more than 100,000 cars coming from Loudoun County through Fairfax County on the way to their work each day. He stated that if there is no input, the study will be flawed. Mr. Burke answered that there has been coordination on a staff level between the counties but agreed to have a more comprehensive discussion with Loudoun County staff.

Jim Snyder, Planning Director for Falls Church, stated that Falls Church is working closely with the Seven Corners Revitalization Task Force and it would be helpful to have maps showing the connectivity between the jurisdictions and their plans, including transit and land use.

VRE System Plan. Christine Hoeffner, Planning Manager for VRE, provided an overview of the VRE System Plan, which is an update on the 2004 Strategic Plan and will provide a framework for growing the VRE system through 2040. Following a day-long work session by the VRE Operations Board in July, the following initiatives were chosen to be analyzed:

- Near-term focus to achieve service increases within the existing railroad operating agreements, such as adding and lengthening trains.
- Medium-term focus to expand service and operations, within the existing VRE core territory, to take advantage of new markets and potential operating efficiencies. This may include the Gainesville-Haymarket extension, reverse trains, express trains, off-peak trains and other infrastructure improvements.
- Long-term focus on more complex projects that could build off of investments recommended in earlier stages of the System Plan and begins to form the foundation for a Washington, DC regional commuter rail network. VRE-MARC run-through service would be an initial step towards such a network.

Ms. Coyner stated that this is just a preview of the VRE System Plan since NVTC will be briefed again on this at future meetings. Ms. Hoeffner stated that System Plan recommendations will be presented to the VRE Operations Board at its October meeting and VRE will finalize the System Plan in January 2014.

Following a question from Delegate Ramadan, there was a discussion of the benefits of reverse commute service. Mr. Zimmerman noted that expanding VRE service may be more economical than spending billions of dollars to extend the Metrorail system. Mr. Reid asked if the future plans for run-through service into Maryland would include Loudoun County. Ms. Hoeffner stated that VRE is only looking at ways to utilizing existing railroad right-of-ways which do not go into Loudoun County. The Gainesville-Haymarket extension could provide connectivity with other transit modes, which could provide a way to extend transit into areas not currently being served. This project is still in the planning phase but it is considered a priority project for VRE.

MWCOG Regional Transportation Priorities Plan (RTPP). Ms. Coyner stated that the Transportation Planning Board's RTPP identifies and prioritizes strategies for addressing transportation challenges in the region. The RTPP is intended to inform what projects should be funded and included in the Constrained Long-Range Transportation Plan (CLRP). During the public comment period in August, NVTC submitted staff comments, which included noting the absence of a strong commuter rail strategy in the RTPP. TPB staff is revising the draft plan in response to comments received and the revised plan will be presented to the TPB in October and released for a second public comment period. NVTC staff will work with the Management Advisory Committee members to draft comments for the second comment period.

Mr. Zimmerman moved, with a second by Mr. Smedberg, to authorize NVTC staff to work with jurisdictional staff to draft comments for NVTC's Chairman to send to TPB on behalf of the Commission. The vote in favor was cast by Commissioners Black, Bulova, Euille, Fisette, Foust, Hudgins, Hynes, May, McKay, Ramadan, Rust, Smedberg, Snyder and Zimmerman. Mr. Reid abstained.

Preliminary Projections of NVTC's General and Administrative Direct Contributions for FY 2015

Ms. Coyer stated that each fall, NVTC staff proposes a preliminary budget for the next fiscal year to be used by its member jurisdictions in planning their own budgets. While the FY 2015 budget is still under development, the need to notify the jurisdictions of their expected direct local contributions still exists. The FY 2015 proposed budget will be presented at a future meeting.

Mr. Euille moved, with a second by Mrs. Bulova, to authorize staff to forward the preliminary FY 2015 direct contribution requirements to the NVTC member jurisdictions for planning purposes. The vote in favor was cast by Commissioners Black, Bulova, Euille, Fisette, Foust, Hudgins, Hynes, May, McKay, Ramadan, Reid, Rust, Smedberg, Snyder and Zimmerman.

DRPT Grant Revenue Reconciliation

Mr. Kalkwarf explained that NVTC staff is seeking authorization to provide a letter showing the net impact of the reallocation of state assistance by NVTC's SAM to the NVTC WMATA jurisdictions' Boards and their individual Board members. Mr. Kalkwarf reviewed the two charts that were provided to Commissioners. Mr. Snyder observed that wording is needed in the footnote showing that this is not net total of the budget allocation. Mr. Kalkwarf agreed that the chart is strictly state aid funding. Gas tax revenue is allocated on the prior year's point of sale. Mr. Snyder requested that this information be included in the footnote so it mentions both the SAM allocation and gas tax revenue.

Mr. Euille moved, with a second by Mrs. Bulova, to authorize NVTC staff to provide letters showing the impact of the reallocation of state assistance by NVTC's SAM to the NVTC WMATA jurisdictions' Boards and their individual Board members. The vote in favor was cast by Commissioners Black, Bulova, Euille, Fisette, Foust, Hudgins, Hynes, May, McKay, Ramadan, Rust, Smedberg, Snyder and Zimmerman. Mr. Reid abstained.

CTB Fall 2013 Pre-Allocation Hearing

Ms. Coyner reported that the Commonwealth Transportation Board's (CTB) fall 2013 Pre-Allocation hearing is anticipated to be held at the Northern Virginia VDOT offices in Fairfax, Virginia on October 22, 2013. The purpose of the hearing is to allow jurisdictions and the public to provide additional comments on the current FY 2014-2019 Six-Year Program and the development of the FY 2015-2020 Six-Year Program. This is also an opportunity to remind CTB of the important role of NVTC and transit in Northern Virginia.

Mrs. Bulova moved, with a second by Delegate Rust, to authorize NVTC's Chairman or his designee to testify at the CTB Pre-Allocation Hearing. The vote in favor was cast by Commissioners Black, Bulova, Euille, Fisette, Foust, Hudgins, Hynes, May, McKay, Ramadan, Reid, Rust, Smedberg, Snyder and Zimmerman.

TSDAC Update

Ms. Coyner reported that over the past month DRPT has moved forward with public review of its Performance-Based Operating Assistance Allocation Plan. The comment period closed on October 1st. NVTC's Chairman submitted comments on behalf of the Commission. She also reported that NVTC staff attended presentations on TSDAC to the House Appropriations Committee, the Senate Finance Committee and the Commonwealth Transportation Board (CTB) during the last month.

Ms. Coyner reminded Commissioners of the continued concern regarding how ridership is proposed to be calculated for WMATA. There is a significant amount of funding at stake. At the September 9th TSDAC meeting, the committee discussed

DRPT's decision to use jurisdiction of residence for determining Virginia unlinked trips for WMATA Metrorail. TSDAC acknowledged that unlinked trips for WMATA Metrorail are being treated differently than unlinked trips for other agencies throughout the Commonwealth.

Ms. Coyner reported that although TSDAC was scheduled to review and finalize plans for the capital funding allocation on September 9th, this has been postponed until the next TSDAC meeting on October 11th. The main issue still unresolved is DRPT's proposal to change the state contribution to net of federal share instead of gross cost of an asset, which is of particular concern for NVTC jurisdictions because they do not accept federal formula funds for transit. Based on the most recent DRPT model, NVTC estimates that the shift from net to gross costs alone would result in an increase in local contributions for NVTC jurisdictions of \$6 million for FY 2014. Ms. Coyner stated that a 45-day public comment period for the capital allocation is set to begin on October 11th and end November 24th. The Commonwealth Transportation Board is anticipated to take action on TSDAC's capital recommendation on December 4, 2013. Mr. Smedberg observed that this is a significant issue and NVTC needs to monitor this closely. Chairman McKay expressed his concern that this region could lose millions of dollars under the proposed capital allocation model. Those systems that run efficiently and cost effectively would be penalized.

Mrs. Hudgins left the meeting at 9:41 P.M. and did not return.

Mr. Reid raised concerns about requiring Loudoun County to shift federal funds from WMATA to local jurisdictions. He asked for NVTC assistance in helping draft language for the county's Legislative Agenda. Chairman McKay stated that NVTC's Legislative Committee is also working to include language for its NVTC's Legislative Agenda.

Vanpool Incentive Program

Ms. Coyner reported that the Vanpool Incentive Program will be marketed under the name Vanpool Alliance. The signing ceremony was held tonight at PRTC. A separate launch event is being planned for a future date. Ms. Coyner explained that the program requires bridge funding in an estimated amount of \$85,000 for FY 2015 and \$1,350,000 for FY 2016. The program anticipates net earnings of about \$4 million annually within three years. The program's net earnings are dependent on receipt of Section 5307 funds, which are received two years after initial NTD reporting. The bridge funding is needed to cover expenses for the initial two to three year period. Since the Section 5307 funds go directly to WMATA, NVTC has proposed a method to credit the jurisdictions' advance of funds. WMATA is reviewing this proposal.

VRE

Report from VRE. Mrs. Bulova announced that Donna Boxer, VRE's Director of Finance, is filling in for Mr. Allen, who is out of town. Ms. Boxer provided a briefing on the impact of the federal government shutdown. VRE has experienced a 30 percent

reduction in ridership. If that was reflected in revenue, it would be a decrease of a \$1 million a day. However, since October monthly tickets were purchased prior to the shutdown, VRE does not expect much of a budget impact right now. For now, VRE is running a full schedule, but is ready to reduce service if needed.

Ms. Boxer also reported on an incident that happened yesterday with Train #311, which struck an unoccupied vehicle stopped on the tracks in the Cherry Hill area. In response to a question from Mrs. Bulova, Ms. Boxer explained that the accident was caused by driver error and fortunately there were no injuries.

Auditor of Public Accounts (APA) Report. Mrs. Bulova reported that following the release of the APA final report titled "Review of the Governance Structure over the Virginia Railway Express," the VRE Operations Board recommends that a Joint Audit Committee be established by PRTC and NVTC consisting of the VRE Operations Board to review the subject Report and define a course of action for the Commissions' consideration. The VRE Operations Board also called for a VRE management audit to be conducted under the direction of the Audit Committee.

Chairman McKay explained that Resolution #2223 would appoint Mr. Smedberg and Mr. Cook, as officers of the VRE Operations Board, and Mr. Zimmerman, as the sixth appointment to the Joint Audit Committee. The sixth appointment will rotate between the two commissions. Ms. Coyner also explained that the resolution also authorizes the development of a response to DRPT Director Drake's letter included in the Report; a separate action is not needed.

Mr. Smedberg stated that as VRE Operations Board Chairman, he appreciates the cooperation between Ms. Coyner, Mr. Harf and Mr. Allen as they have coordinated responses to the APA Report.

On a motion by Mrs. Bulova and a second by Mr. Euille, the Commission approved Resolution #2223 (copy attached). The vote in favor was cast by Commissioners Black, Bulova, Euille, Fisette, Foust, Hynes, May, McKay, Ramadan, Rust, Smedberg, Snyder and Zimmerman. Mr. Reid abstained.

Preliminary FY 2015 VRE Operating and Capital Budget. Mrs. Bulova reported that the VRE Operations Board recommends Commission approval of Resolution #2224, which would authorize NVTC staff to send the Preliminary FY 2015 VRE budget to its contributing and participating jurisdictions for use in preparing their own FY 2015 budgets.

Mrs. Bulova reported that the most significant budget projection at this time is the impact on VRE of the provision of MAP-21, the new federal transportation funding legislation. The current estimate is that VRE will receive an additional \$9.7 million of program funds annually (80 percent federal plus required match), compared to the amount received in FY 2013 under the prior Fixed Guideway Program. At the state level, the state is in the process of finalizing TSDAC recommendations for altering statewide funding formulas for both operating and capital allocations. Mrs. Bulova stated that the Preliminary FY 2015 budget totals \$118.3 million with the addition of an eight-car train on the Fredericksburg Line in July 2014 and the completion of the

L'Enfant storage track. Assuming no change in either fares or subsidy, the budget reflects a current unfunded total of \$2.5 million. As in the past, the final VRE FY 2015 budget is expected for action by the Commissions in January 2014.

Mrs. Bulova moved, with a second by Mr. Zimmerman, to approve the resolution. The vote in favor was cast by Commissioners Black, Bulova, Euille, Fisette, Foust, Hynes, May, McKay, Ramadan, Rust, Smedberg, Snyder and Zimmerman. Mr. Reid abstained. (A copy of the resolution is attached.)

Sole Source Contract for Positive Train Control Equipment and Installation Services. Mrs. Bulova reported that the VRE Operations Board recommends that the Commission approve Resolution #2225, which would authorize VRE's CEO to execute a sole source contract for positive train control equipment and installation services to Wabtec Corporation, the only practically available source of this equipment, in an amount not to exceed \$7,023,969, plus a five percent contingency of \$351,198, for a total amount not to exceed \$7,375,167.

Mr. Foust asked about the documentation justifying the sole source procurement referred to in the VRE memorandum. Ms. Boxer explained that it is referring to internal documentation in accordance with VRE purchasing policy and FTA requirement. Mr. Zimmerman explained that positive train control is a federal mandate and the host railroads have determined the type of equipment to install and Wabtec Corporation is the only practically available source of this equipment at this time. Documentation for meeting the sole source requirement must be on file.

Mrs. Bulova moved, with a second by Mr. Smedberg, to approve Resolution #2225 (copy attached). The vote in favor was cast by Commissioners Black, Bulova, Euille, Fisette, Foust, Hynes, May, McKay, Rust, Smedberg, Snyder and Zimmerman. Mr. Reid and Delegate Ramadan abstained.

VRE and PRTC 2013 Total Compensation Market Study Final Report. Mrs. Bulova stated that Segal Company, VRE's consultant for this study, presented its findings and recommendations to the VRE Operations Board on September 20th. The Operations Board recommends PRTC approve an amendment to the PRTC/VRE Personnel Policy to modify the PRTC/VRE General Payscale to be modified to create three higher grades and to notify NVTC of the recommendation. No action is required by NVTC.

WMATA

WMATA Budget Development. Ms. Hynes reported that WMATA's budget development process begins next week and it is anticipated that the General Manager will present the FY 2015 budget to the WMATA Board in November.

New Electronic Payments Program (NEPP) Procurement and Implementation. Ms. Coyner reported that as requested by its member jurisdictions, NVTC has taken the lead in working with WMATA on the New Electronic Payments Program (NEPP) procurement, in coordinating and convening the working group, and in requesting and

achieving a unified pricing structure for the Northern Virginia transit systems. NVTC will formalize its role, responsibilities and authorities in an agreement with the transit systems, VRE and PRTC. Ms. Coyner explained that currently NEPP is not included in NVTC's work plan.

Mrs. Hynes moved, with a second by Mr. Foust, to confirm that NEPP is a priority under the 2013 NVTC Work Plan and to direct the Executive Director to report back to the Commission on the resources required to complete this new work plan item. The vote in favor was cast by Commissioners Black, Bulova, Euille, Fisette, Foust, Hynes, May, McKay, Ramadan, Reid, Rust, Smedberg, Snyder and Zimmerman.

Northern Virginia Transportation Authority (NVTa)

Mr. Zimmerman announced that on October 1, 2013 the Fairfax County Circuit Court ruled in favor of NVTa's Bond Validation suit. The final order is due to be signed October 11, 2013.

Information Items

Bus on Shoulder (BOS): Final Reports of the I-66 Inside the Beltway BOS Pilot Project and the TPB BOS Task Force. VDOT released the final report of the I-66 inside the Beltway Bus on Shoulder Pilot Program. The engineering analysis resulted in the extension of the length of two pilot locations. Loudoun County Transit (LCT) assisted VDOT with a trial run in May. Construction will occur between March and October 2014.

MWCOG Economy Forward: One Year of Progress Event. Key stakeholders from government, business and philanthropy met on September 27th to discuss Economy Forward with a focus on activity centers as well as proposed regional transportation priorities.

MAP-21: USDOT's Schedule for Implementing Performance Measures. MWCOG TPB staff prepared a memorandum detailing USDOT's proposed schedule for implementing MAP-21's performance provisions. USDOT released the proposed rules in September 2013.

Other NVTC Business

Delegate Ramadan stated that during the last General Assembly session he introduced a bill that would have provided a tax credit for people who telework. The bill had bi-partisan support from the Northern Virginia delegation and it passed both houses but died in conference committee. He plans to introduce an identical bill during this session. He strongly recommended that NVTC include support of this legislation in its Legislative Agenda. Chairman McKay stated that he will refer it to the Legislative Committee for their review.

Mr. Reid asked if NVTC could have some of its meetings in Fairfax County, since some Commissioners have to travel a far distance for these meetings. Ms. Coyner stated that staff has looked at meeting alternatives but the challenge is that this space is part of NVTC's lease and there would be a financial impact if NVTC changed locations.

Adjournment

Without objection, Chairman McKay adjourned the meeting at 10:08 PM.

Approved this 7th day of November, 2013.

Jeff McKay
Chairman

David F. Snyder
Secretary-Treasurer



AGENDA ITEM #3

TO: Chairman McKay and NVTC Commissioners
FROM: Kelley Coyner
DATE: September 19, 2013
SUBJECT: VRE

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

VRE staff will be present to address items in the VRE CEO's report. The CEO October 2013 Report and the Minutes of the October 18, 2013 VRE Operations Board Meeting are attached.

B. VRE Financial and Debt Management Principles

Recommended Action: Resolution #2226: Approve VRE's Financial and Debt Management Principles.

Background: In December 2012 immediate past Chairman Covington established a VRE Operations Board Capital Committee. The Committee, chaired by Jonathan Way, drafted a set of Financial and Debt Management Principles, which were reviewed by the Operations Board on October 18th. The VRE Operations Board recommends Commission approval of these principles. See Attachment #9B for more background information.

C. Appointment of John Cook to Serve as Chairman of the VRE Joint Audit Committee

Recommended Action: Resolution #2227: Approve Appointment of John Cook to Serve as Chairman of the VRE Joint Audit Committee.

Background: At last month's PRTC and NVTC meetings, the Commissions established a VRE Joint Audit Committee as recommended by the VRE Operations Board. The Joint Audit Committee consists of the five-member VRE Operations Board Executive Committee and a sixth appointment by whichever commission has the fewest representatives on the Executive Committee. Currently NVTC has fewer VRE Executive Committee

representatives than PRTC and NVTC appointed Chris Zimmerman as the sixth member. The VRE Operations Board also authorized the VRE Joint Audit Committee to double as the VRE Audit Committee.

VRE Operations Board Chairman Smedberg is recommending that VRE Operations Board Member John Cook serve as the Chair of the VRE Joint Audit Committee. Since the VRE Joint Audit Committee is a creation of the two commissions, it is appropriate for the Commissions to affirm Mr. Cook's appointment.

The VRE Joint Audit Committee will convene in November, and will periodically report on its work, seeking concurrences as appropriate from the Commissions. The Joint Audit Committee will first review the Auditor of Public Accounts (APA) audit findings and propose a course of action for the Commissions' consideration, which will include conducting a management audit. (See the attached memorandum from Doug Allen with additional information on the management audit and related peer review by APTA.)

D. WMATA Momentum Support

The VRE Operations Board passed a resolution formally supporting WMATA's strategic plan for 2013-2025, *Momentum: The Next Generation of Metro*. NVTC endorsed *Momentum* in June 2013.

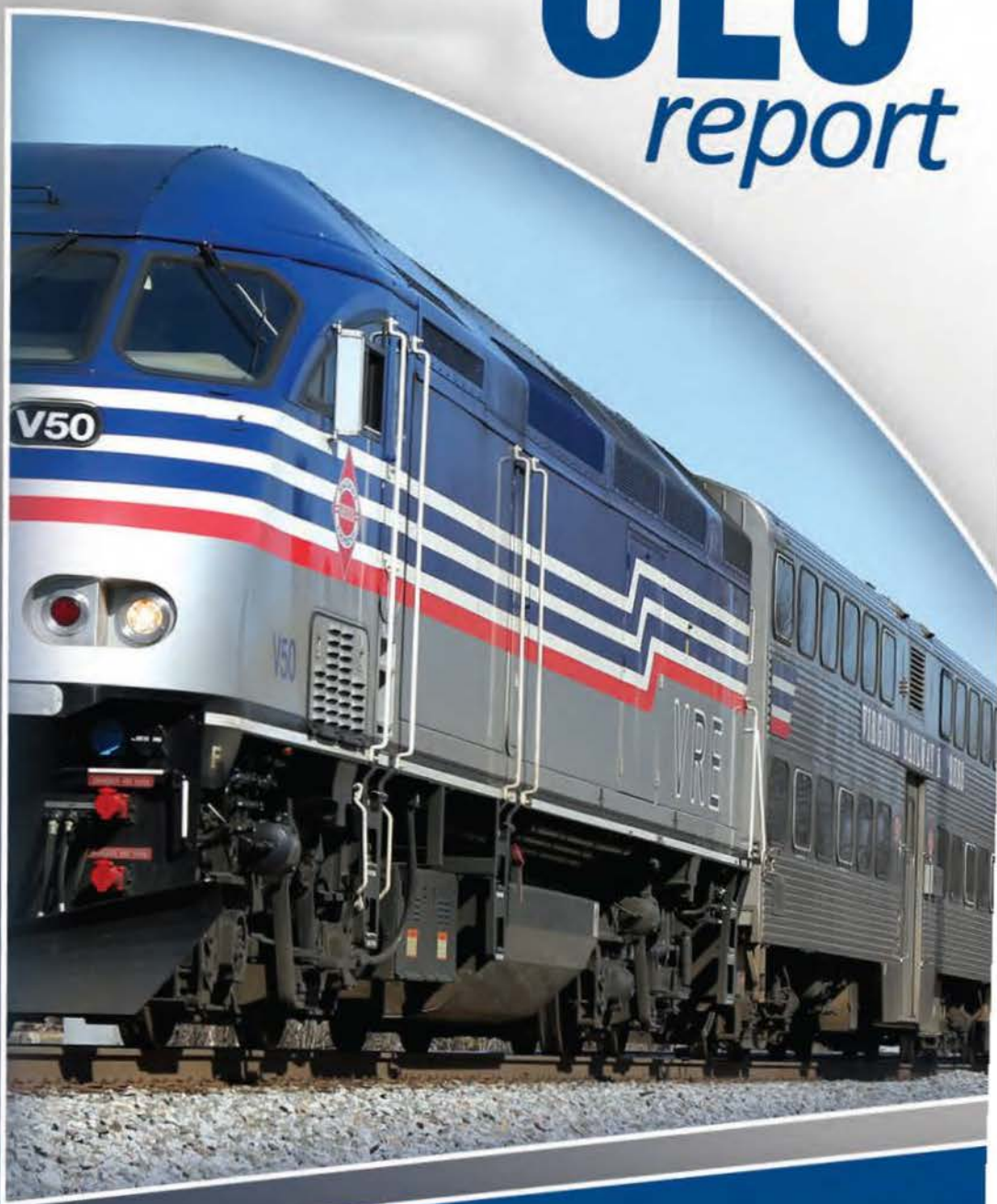
E. VRE System Plan Update

Over the course of this year, VRE has worked to develop a long-range system plan to guide system investments through 2040. This month, staff presented preliminary recommendations to the VRE Operations Board. VRE plans to finalize the System Plan in January 2014.

F. Results of the 2013 Customer Satisfaction Survey

VRE conducted its annual customer service survey on May 8, 2013. The survey gave riders an opportunity to evaluate VRE operations and system performance. The survey was completed by 6,305 riders, which is approximately the same number as last year. VRE continues to see improvement in nearly every category. While on-time performance (OTP) was the number one concern for VRE riders for many years, this year passengers identified pricing as the number one issue. The survey shows that 89 percent of responders rated OTP as excellent or above average, the highest rating VRE has ever received in this category. Passengers also identified more frequent service and more seats on trains as their biggest priorities to be addressed in the next year. VRE staff has already implemented a plan to improve service over the course of the coming year.

CEO *report*



OCTOBER 2013

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TABLE OF CONTENTS

CEO REPORT | OCT. 2013

CEO
report

2	ON TIME PERFORMANCE
3	RIDERSHIP UPDATE
3	MONTHLY CITATIONS UPDATE
4	RIDERSHIP CHART
5	ON TIME SYSTEM PERFORMANCE
6	TRAIN UTILIZATION
7	PARKING UTILIZATION
8	BICYCLE COUNTS
8	FINANCIAL REPORT
10	GENERAL INFORMATION <ul style="list-style-type: none">COMMONWEALTH TRANSPORTATION BOARDGENERAL ASSEMBLY VISITSMARKETING UPDATECUSTOMER SERVICE RESULTS
11	RAIL OPERATIONS <ul style="list-style-type: none">SAFETY UPDATE
11	CAPITAL COMMITTEE UPDATE
12	CAPITAL PROJECTS <ul style="list-style-type: none">SPOTSYLVANIAALEXANDRIA KING STREET PEDESTRIAN TUNNEL PROJECTL'ENFANT STORAGE TRACKFACILITIES UPDATENEW PASSENGER CARS
14	PROGRESS REPORT/PROJECTS UNDERWAY

ON TIME PERFORMANCE

August is typically challenging in terms of On Time Performance (OTP) due to operational difficulties related to the hotter weather, but the reverse is true in September where rain and flooding are the primary reasons for delays. As things would be, September this year was not a typical year. Instead, rain played no factor on OTP in September as very warm temperatures continued through August and into September. Even those issues were isolated to two days in September.

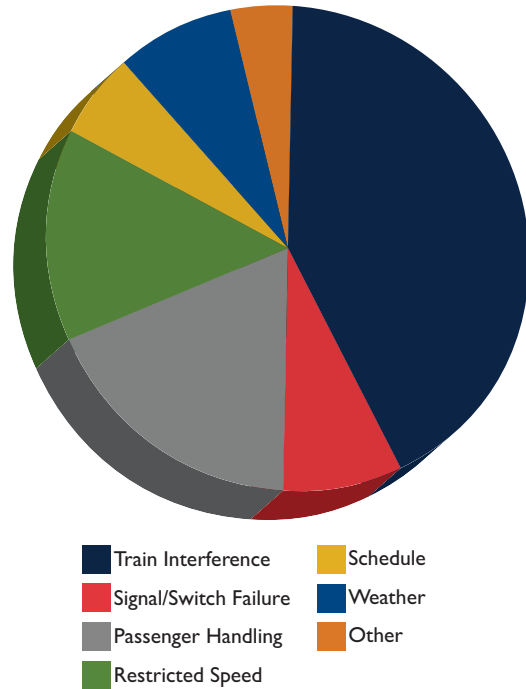
Performance for September was 97%, with Fredericksburg trains operating at 94% and Manassas trains operating at an impressive 99%. 97% is the same ratio we reported in August and July so for one quarter of the fiscal year VRE is operating at its highest OTP percentage ever.

Looking at this closer, VRE operated 600 trains during September with 21 trains encountering a delay of five minutes or greater and just three of those delays occurred on the Manassas line.

The Monthly Train Operating Delay chart (see graph above) highlights the train delays that can lead to a train arriving late – While not every delay results in a “late train”, they can cumulatively affect a train’s performance.



REASON FOR DELAYS



TRIP DELAYS

SYSTEM-WIDE	JULY	AUGUST	SEPT.
Total delays	35	17	21
Average length of delay (mins.)	12	13	14
Number over 30 minutes	1	0	2
Total Days with heat restrictions	6/22	6/22	2/20
On-Time Performance	95%	97%	97%
FREDERICKSBURG LINE			
Total delays	30	3	18
Average length of delay (mins.)	13	10	14
Number over 30 minutes	1	0	1
On-Time Performance	90%	99%	99%
MANASSAS LINE			
Total delays	5	14	3
Average length of delay (mins.)	8	13	17
Number over 30 minutes	0	0	1
On-Time Performance	99%	96%	96%

RIDERSHIP UPDATE

In September VRE saw the proverbial “September Surge” as ridership increased and the return of 20,000 days (plus an added bonus 21,000 ridership day). For the month of September VRE eclipsed 20,000 (includes Step-Up riders) ten days. By contrast we had four in August and three in July. So that is a significant increase to daily volume.

That averages to 19,550 riders per day using the system during the month. These numbers are 500 more a day than what we reported for August 2012.

A trend that is continuing to gain in popularity is the use of Step-Up tickets to ride Amtrak Virginia and Amtrak intercity train. Nearly 450 riders a day now use that option for their commute. VRE Step-Up riders made almost 9,000 trips in September.

September was certainly a very positive sign regarding overall ridership and the state of daily ridership. We had hoped to build off that momentum and carry it through into October; however, the government shutdown has curtailed that momentum for the time being.

RIDERSHIP MONTH-TO-MONTH COMPARISON

DESCRIPTION	MONTHLY RIDERSHIP
September 2013	391,007
September 2012	361,691
Service Days (Current/Prior)	(20/19)
Percent Change	Less than 1%

MONTHLY CITATIONS UPDATE

September saw conductors continuing to perform 100% checks of all trains. As such, Keolis write 211 citations during the month, which is 17 more than August when we implemented the 100% checks. Putting it in context, remember that VRE operates 600 to 660 trains a month, that is around one ticket for every 3 trains during the month.

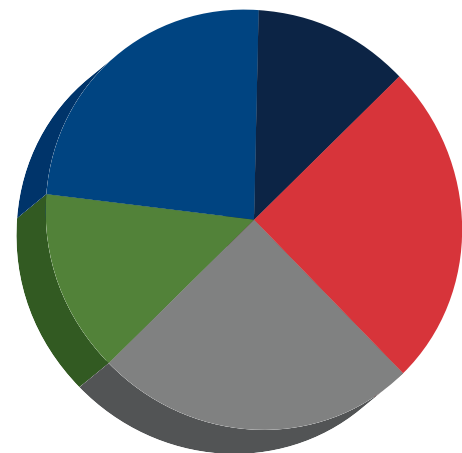
VRE waived 76 after riders showed proof of purchase of a monthly ticket. Additionally, another 19 tickets were waived either for system errors, requests of the conductor or TVM issues.

Of the remaining citations that went to Court, 72 cases (62%) were found to be guilty. August was the highest conviction rate to date. Of the remaining cases, 16 were continued and 28 were dismissed. This shows that this effort is making a difference would seem to validate that the majority of those citations were issued for good cause.

WAIVED CITATIONS

VRE ACTIONS	OCCURENCES
Waived – Passenger showed proof of a monthly ticket	76
Waived – Per the request of the conductor	7
Waived – Special Circumstances	12
TOTAL	95

FARE EVASION COURT ACTIONS



- Guilty
- Guilty in Absentia
- Prepaid Prior to Court
- Cont. to Next Court Date
- Dismissed
- Not Guilty

RIDERSHIP

DATE	MSS AM	MSS PM	TOTAL MSS	ACTUAL OTP TD	FBG AM	FBG PM	FBG TOTAL	ACTUAL OTP TD	TOTAL TRIPS	ACTUAL OTP TD
1										
2										
3	4,204	4,503	8,707	100%	4,680	4,894	9,575	93%	18,282	97%
4	4,856	4,741	9,597	100%	5,398	5,246	10,644	100%	20,241	100%
5	4,589	4,578	9,167	100%	5,372	4,956	10,328	93%	19,495	97%
6	3,925	3,739	7,664	100%	4,519	3,813	8,332	93%	15,996	97%
7										
8										
9	4,340	4,722	9,062	100%	5,023	5,053	10,076	100%	19,138	100%
10	4,614	5,499	10,113	100%	5,295	5,181	10,476	86%	20,589	93%
11	4,762	4,713	9,475	94%	4,959	5,687	10,645	86%	20,121	90%
12	4,709	4,652	9,361	94%	5,047	5,141	10,188	100%	19,549	97%
13	3,947	3,789	7,736	100%	4,372	4,586	8,958	93%	16,694	97%
14										
15										
16	4,485	4,634	9,119	100%	4,947	5,151	10,098	100%	19,216	100%
17	4,930	4,690	9,620	100%	5,164	5,225	10,389	100%	20,008	100%
18	4,540	4,784	9,324	100%	5,173	5,219	10,391	93%	19,715	97%
19	4,691	4,838	9,529	100%	5,092	5,253	10,345	93%	19,874	97%
20	4,060	4,149	8,209	100%	4,307	4,167	8,473	100%	16,682	100%
21										
22										
23	4,359	4,584	8,943	100%	4,933	4,747	9,680	79%	18,623	90%
24	4,884	4,986	9,870	100%	5,384	5,159	10,543	79%	20,414	90%
25	4,942	4,719	9,661	94%	5,263	5,355	10,618	93%	20,279	93%
26	4,726	4,869	9,595	100%	5,196	5,275	10,471	100%	20,066	100%
27	4,032	3,721	7,753	100%	4,480	4,533	9,014	93%	16,767	97%
28										
29										
30	4,658	4,751	9,409	100%	5,359	5,206	10,564	100%	19,973	100%
	90,254	91,659	181,913	99%	99,964	99,845	199,809	94%	381,722	97%

NOTE: Adjusted Averages and Totals include all VRE trips taken on Amtrak trains, but do not include "S" schedule days.

* designates "S" schedule day

Total Number of Service Days to Date: 64

Average Daily Riders to Date: 18,774

Trips This Month:	391,007
Prior Total FY-2013:	810,553
Total Trips FY-2013:	1,201,560
Total Prior Years:	62,422,463
Grand Total:	63,624,023

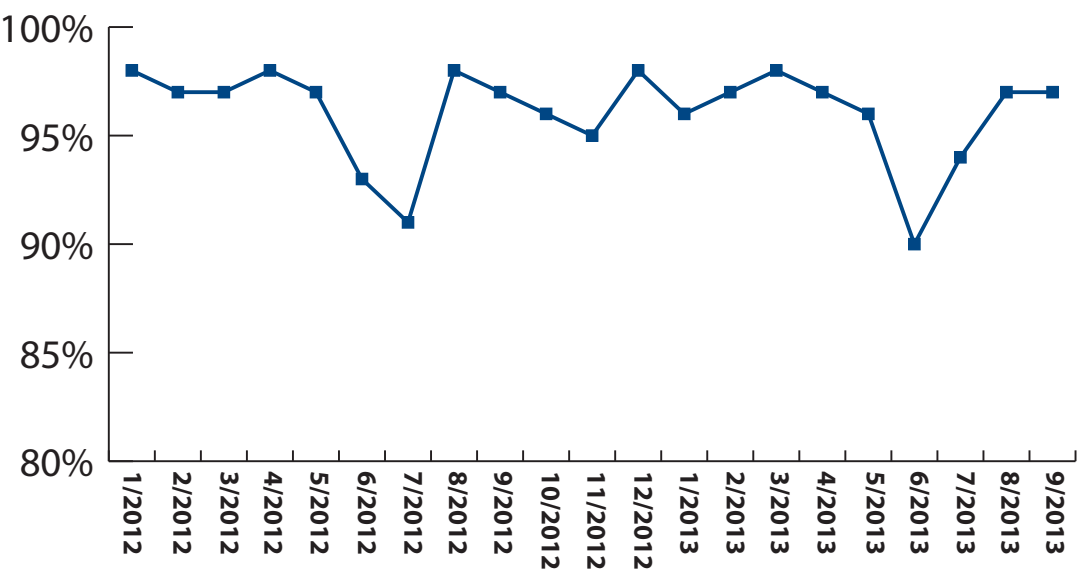
# of Service Days:	20		Total
Manassas Daily Avg. Trips:	9,096	Adjusted Avg.:	9126
Fred'burg Daily Avg. Trips:	9,990	Adjusted Avg.:	10424
Total Avg. Daily Trips:	19,086	Adjusted Avg.:	19,550

Amtrak Trains:	605	Amtrak Trains:	8,680
Adjusted total:	182,518	Adjusted Total:	208,489



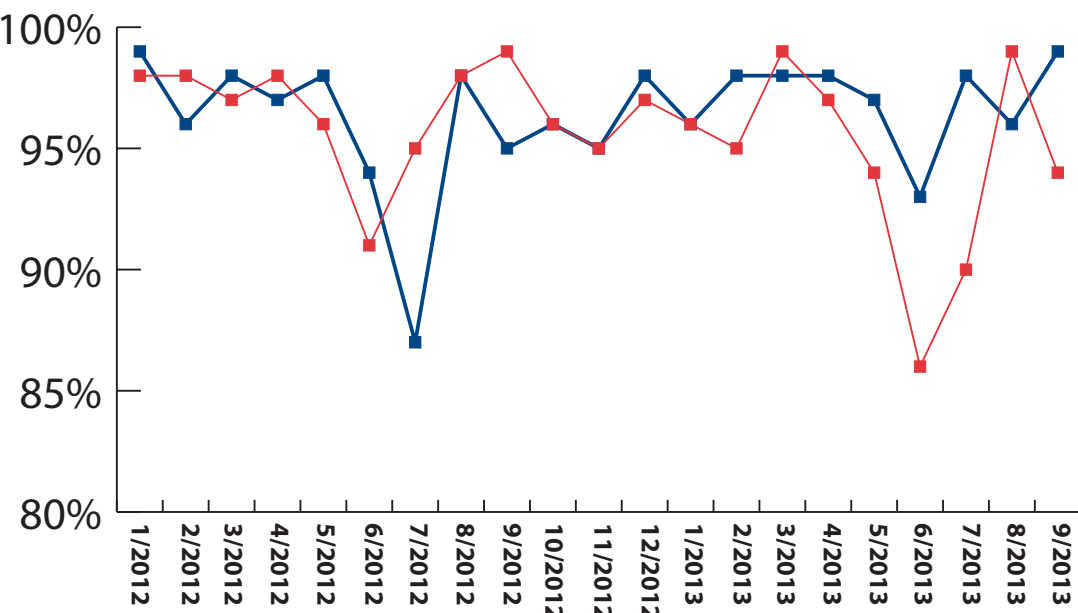
ON TIME SYSTEM PERFORMANCE

SYSTEM PERFORMANCE

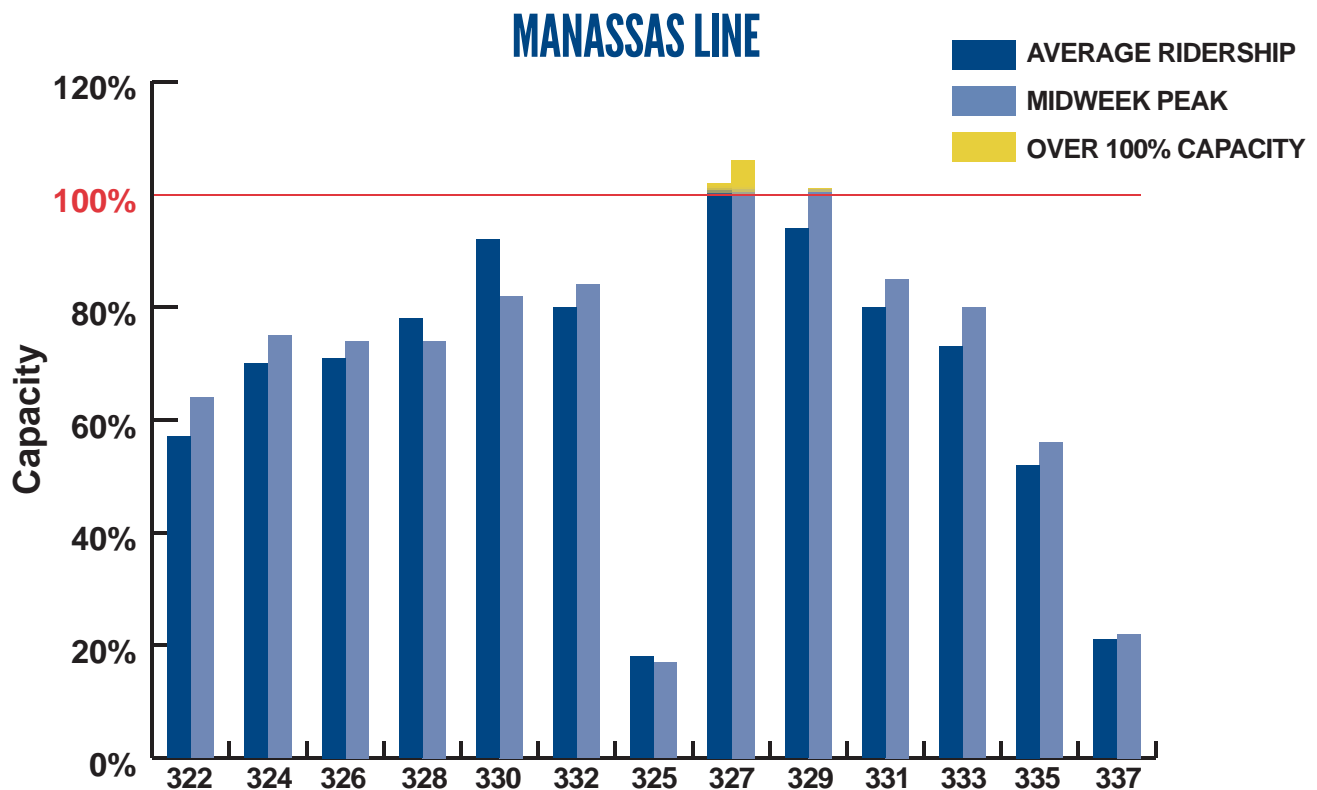
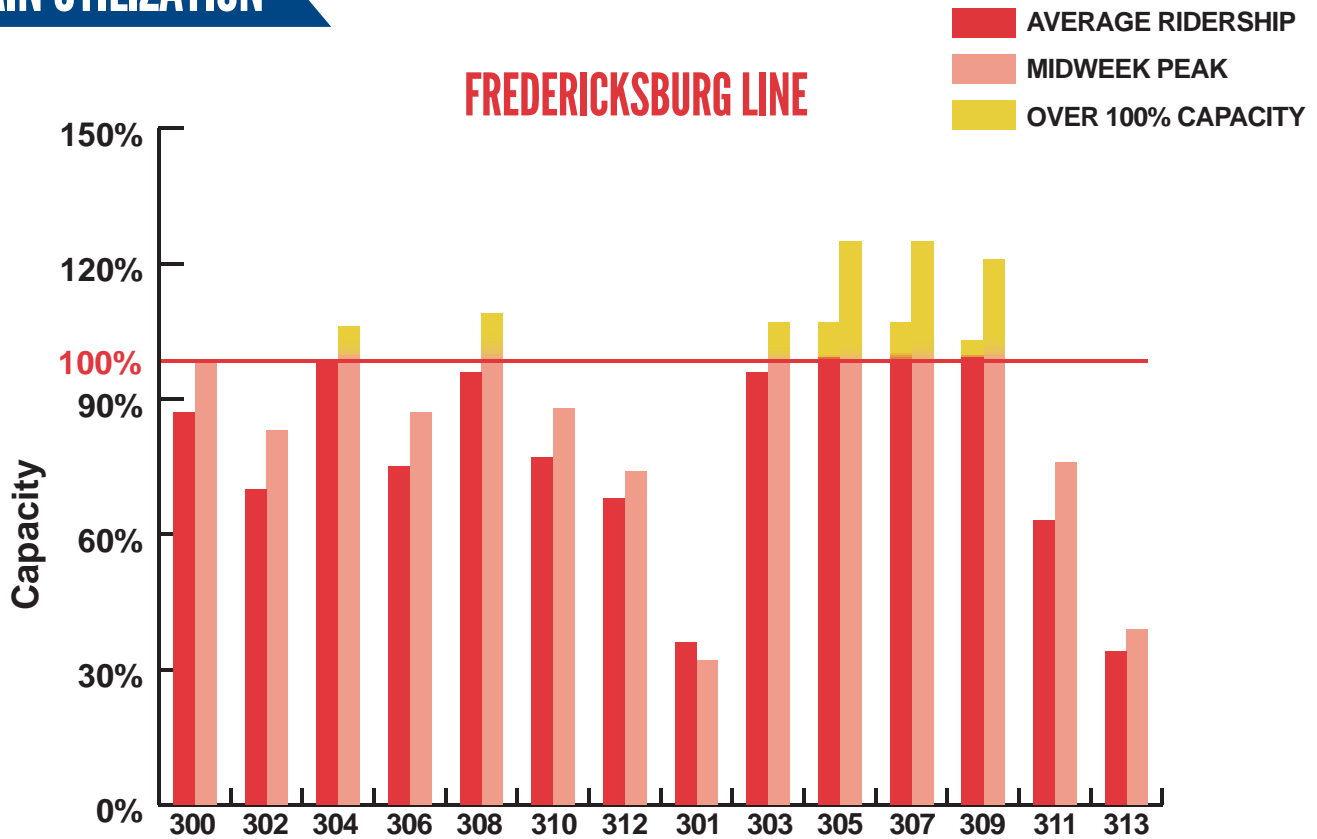


PERFORMANCE BY LINE

FREDERICKSBURG LINE
MANASSAS LINE



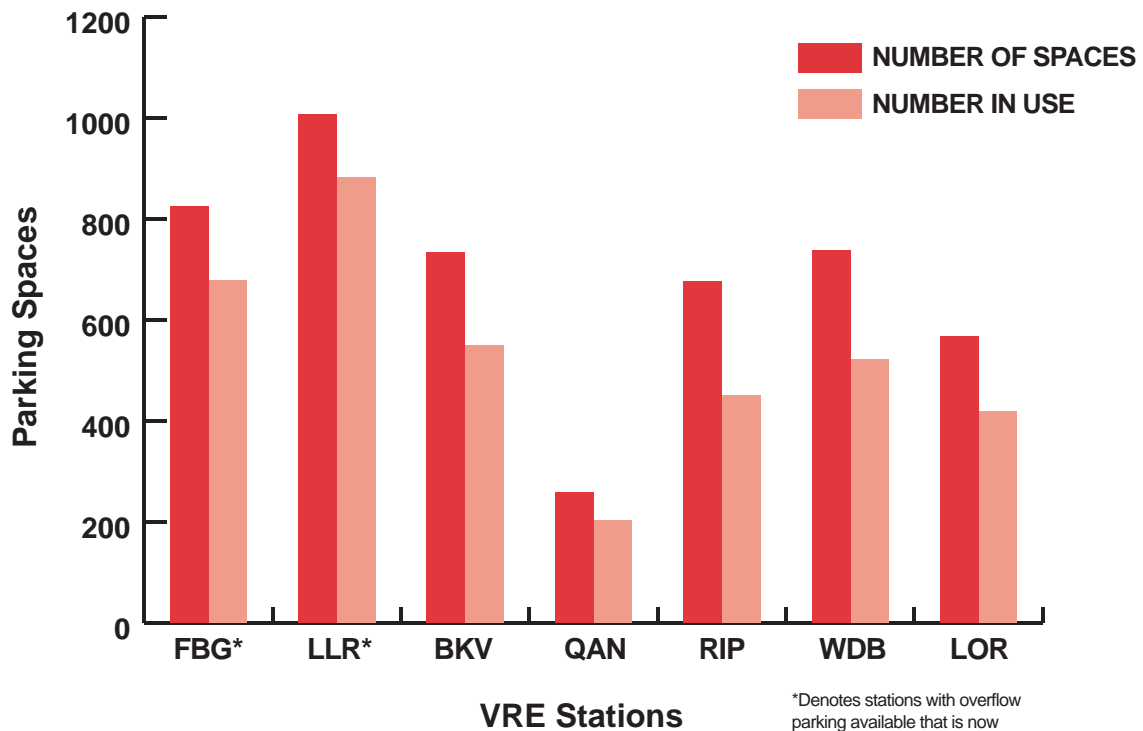
TRAIN UTILIZATION





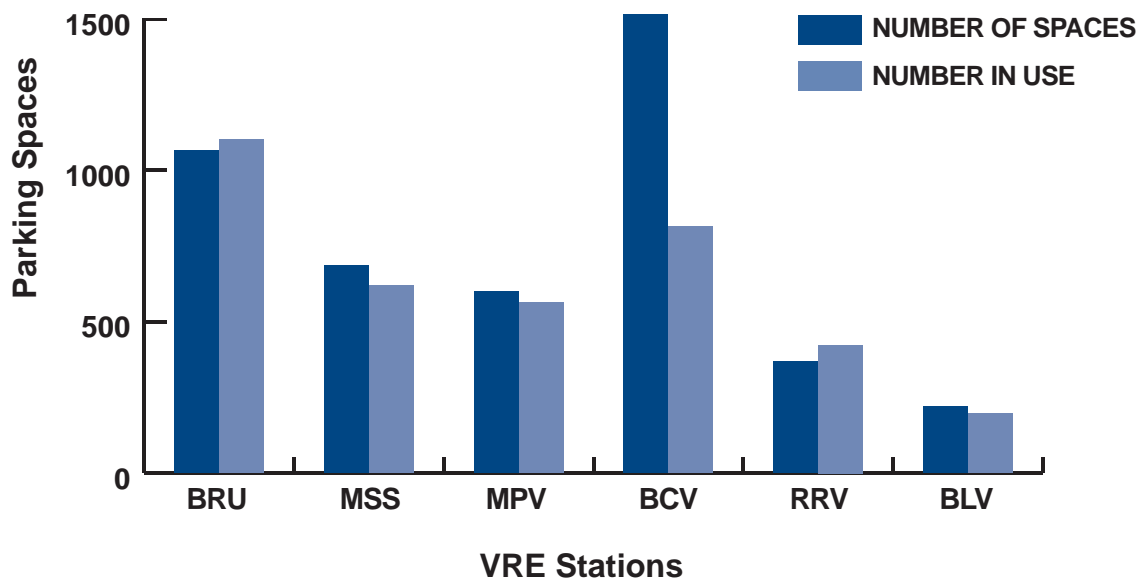
PARKING UTILIZATION

FREDERICKSBURG LINE

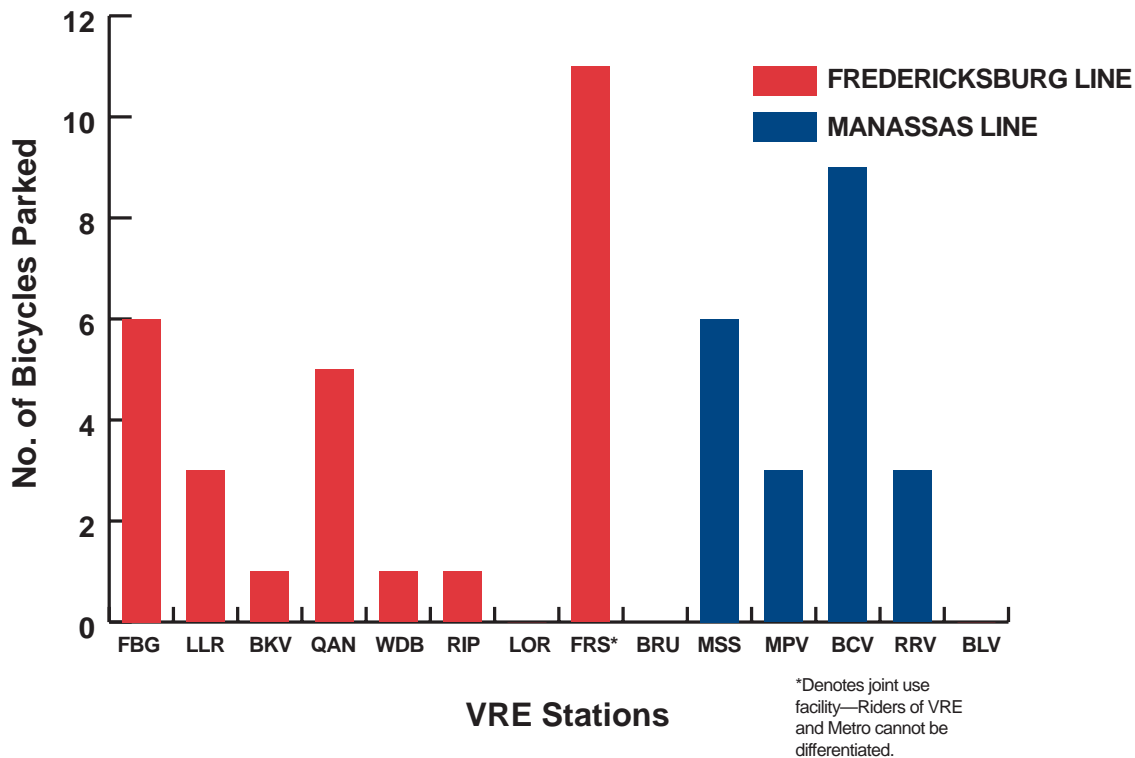


*Denotes stations with overflow parking available that is now being included in final counts

MANASSAS LINE



BICYCLE COUNTS



FINANCIAL REPORT

SUMMARY OF FINANCIAL RESULTS

MEASURES	DOLLARS	GOAL	ACTUAL
Operating Ratio		55%	55%
BUDGETED REVENUE	81,838,573		
Budgeted Revenue YTD	23,305,182		
Actual Revenue YTD	24,050,141		
Cumulative Variance	744,959		744,959
Percent Collected YTD		28.48%	29.39%
BUDGETED EXPENSES	81,838,573		
Budgeted Expenses YTD	22,414,209		
Operating Expenses YTD	20,766,979		
Cumulative Variance	1,647,230		1,647,230
Percent Expended YTD		27.39%	25.38%
NET INCOME (LOSS) FROM OPERATIONS			2,392,189

Fare income for the month of September 2013 was \$329,037 above the budget—a favorable variance of 11.28%. The cumulative variance for the year is 4.71% or \$439,401 above the adopted budget. Revenue in FY 2014 is up 15.3% compared to FY 2013.

A summary of the financial results (unaudited) as of September 2013 follows. Detail on the major revenue and expense categories is provided in the Operating Budget Report.

These figures are preliminary and unaudited.

FINANCIAL REPORT, *CONT.*

FY 2014 OPERATING BUDGET REPORT, SEPTEMBER 30, 2013

	CURR. MO. ACTUAL	CURR. MO. BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE		TOTAL FY14 BUDGET
					\$	%	
OPERATING REVENUE							
Passenger Ticket Revenue	3,245,372	2,916,335	9,771,672	9,332,271	439,401	4.7%	36,600,000
Other Operating Revenue	3,000	13,227	48,840	42,327	6,513	15.4%	166,000
Subtotal Operating Revenue	3,248,372	2,929,562	9,820,512	9,374,598	445,914	4.8%	36,766,000
Jurisdictional Subsidy (1)	—	—	8,360,923	8,360,923	—	0.0%	15,513,500
Federal/State/Other Jurisdictional Subsidy	2,013,550	1,932,928	5,862,526	5,565,760	296,767	5.3%	29,268,773
Appropriation from Reserve	—	—	—	—	—	0.0%	275,000
Interest Income	2,119	1,219	6,180	3,901	2,279	58.4%	15,300
Total Operating Revenue	5,264,041	4,863,709	24,050,141	23,305,182	744,960	3.2%	81,838,573
OPERATING EXPENSES							
Departmental Operating Expenses	4,851,511	4,997,955	17,844,268	19,491,498	1,647,230	8.5%	67,474,645
Debt Service	1,771,489	1,771,489	2,922,711	2,922,711	—	0.0%	13,594,559
Other Non-Departmental Expenses	—	—	—	—	—	—	769,369
Total Operating Expenses	6,623,000	6,769,444	20,766,979	22,414,209	1,647,230	7.3%	81,838,573
NET INCOME (LOSS) FROM OPERATIONS	(1,358,959)	(1,905,735)	3,283,162	890,973	2,392,190	—	—
CALCULATED OPERATING RATIO			55%				
(1) Total jurisdictional subsidy is \$16,428,800. Portion shown is attributed to Operating Fund only.							

GENERAL INFORMATION

COMMONWEALTH TRANSPORTATION BOARD

The Commonwealth Transportation Board met in Fredericksburg in September. I was asked to make a presentation before the Board to highlight VRE service and our impact within the region, specifically the I-95 corridor. We felt this was a perfect opportunity to capitalize on showing the CTB members firsthand what VRE does and how it serves the region. After the afternoon session the delegation came to the Fredericksburg station where we boarded our first south bound train and rode out to the Crossroads yard. During the short ride we fielded questions about the equipment, service and future expansion out to Spotsylvania County. It truly served as an important building block with many of the members of the CTB who knew of VRE but had never before been on the train. Special thanks to Secretary Connaughton and VDOT for helping us arrange the trip.

Special thanks to Secretary Connaughton and VDOT for helping us arrange the trip and to Supervisor Skinner for joining us on the trip to lend his insight from the board's perspective.

GENERAL ASSEMBLY VISITS

Over the past seven weeks I have been out meeting members of Virginia General Assembly throughout the northern and central Virginia region. To date I have met with over twenty members and will continue meetings with the rest of the delegation through November. These meetings are important from several standpoints: one it allows the members to hear firsthand about VRE and our service is today but more importantly it allows me to develop personal relationships with the members so that I can communicate with them our concerns and needs, and answer any questions they might have about VRE going forward. This relationship building is critically important as we get ready to move into the next legislative session. Now when and if VRE is discussed within a respective caucus, members will have relevant knowledge of the system as well as a personal resource to call for clarification if necessary. Beyond just those short term benefits, there are the long term benefits of regional coalition building when members become more aware of the importance of our service in their district or with their constituents.

MARKETING UPDATE

The Master Agreement Survey that was originally scheduled for October 2nd had to be postponed due to the government shutdown. It has been tentatively re-scheduled for October 23rd.

We have introduced new ticket stock featuring the VRE locomotive into circulation slowly integrating it throughout the VRE TVM system. One of our goals has been to have this ticket stock manufactured here in the United States and we have finally found a company with ticket stock compatible to our current fair collection system. The previous ticket stock was produced in Germany. Ultimately, if this transition is successful, it will mean logistical improvements and cost savings for the operation.

VRE is once again partnering with WMATA and PRTC on a joint procurement effort in order to obtain a revenue generating Outdoor Advertising Contract. The current contract with CBS Outdoor is set to expire a year from now. The new contract will include the possibility of adding electronic advertising in addition to static ads. The pre-proposal meeting will be held at WMATA on October 16th.

The VRE Pocket Schedules that are available to our customers by mail, at our office, at our vendors and on our trains has been redesigned to incorporate a slightly larger font for ease of use. This was done after speaking with riders at our Meet the Management outings and hearing back from them about the readability of the print size of the schedules. We were able to increase the font and overall schedule size while still allowing the pocket schedules to fit in the VRE ticket holders. We were able to incorporate these changes and some other style changes since we were re-printing stock to replenish inventory depleted from the July 1st issuance when the fare increased.

GENERAL INFORMATION, *CONT.*

CUSTOMER SERVICE RESULTS

The results of the Customer Service survey will be shared with the Operations Board at the October 18th board meeting but I did want to highlight several of the findings in my CEO Report.

First and foremost, in reviewing the totality of the customer survey results it is clear that VRE and Keolis continue to make strides in meeting and exceeding customer expectations. Nearly every category saw an improvement over the prior year. On-Time Performance (OTP) was rated by 89% of respondents as excellent or above average. That is truly an impressive number given where service was just a few short years ago. OTP has now been replaced with ticket pricing as the major concern. More seats on the trains and more frequent service are the two areas that passengers most want VRE to focus on in the next year. As always, Cleanliness of Trains was at the top of the list with 93%.

There were fourteen categories that received record results, though several of those categories are still lower than our goal. We have implemented an improvement program to look at each of these categories and develop a strategy to improve service and scores.

Overall train crew member performance remained high at 90%. Lastly, overall service quality was rated at 88%, which exceeded last year's score by 4 percentage points.

RAIL OPERATIONS

SAFETY UPDATE

When VRE joined the Association of American Railroads (AAR) as a railroad affiliate member, doors opened up to us to participate in a number of industry activities. One such activity is the AAR's Rail Security Working Committee, comprised of member railroads in both the freight and passenger rail sectors. VRE staff began attending meetings of this committee this month at the Norfolk Southern corporate headquarters in Norfolk. Discussions ranged from increased infrastructure security, contractor screening, opportunities for better railroad communication with first responders and the industry's response to problems such as the roll-away derailment that occurred recently in Quebec.

CAPITAL COMMITTEE UPDATE

The Capital Committee completed their review of the Financial and Debt Management Principles at their September meeting. The Principles will be presented to the Operations Board at the October meeting, and, if approved, will be sent to the Commissions for their consideration in November. For the next two months, the Committee will be reviewing major projects and funding sources for the FY 2015 to FY 2020 capital improvement program, which will be presented to the Operations Board in December.

CAPITAL PROJECTS

SPOTSYLVANIA

VRE has issued construction contracts for both the station and third track. Once the land purchase is completed by Spotsylvania County, VRE can issue notice to proceed (NTP) and construction work can begin. In the mean time, utility relocation and finalizing signal design work continues.

ALEXANDRIA KING STREET PEDESTRIAN TUNNEL PROJECT

On October 3rd, a pre-activity meeting was held at the site with VRE, CSX and WMATA. The work to identify soil conditions and locate utilities continues. The feasibility study should be finalized shortly with final design work expected to commence soon after.

L'ENFANT STORAGE TRACK

Work to finalize the signal design should be completed soon. As part of the final design and approval work, VRE requested approval by CSX to attach wayside power conduits to the stone bridge abument at 6th Street. This will allow power to be routed by PEPCO from Virginia Ave under the bridge. This will allow VRE equipment stored at this site to be connected to wayside power. This is so we do not need to keep the locomotives running while they are stored on the track in the middle of the day.

FACILITIES UPDATE

VRE facilities team has multiple projects underway. Some of the projects expected to be completed before the end of the month include:

1. Replacement of the roof at Crystal City Station
2. Repair of concrete stairways at L'Enfant Station
3. Replacement of tactile pavers at Manassas Park Station
4. Roof repairs/winterization work at the Woodbridge Station
5. Repair parking lot lighting at Leeland Road Station

Other projects scheduled for completion by the end of the calendar year include:

1. Elevator cab and hoist-way rehabilitation at Rippon Station
2. Roof repairs at Rippon Station
3. Regrade Lot G at the Fredericksburg Station

In addition to the above projects, the facilities team is installing upgraded lighting fixtures inside the VRE service and inspection facilities. Once completed, the improved fixtures will be energy efficient and provide more lighting for our maintenance and inspection teams.

NEW PASSENGER CARS

On October 2nd I visited the Nippon Sharyo manufacturing facility in Rochelle, IL where our new passenger cars are currently manufactured. I was given a shop tour and briefed on the processes used to assemble our new cars. The facility was immaculant and the workforce is very motivated to provide us a quality product.



PROGRESS REPORT | PROJECTS UNDERWAY IN FY14

AS OF SEPTEMBER 2013

PROJECT	VENDOR	LOCATION	TOTAL ADOPTED CIP BUDGET THRU FY14	TOTAL BOARD APPROVED FUNDS	PROJECT DESCRIPTION	PROJECT MANAGER	LAST PROJECT UPDATE	PERCENTAGE (%) OF TOTAL PROJECT TASK COMPLETION	PERCENTAGE (%) CHANGE FROM PRIOR MONTH	PROJECT/TASK COMPLETION DATE
Track and Infrastructure										
Gainesville/Haymarket Expansion		NS "B" Line	\$4,286,000		Expansion of service to Gainesville and Haymarket	Hoeffner				2nd Quarter 2013
G/H Expansion Alternatives Analysis	VHB			\$1,537,338	Develop expansion alternatives for new service to Gainesville and Haymarket		11/25/09	Completed	0%	Completed
G/H Expansion PE and EA	STV/RWA			\$2,749,076	Perform modeling, environmental analysis and preliminary engineering.		09/05/13	0%	0%	2nd Quarter 2016
L'Enfant Storage Track		L'Enfant	\$3,219,000		Construct approximately 1400 ft storage track just north of the existing platform and provide wayside power for two train sets.	Johnson				
L'Enfant Storage Track Wayside Power Design	HDR			N/A	Design of wayside power for stored train sets		10/04/13	90%	0%	4th Quarter 2013
L'Enfant Storage Track Wayside Power Construction	NVE			N/A	Construction of wayside power for stored train sets		10/04/13	30%	0%	1st Quarter 2014
L'Enfant Storage Track Switch and Signalization Design	CSX Transportation			\$250,000	Design of storage track switches and signalization		10/04/13	90%	20%	4th Quarter 2013
Spotsylvania Station		Spotsylvania	\$3,422,500		Development of a new station in Spotsylvania County (no parking)	Foster				
Spotsylvania Station Design	STV			\$405,912	Design of the new platform and head house.		10/04/13	100%	0%	2nd Quarter 2013
Spotsylvania Station Construction	Hammerhead Construction			\$2,583,900	Construction of the new platform and head house.		10/04/13	0%	0%	2nd Quarter 2014
Crossroads to Hamilton Third Track		Spotsylvania	\$32,500,000		Construct approximately 2.5 miles of third track leading to the new Spotsylvania Station	Foster				
Crossroads to Hamilton Third Track Civil Design	STV			\$817,703	Environmental Analysis and Final Design to extend the third track from Hamilton to Crossroads		10/04/13	100%	0%	2nd Quarter 2013
Crossroads to Hamilton Third Track Signal Design	CSX Transportation			\$1,009,140	Signal design and engineering support		10/04/13	75%	15%	4th Quarter 2013
Crossroads to Hamilton Third Track Construction	Abernathy Construction Corp			\$8,880,073	Signal design and engineering support		10/04/13	0%	0%	2nd Quarter 2014
Planning Studies and Communications Projects										
Communication Cabinets Upgrade	Rio Prime	System-wide	\$138,150	\$138,150	Communication cabinets at VRE stations to be equipped with an air conditioning (AC) unit and an uninterruptible power supply (UPS) unit for temperature control and power redundancy and surge fault protection.	Duque	10/02/13	90%	0%	4th Quarter 2013
System Planning	PB	System-wide	\$150,000	\$150,000	Prepare system plan to cover 20+ year planning horizon	Hoeffner	09/05/13	63%	40%	4th Quarter 2013
Commuter Station Projects										
Amtrak Joint Recapitalization Projects					Amtrak and VRE joint benefit recapitalization projects					
Washington Union Terminal Rail Service Improvement Plan	Amtrak	Washington, D.C.	\$1,000,000	\$2,663,867	Joint study with Amtrak and MARC that will provide a phased approach to meeting current and forecasted growth in intercity and commuter rail service levels for target years 2017 and 2030.	Hoeffner	09/05/13	Completed	Completed	4th Quarter 2013
Coach Yard Wayside Power Upgrade	Amtrak	Washington, D.C.	\$750,000		Upgrade and replace wayside power station for VRE storage tracks at the Coach yard	Dalton	10/04/13	Completed	Completed	Completed
WUT Canopy Roof Repairs	Amtrak	Washington, D.C.	\$600,000		Repairs of canopy roof at WUT lower level platforms	Dalton	10/04/13	60%	20%	4th Quarter 2013
Alexandria - King St Station Platform Elevation		Alexandria, VA	\$278,867		Raise west platform elevation	Dalton	09/01/13	0%	0%	3rd Quarter 2014
Lorton Station Expansion		Lorton, VA			Expansion of station by extending eastern platform and adding a second platform	Johnson				
Lorton Station Expansion PE and Environmental	HDR		\$306,350	Environmental Analysis and Preliminary Engineering to extend the exiting platform and construct a second platform.	08/01/13		100%	0%	4th Quarter 2012	
			\$2,820,000							

PROGRESS REPORT | PROJECTS UNDERWAY IN FY14, *CONT.*

STATUS	CONTRACTUAL COMMITMENTS TO DATE	TOTAL EXPENDITURES TO DATE	CHANGE ORDER, BUDGET, & SCHEDULE CHANGE DETAILS
Feasibility Study completed on 9/28/09.	\$1,397,338	\$1,042,749	Aerial survey deferred to NEPA/PE phase. Revised consultant responsibility for cost estimating from Belstar to VHB/DMJM.
Contract award awaiting execution of match Addendum between VRE and NS and grant NTP. VRE sent agreement to NS for signature on 1/08/13. VRE requested grant extension from DRPT 2/7/13. VRE also pursuing additional funding from various available sources.	\$2,499,160		VRE requested grant extension from DRPT 2/7/13. NVTA approved \$1.5M in FY14 funds for project.
PEPCO confirmed that service can be provided from Virginia Avenue. Conduits must be attached to viaduct wall and bridge abutment in order to route power from service to wayside power equipment. Wayside Power design to be completed after CSX has approved attaching conduits to bridge abutment.	\$50,925	\$40,110	Supplement to GEC V Task Order 7 in the amount of \$8,600 executed in late December 2012.
Wayside power construction to follow PEPCO's design and construction of electric service, contingent on CSX approval described above.	\$688,480	\$208,390	
CSX previously anticipated completion of track and signal modification design in May 2013. Design work continues as of early October. CSX has not provided estimated completion date despite VRE's repeated inquiries.	\$225,000	\$125,792	
Permitting almost complete with Spotsylvania County.	\$369,011	\$205,332	
Contract executed and CE issued by FHWA. NTP to be issued once Construction Agreement in place with CSX and County acquires land.			
Permitting complete, waiting for NTP in order to initiate agency construction notifications. Design plans circulated for signature. Final Revision completed. Construction Plans being circulated to contractors and other stakeholders.	\$743,366	\$396,034	
CSX FA cost estimate finalized last month. Coordination with utilities and relocation efforts underway. Waiting for CSX Construction Agreement execution. Signal Design for Phase 1 complete. Signal Design for Phase 2 estimated to be complete within the month.	\$917,400	\$0	
Contract executed and CE issued by FTA. NTP to be issued once CSX Construction Agreement Executed and County acquires land.	\$8,072,794	\$0	
Amtrak is waiting for Rio Prime to submit insurance documents before notice to proceed can be processed. Rio Prime is preparing the final documents for submission. Last update 10/1/2013	\$142,307	\$117,111	Change order 01 - \$4,112
Work is progressing on schedule. Next milestone is October 2013 VRE Ops Board presentation of draft plan recommendations.	\$150,000	\$34,470	
Final plan complete.	\$1,000,000	\$985,995	Last invoice received 10/31/12; awaiting final invoice.
Project completed and is in use.	\$750,000	\$515,968	Last invoice received 4/12/2013
Amtrak has spent all allocated budget, but performed only 60% of the work. Amtrak requesting additional \$300k to complete the project.	\$600,000	\$403,617	
Project scoping underway. Amtrak is in the process of writing an agreement to be submitted to VRE for review.			
Completed	\$278,500	\$271,476	

PROGRESS REPORT | PROJECTS UNDERWAY IN FY14, *CONT.*

PROJECT	VENDOR	LOCATION	TOTAL ADOPTED CIP BUDGET THRU FY14	TOTAL BOARD APPROVED FUNDS	PROJECT DESCRIPTION	PROJECT MANAGER	LAST PROJECT UPDATE	PERCENTAGE (%) OF TOTAL PROJECT TASK COMPLETION	PERCENTAGE (%) CHANGE FROM PRIOR MONTH	PROJECT/TASK COMPLETION DATE
Commuter Station Projects										
Lorton Station Expansion Design	HDR			\$103,400	Prepare construction documents for 250' platform expansion with upgraded LED lighting		10/04/13	100%	0%	2nd Quarter 2013
Alexandria - King St Pedestrian Tunnel		Alexandria, VA	\$7,470,000		Design and installation of a new pedestrian tunnel between the VRE/Amtrak and METRO stations and modifications to eastern platform to allow service from Track #1.	Dalton	09/01/13	0%	0%	4th Quarter 2014
Feasibility Study	AECOM			\$162,711	Prepare a feasibility study with limited survey to investigate challenges associated with designing, permitting and constructing a tunnel under a live CSX track.		09/01/13	95%	0%	2nd Quarter 2013
Site Investigation	AECOM			N/A	Compile soils data and perform in-situ testing to prepare for final design phase and provide VDOT with environmental information.		09/01/13	10%	0%	3rd Quarter 2013
Broad Run Station Parking Expansion	Dewberry	Bristow, VA	\$3,420,000	\$2,031,263	Environmental Analysis and Engineering to expand parking by 700 spaces	Johnson	10/04/13	30%	0%	1st Quarter 2014
Franconia-Springfield Station Rehabilitation Construction	Vista Contracting, Inc.		\$522,000	\$388,000	Infrastructure repairs and improvements to eastern platform and passenger walkway at VRE Franconia-Springfield Station.	Foster	10/04/13	100%	Completed	Completed
	CSX Transportation			\$132,000	Provide flagging services during platform level repairs and overhead pedestrian bridge work.		09/05/12	Completed	Completed	Completed
Security Cameras	X7	Fredericksburg, Quantico, and Burke Center	\$320,000	\$320,000	Installation of security cameras on station platforms and rehabilitation of communication cabinet to support additional devices for the cameras.	Duque	06/05/13	Completed	Completed	4th Quarter 2012
Yard Projects										
Broad Run Train Wash and Crossroads Warehouse			\$5,723,959		Design and construction of Broad Run Yard train wash and Crossroads Yard warehouse.	Johnson				
Crossroads Warehouse Design	STV/RWA	Fredericksburg, VA		\$629,248	Conceptual and final design of new Crossroads warehouse.		12/05/12	Completed	0%	4th Quarter 2012
Crossroads Warehouse Construction	Trinity Construction Group, Inc.	Fredericksburg, VA		\$2,600,000	Construction of new Crossroads warehouse.		04/18/13	Completed	0%	2nd Quarter 2013
Broad Run Train Wash Design	STV/RWA	Bristow, VA		\$325,513	Conceptual and final design of new Broad Run train wash.		10/04/13	60%	0%	4th Quarter 2013
Fall Protection	Industrial Turn Around Corporation (ITAC)	Bristow, VA / Fredericksburg, VA	\$230,000	\$169,482	Installation of fall protection systems at Broad Run and Crossroads yards	Foster	10/04/13	100%	80%	3rd Quarter 2013
Tie Replacement at Yards	GW Peoples	Bristow, VA / Fredericksburg, VA	\$530,000	\$434,553	Tie replacement at both yards.	Foster	10/04/13	100%	50%	3rd Quarter 2013
Rolling Stock										
PTC	WRE	System-wide	\$8,821,989	\$741,010	Positive Train Control for all locomotives, as mandated by the Rail Safety Improvement Act of 2008.	Dalton	10/04/13	0%	0%	
	STV				Oversight - Positive Train Control for all locomotives, as mandated by the Rail Safety Improvement Act of 2008.		10/04/13	4%	1%	4th Quarter 2014
New Passenger Railcars Procurement No. 90-66-16060		System-wide	\$24,614,000			Dalton				
New Railcar Manufacture (8 cars)	Sumitomo/Nippon Sharyo			\$23,140,000	Base Order of 8 New Passenger railcars		10/04/13	15%	5%	4th Quarter 2012
New Railcars Engineering Oversight	STV			\$1,474,000	On site engineering through warranty administration under MEC V task order STV-0017 under MEC V		10/04/13	20%	5%	4th Quarter 2012

PROGRESS REPORT | PROJECTS UNDERWAY IN FY14, *CONT.*

STATUS	CONTRACTUAL COMMITMENTS TO DATE	TOTAL EXPENDITURES TO DATE	CHANGE ORDER, BUDGET, & SCHEDULE CHANGE DETAILS
Building plans and site plan approved. IFB for construction is prepared for issuance in December. Coordinating with CSX regarding force account agreement for flagging services.	\$94,000	\$78,801	
In the process of selecting one of the GEC VI to complete the design.			
Feasibility study was distributed to stakeholders Jan 2013. Comments received from all stakeholders. Preparing final draft addressing comments. Preparing for final design once VDOT provides approval of use of GEC contract.	\$147,919	\$140,487	
Right of entry permits were submitted in April to CSX & WMATA. Waiting approvals.	\$49,941	\$0	
Awaiting FTA approval of CE application submitted in August. 30% design under VRE review. 60% design effort will begin after CE approval is obtained.	\$1,846,603	\$368,994	
Substantial Completion and owner occupancy in June. Punchlist complete. Fairfax County Permit closed out. Contract closeout underway.	\$443,852	\$437,637	Change Order # 1, Canopy Roof/Gutters/Downspouts, \$39,230 Change Order # 2, Stringer Repair/Replacement, \$47,440 Change Order # 3, Structural Steel Repairs/Rehab, \$45,682
No additional flagging expected.	\$124,765	\$27,842	Force account estimate for flagging in the amount of \$124,765.
Completed	\$306,539	\$306,539	The change order for additional conduits had been processed and completed successfully. The total amount of the change order is \$17,745.00
	\$619,334	\$619,311	STV Task Order #3 Supplement #1 for \$146,414 for additional Crossroads warehouse engineering services
Final payment issued in early April.	\$2,092,364	\$2,125,632	Contract Amendment No. 1 - Multiple change orders increasing Contract amount by \$124,409 and Contract time by nine days. Contract Amendment No. 2 - Multiple change orders increasing Contract amount by \$87,774 and Contract time by 173 days.
60% review comments provided. 90% design effort underway.	\$283,421	\$97,523	STV Task Order #8 Supplement #1 for \$3,864 for additional costs to procure 60% and 100% cost estimates by subconsultant.
Waiting for execution of Project Closeout Final Contract Amendment. Contract Closeout underway.	\$154,074	\$22,337	
Project Complete. Waiting for execution of Project Closeout Final Contract Amendment. Contract Closeout underway.	\$395,048		
Preparing contract documents for WRE			Authorization to award a sole source contract to Wabtec was approved by both Commissions on 10-3-13, preparing sole source documentation
Task order issue on March 13, 2013 to STV for engineering and oversight work for implementation. MEC IV Task Order 0026	\$550,645	\$30,242	PTC Implementation oversight - Definition Phase - Matrix of tasks was reviewed and approved by VRE for plan development and preparation underway for scope of work including hardware pricing and quotes, STV is also developing back office operation
Manufacturing of 8 base order passenger railcars planning for manufacturing and scheduling is under way - car body shell in route to Aurora IL	\$21,240,000	\$0	The car numbers are designated as V820 - V827; the cars are in final assembly.
Continuing to provide manufacturing and engineering oversight	\$1,250,000	\$610,150	STV continues to provide oversight of the car construction in IL. STV Completed FAI for Door Assemblies at Nantia Manufacturing, Wheelchair lift at Ricco, and HVAC units at Transitair. Resident inspector active at Rochelle operation. . . . completed Lean Testing on Gallery IV cars and continue drawing reviews. . . .



**Virginia Railway
Express**

Board Members

Paul Smedberg
Chairman

Paul Milde
Vice-Chairman

Jonathan Way Treasurer

John Cook
Secretary

Sharon Bulova
Maureen Caddigan
Wally Covington
John Jenkins
Matt Kelly
Suhas Naddoni
Kevin Page
Gary Skinner
Bob Thomas
Chris Zimmerman

Alternates

David Awbrey
Marc Aveni
Brad Ellis
Jay Fisette
Frank Jones
Tim Lovain
Michael May
Jeff McKay
Martin Nohe
Benjamin Pitts
Susan Stimpson

Doug Allen
Chief Executive Officer

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

MINUTES

VRE Operations Board Meeting PRTC Headquarters - Prince William County, Virginia October 18, 2013

Members Present	Jurisdiction
Sharon Bulova (NVTC)	Fairfax County
Maureen Caddigan (PRTC)	Prince William County
John Cook (NVTC)	Fairfax County
Wally Covington (PRTC)	Prince William County
John D. Jenkins (PRTC)	Prince William County
Matt Kelly (PRTC)*	City of Fredericksburg
Paul Milde (PRTC)	Stafford County
Paul Smedberg (NVTC)	City of Alexandria
Jonathan Way (PRTC)	City of Manassas
Christopher Zimmerman (NVTC)*	Arlington County

Members Absent	Jurisdiction
Suhas Naddoni (PRTC)	City of Manassas Park
Kevin Page	DRPT
Gary Skinner (PRTC)	Spotsylvania County
Bob Thomas (PRTC)	Stafford County

Alternates Present	Jurisdiction
David Awbrey*	DRPT
Benjamin T. Pitts (PRTC)	Spotsylvania County

Alternates Absent	Jurisdiction
Marc Aveni (PRTC)	City of Manassas
Brad Ellis (PRTC)	City of Fredericksburg
Jay Fisette (NVTC)	Arlington County
Frank C. Jones (PRTC)	City of Manassas Park
Tim Lovain (NVTC)	City of Alexandria
Michael C. May (PRTC)	Prince William County
Jeff McKay (NVTC)	Fairfax County
Martin E. Nohe (PRTC)	Prince William County
Susan Stimpson (PRTC)	Stafford County

Staff and General Public	
Doug Allen - VRE	Ann King - VRE
Gregg Baxter - Keolis	Mike Lake - Fairfax County
Donna Boxer - VRE	Lezlie Lamb - VRE
Kelley Coyner - NVTC staff	Richard Lee - STV
Walt Burke - NV Enterprises	Bob Leibbrandt - Prince William County
Rich Dalton - VRE	Steve MacIsaac - VRE counsel
Greg Deibler - VRE	Betsy Massie - PRTC staff
John Duque - VRE	Steven Mudge - STV
Patrick Durany - Prince William County	Foster Nichols - Parson Brinckerhoff
Kip Foster - VRE	Dick Peacock - Citizen
Rhonda Gilchrest - NVTC staff	Lynn Rivers - Arlington County
Al Harf - PRTC staff	Mark Roeber - VRE
Chris Henry - VRE	Mike Schaller - Citizen
Kimberly Herman - Stafford County	Scott Schenk - Free Lance Star
Gerri Hill - VRE	Neil Villerin - NV Enterprises
Christine Hoeffner - VRE	

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

Chairman Smedberg called the meeting to order at 9:42 A.M. Following the Pledge of Allegiance, roll call was taken.

Approval of the Agenda – 3

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

Approval of the Minutes of the September 20, 2013 Operations Board Meeting – 4

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

Chairman's Comments – 5

Chairman Smedberg reported that the federal government shutdown has ended after 16 days. More workers were impacted in Virginia than any other state. He also updated the Operations Board on the Transportation Planning Board's draft Regional Transportation Priorities Plan (RTPP) which has been circulated for comment. The first draft did not include a great deal on commuter rail but Mr. Allen reported that Ron Kirby has stated that more on the potential for commuter rail will be added to the RTPP.

Chairman Smedberg reported that the military also recognizes the importance and value of VRE. The Department of Navy, in conjunction with the National Capital Region, has produced a video for Department of Defense employees highlighting different commuting option rather than driving and VRE is recommended as the preferred commuting option for outlying jurisdictions.

Chairman Smedberg acknowledged Ms. Bulova and Mr. Cook who gave details about "Jeans Day." Ms. Bulova explained that today is "Jeans Day" in Fairfax County, which is a promotional initiative where businesses are encouraged to let their employees donate \$5 to wear jeans for the day to raise awareness and funds to end homelessness. Mr. Cook further stated that it is a joint project between Fairfax County and the Fairfax Chamber of Commerce.

[Mr. Awbrey joined the discussion at 9:46 A.M.]

Chief Executive Officer's Report – 6

Mr. Allen reported on the overall impact to VRE service from the federal government shutdown. Before the government shutdown, overall on-time performance (OTP) was excellent at 97 percent, with the Manassas Line reaching 99 percent. The government shutdown had a significant impact on VRE ridership, which saw a reduction in ridership of about 30 percent; however, ridership rebounded back the first day the government reopened with 19,000 daily trips. He also explained that the SmartBenefits program was disrupted by the shutdown but staff is hopeful that the program will be back in full swing by November. Mr. Allen also reported that VRE ran an "S" schedule on Columbus Day but ridership was low due most likely to the government shutdown.

Mr. Allen reported on several VRE events. VRE participated in the annual Clifton Days Event. Unfortunately due to weather conditions, attendance was light and VRE carried only 750 passengers. Mr. Allen has also continued to make a priority to meet with General Assembly members, including Delegate Plum and Delegate Keam. Mr. Allen stated that Delegate Plum invited him to make an appearance on his cable TV show.

Mr. Allen reported that following the APTA Annual Conference in Chicago, he traveled to Rochelle, Illinois and toured the Nippon Sharyo manufacturing plant to see VRE's railcars being manufactured. In response to a question from Mr. Jenkins, Mr. Allen explained that eight cars have been ordered and will be delivered in two groups of four railcars beginning in early in 2014. The new railcars will be divided between VRE's two lines for service. Mr. Way asked if delivery of these railcars will complete the replacement of the older Legacy railcars. Mr. Allen stated that VRE needs to purchase seven more railcars to replace all of the Legacy cars. Hopefully, with MAP-21 and the State of Good Repair Improvement Program, VRE will receive additional funding to purchase more railcars.

[Mr. Kelly arrived at 9:56 A.M.]

VRE Riders' and Public Comment – 7

Mr. Peacock stated that he is pleased to hear that ridership bounced back after the government shutdown ended. This shows that people like to ride VRE. He expressed his opinion that VRE needs to seek more advertising revenue, including seeking advertising revenue from various Chamber of Commerce. VRE should also welcome back the federal government riders and emphasize VRE's excellent OTP and how VRE gets them to work on time. Mr. Allen responded that VRE is working to increase advertising revenue and the recent Ride Magazine includes a thank you to all the riders.

[Mr. Zimmerman arrived at 9:59 A.M.]

Mr. Jenkins asked if there will be riders with expired or invalid tickets resulting from the government shutdown. Mr. Allen explained that there shouldn't be many issues since the majority of VRE riders purchase monthly tickets. Consequently, VRE did not see a big

revenue reduction during the shutdown. He assured the Board that VRE customer service representatives are ready to help riders with any problems.

Approval of Financial and Debt Management Principles and Referral to Commissions – 8A

Mr. Allen stated that the VRE Operations Board is being asked to approve the Financial and Debt Management Principles and refer them to the Commissions for their review and approval. Resolution #8A-10-2013 would accomplish this.

Mr. Allen stated that the Capital Committee was established by Immediate Past Chairman Covington in December 2012. The Committee is chaired by Mr. Way and current members are Mr. Cook, Mr. Zimmerman, Mr. Jenkins, Mr. Milde, and Mr. Skinner. The Committee has met regularly to establish and maintain a set of Financial and Debt Management Principles for VRE; to provide an in-depth review of major capital needs; and to analyze capital funding sources and identify new sources and mechanisms.

Ms. Boxer further explained that VRE's financial advisor, PFM, assisted in the development of these principles and comments were solicited from the CAO Task Force, the Commissions and DRPT. These principles provide a framework for evaluating the long-term impact of current decisions and support high quality credit ratings, if needed. The adoption of these principles will confirm the commitment of the Operations Board, the Commissions, and the management of VRE to adhere to sound financial and debt management practices in the conduct of VRE's business. Ms. Boxer then reviewed each principle.

Mr. Way observed that for Principle #10C it should read "A" and not "A-" pertaining to the bond rating. He stated that if VRE can achieve all of these principles it will result in a very sound financial state for VRE. Some principles might be a stretch right now, but the important thing is that VRE is striving as an entity to achieve all the principles. He also noted that the principles will be integrated into the budget process. The principles are credible and consistent with what local jurisdictions are also doing. It is important to have a maintenance reserve as VRE's fleet ages. In regards to Principle #13, he stated that he does not like variable rate financing, but it was included in the principles as a compromise to acknowledge that VRE could consider it.

Mr. Cook acknowledged Mr. Way's leadership as Committee Chairman as well as VRE staff for their assistance. He stated that this is a big deal because VRE has been purchasing new equipment and it is important that VRE can afford to maintain the equipment. Funds will now be set aside every year to maintain the fleet. He stated that if VRE sticks to these principles, 10 years from now VRE will have a great, expanded system that is paid for and well maintained.

Mr. Way moved, with a second by Mr. Cook, to approve the resolution.

Ms. Bulova agreed with Mr. Cook that this is a big deal. It will help keep VRE disciplined and focused on VRE's financial responsibilities. Mr. Zimmerman agreed that this is a prudent step for an agency that has substantial capital assets. The timing of this is also important with NVTA funding. It is important to show the public that in advance of using taxpayer revenue that VRE has financial principles in place.

In response to a question from Chairman Smedberg, Ms. Boxer stated that Joanne Carter from PFM was instrumental in assisting VRE with this process. VRE used the Prince William County contract with PFM. VRE also asked the jurisdictions, CAO Task Force and DRPT to comment in order to reach consensus since it will impact VRE's budget and future decisions moving forward. Chairman Smedberg acknowledged Mr. Covington and his contribution to the process as it was his idea and leadership that moved this committee forward.

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

Approval of the Joint Audit Committee as VRE Operations Board Audit Committee – 8B

Mr. Allen explained that the VRE Operations Board is being asked to approve the creation of a VRE Audit Committee, the members of which shall be the members of the Joint Audit Committee created by the Commissions. Resolution #8B-10-2013 would accomplish this. Mr. Allen stated that at their respective October 2, 2013 meetings, NVTC appointed Mr. Smedberg, Mr. Zimmerman and Mr. Cook and PRTC appointed Mr. Milde, Mr. Way and Mr. Covington to serve on the Joint Audit Committee.

[Mr. Milde left the room at 10:16 A.M.]

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

Authorization to Award a Contract for Security Services for VRE Commuter Passenger Rail Operations – 8C

Mr. Allen reported that Resolution #8C-10-2013 would authorize him to execute a contract with New Horizons Security Services, Inc. of Manassas, Virginia, for security services for five years in the amount not to exceed \$1,546,226, plus a five percent contingency of \$77,311, for a total not to exceed \$1,623,527.

Mr. Allen explained that following a RFP process, four responses were received. The Technical Evaluation Team reviewed the proposals and determined that New Horizons Security Services, Inc. was technically compliant and unanimously selected to be the best

value for the project. Funding is provided in the FY 2014 operating budget and will be provided for in subsequent budgets through FY 2018.

Mr. Covington moved, with a second by Ms. Caddigan, to approve the resolution.

In response to a question from Mr. Way, Mr. Dalton explained that the total contract price is for a five year period (one base year with four option years to be exercised at the discretion of the CEO). The Board asked that future items be written more clearly in this regard.

Mr. Way asked if armed guards are necessary. Mr. Dalton explained that VRE falls within the area designated for this enhanced security. Mr. Way asked if VRE needs prior approval from state or federal agencies to have armed security. Mr. Dalton responded that VRE does not need to seek formal approval, but there is communication between state and federal agencies. In response to a question from Chairman Smedberg, Mr. Dalton stated that there are no formal reporting requirements. However, there is a reporting and information sharing mechanism among agencies if there are any potential threats or vulnerability that needs to be conveyed.

[Mr. Milde returned to the discussion at 10:22 A.M.]

Mr. Zimmerman observed that the VRE Operations Board has not approved budgets beyond FY 2014. Mr. Allen explained that the intent is that it would be included in the proposed budgets for those future years. In response to a question from Chairman Smedberg, Mr. Dalton stated that the current contract expires on November 13, 2013. Mr. Zimmerman stated that it would be helpful to see what was budgeted and how it compares to the bid price. Ms. Boxer explained that VRE has a process where estimates are prepared before the competitive bid process begins and then once the bids are received they are compared to the budget amounts. She assured the Board that action would not be requested if it was not within the budget amount. Mr. Zimmerman asked that in the future, staff include the amounts by budget year and some indication how the bid/proposed price compares to the budgeted amount. Ms. Boxer stated that this specific information for this action item can be provided to Board Members following this meeting.

Mr. Covington moved, with a second by Ms. Caddigan, to approve Resolution #8C-10-2013. The vote in favor was cast by Board Members Awbrey, Bulova, Caddigan, Cook, Covington, Jenkins, Kelly, Milde, Pitts, Smedberg, Way and Zimmerman.

Authorization to Award a Contract for the Delivery of Brake Shoes –8D

Mr. Allen reported that Resolution #8D-10-2013 would authorize him to execute a contract with Railroad Friction Products Corporation of Laurinburg, Northern Carolina for the purchase of brake shoes in the amount of \$193,118, plus a fifteen percent contingency of \$28,968, for a total amount not to exceed \$222,086. The contract is for a base year with two option years, with the VRE CEO exercising the option years at his discretion.

Mr. Allen stated that following a competitive bid process, only one response was received. VRE staff conducted a survey to determine why only a single bid was received and is satisfied with the results.

Chairman Smedberg asked about the fifteen percent contingency amount. Mr. Allen explained that the contingency amount is higher because there could be other variables and staff wants to make sure that there is enough contingency if additional brake shoes are needed.

Mr. Jenkins moved, with a second by Mr. Milde, to approve Resolution #8D-10-2013. The vote in favor was cast by Board Members Awbrey, Bulova, Caddigan, Cook, Covington, Jenkins, Kelly, Milde, Pitts, Smedberg, Way and Zimmerman.

Authorization to Award a Contract for Air Brake Overhaul Services – 8E

Mr. Allen stated that Resolution #8E-10-2013 would authorize him to execute a contract with Wabtec Global Services of Columbia, South Carolina, for Air Brake Overhaul Services in the amount not to exceed \$716,577, plus a ten percent contingency of \$71,657, for a total amount not to exceed \$788,234.

Mr. Allen reported that VRE issued a RFP for air brake overhaul services and two responses were received. The Technical Evaluation Team reviewed the proposals and determined that the proposal from Wabtec Global Services was the only technically compliant proposal, but further negotiation with Wabtec was required concerning their exceptions to VRE's terms and conditions. Wabtec Global Services eventually withdrew the majority of their exceptions and VRE staff now concludes Wabtec Global Services has provided a proposal that is the best value for VRE.

Ms. Bulova moved, with a second by Mr. Zimmerman, to approve Resolution #8E-10-2013. The vote in favor was cast by Board Members Awbrey, Bulova, Caddigan, Cook, Covington, Jenkins, Kelly, Milde, Pitts, Smedberg, Way and Zimmerman.

Authorization to Approve a Contract Amendment for Tracks and Tie Rehabilitation at the VRE Broad Run and Crossroads Yards – 8F

Mr. Allen reported that Resolution #8F-10-2013 would authorize him to amend the contract with G.W. Peoples Contracting Company, Inc. for track and tie rehabilitation at the VRE Broad Run and Crossroads Yards in the amount of \$395,048, plus a ten percent contingency, for a total amount not to exceed \$434,553.

Mr. Dalton explained that during the rehabilitation work at the Crossroads Yard, it was observed that the track between the existing S&I Building and Train Wash Building, which is covered by asphalt, was sinking significantly under locomotive loading conditions. After further investigation, which involved the removal of several tons of asphalt to access the

track ties, it was discovered that the track ties in this area had become spongy due to water being trapped under the asphalt and needed to be replaced. Mr. Dalton stated that once the work began it became clear that there was a more substantial problem with the ties. Due to the extent of the necessary remediation, the cost exceeded the ten percent contingency. In response to a question from Chairman Smedberg, Mr. Allen stated that no pre-engineering was done prior to the original construction.

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

Authorization to Extend a Lease Agreement for Parking at the VRE Rippon Station – 8G

Mr. Allen explained that the VRE Operations Board is being asked to authorize him to extend a lease agreement with KP Big Crest Lane, LLC for 320 parking spaces at the Rippon Station in the amount of \$164,890 for one year, through February 2015.

Mr. Allen stated that the average cost of \$42.94 per space, per month is comparable to the current market value VRE is paying elsewhere. The intent is for a parking garage to be built at the station in the future.

Ms. Caddigan moved, with a second by Mr. Jenkins, to approve Resolution #8G-10-2013. The vote in favor was cast by Board Members Awbrey, Bulova, Caddigan, Cook, Covington, Jenkins, Kelly, Milde, Pitts, Smedberg, Way and Zimmerman.

Authorization to Award a Supplemental GEC VI Task Order for Field Work for the Alexandria King Street Station Pedestrian Tunnel Project – 8H

Mr. Allen stated that Resolution #8H-10-2013 would authorize him to award a Supplemental Task Order under the GEC VI contract to AECOM for Task Order #2 for field work for the Alexandria King Street Station Pedestrian Tunnel Project in an amount of \$26,709, plus a ten percent contingency of \$2,671, for a total amount not to exceed \$29,321.

Mr. Allen explained that during the course of the project WMATA notified VRE of additional permitting and insurance requirements for work on WMATA property. Similarly, upon receipt of the CSX permit application initiated by VRE, additional coordination by AECOM is required to comply with CSX insurance requirements. This supplemental task order covers additional services to assist VRE in obtaining the necessary permits and insurance to allow field work to continue.

Mr. Zimmerman moved, with a second by Ms. Bulova, to approve Resolution #8H-10-2013. The vote in favor was cast by Board Members Awbrey, Bulova, Caddigan, Cook, Covington, Jenkins, Kelly, Milde, Pitts, Smedberg, Way and Zimmerman.

Support for *Momentum: The Next Generation of Metro* Strategic Plan – 8I

Chairman Smedberg explained that the VRE Operations Board is being asked to formally support Metro's Strategic Plan called *Momentum: The Next Generation of Metro*. The plan is a result of more than a year of outreach and input from key stakeholders. WMATA is now seeking endorsements from the business community, local jurisdictions and other partners in the region. Mr. Allen stated that as one of WMATA's regional partners, VRE has an interest in the plan and investments recommended to address Metro's future growth.

Ms. Hoeffner gave a brief presentation on the Momentum Plan. She stated that the Momentum goals are aligned with VRE's mission statement. With twenty-five percent of all VRE riders transferring to Metrobus or Metrorail to complete their daily commute, the future of Metro is important to VRE and its riders. VRE is already collaborating with WMATA on the King Street Pedestrian Tunnel Project, the New Electronic Payments Program (NEPP), and Metro 2040, which is WMATA's long-term plan under development. Ms. Hoeffner then reviewed the seven key investment priorities of the plan.

Mr. Zimmerman moved, with a second by Ms. Bulova, to approve Resolution #8I-10-2013 which would support WMATA's Momentum Plan. The vote in favor was cast by Board Members Awbrey, Bulova, Caddigan, Cook, Covington, Jenkins, Kelly, Milde, Pitts, Smedberg, Way and Zimmerman.

Operations Board Members' Time –9

There were no comments.

VRE System Plan Update –10A

Mr. Allen stated that VRE staff and the planning consultant have been working since the July Workshop to develop preliminary plan recommendations based on the input received at the Workshop. Staff is seeking Operations Board feedback and general consensus on those recommendations to carry forward in the final plan. He introduced Foster Nichols of Parsons Brinckerhoff, VRE's planning consultant. Mr. Allen asked Ms. Hoeffner to give a presentation on the status of the VRE System Plan.

Ms. Hoeffner reviewed the three potential VRE service initiatives. The first initiative would maximize existing service, which would satisfy short-term growth in the existing VRE commuter markets. The investments for this initiative would be "3S"— Seats, Stations and Storage. It would include additional railcars, the Potomac Shores Station, longer station platforms and other station improvements, and train storage. The projected ridership would rise to 25,000 daily trips by 2020. Mr. Zimmerman observed that VRE's current

ridership projections show standing room only on peak trains by next year. Ms. Hoeffner stated that as new initiatives are added, more capacity will be added.

Ms. Hoeffner stated that the second initiative focuses on long-term growth that would expand service beyond VRE's current system and would include "4S"— Seats, Stations, Storage and Slots. It would encompass a two-pronged approach that would focus on increased service to the traditional "commute to work" market to the Core (more peak trains, express trains, Gainesville-Haymarket extension) and target new markets (reverse commute, off peak service).

Mr. Way stated that VRE lent train slots to DRPT for their regional state train service and he asked when VRE expects these slots back. Mr. Zimmerman stated that it has been several years since DRPT borrowed the train slots, but the Operations Board was assured that VRE would get the slots back. Ms. Hoeffner stated that the agreements do not specify a certain date for the return of the slots. Mr. Zimmerman asked Mr. Awbrey to take this question back to DRPT. Mr. Kelly asked for a briefing from DRPT at next month's meeting regarding the status of the state rail service and when VRE can expect the slots back. In response to a question from Ms. Bulova, Ms. Hoeffner explained that under the current railroad agreement VRE has a net total of eight available slots, including two round trips (four slots) DRPT is using and two round trips (four slots) VRE has available. Mr. Allen stated that it is his understanding that VRE will get the four slots back from DRPT when they expand their existing Amtrak Virginia service. Mr. MacIsaac further clarified that based on the CSX railroad agreement, before DRPT could add service, they would need to fund sufficient capital improvement to the CSX railroad to provide additional capacity for the four train slots to operate without affecting freight operations.

Ms. Hoeffner stated that the third initiative is to build a regional rail network, which could include VRE run-through service to Maryland, MARC run-through service to Virginia, and/or other markets. VRE could not do this on its own and will require a regional commitment to build this network.

Mr. Covington stated that he personally does not see an advantage to VRE service into Maryland. He stated that he would be more interested in seeing an overlay of the bus connections, as well as pedestrian access and walkable communities, throughout the region including Maryland for future planning efforts. Ms. Bulova stated that Fairfax County is currently working on a countywide Transit Network Plan and it might be useful for VRE to have a brief presentation at a future meeting as to how it relates to VRE to see the connections to VRE service. It could also be helpful to hear about other jurisdictional plans, such as from Prince William County and the Fredericksburg region.

Mr. Kelly stated that he would like to know how any future high speed rail will impact resources for VRE as it looks to its future plans. Mr. Allen stated that this could be included in next month's presentation.

Mr. Harf asked in regards to the projected ridership growth chart, how do variables such as the commuter benefit play a part in that growth? Ms. Hoeffner explained that the

commuter benefits was not part of the calculations. It is difficult to predict what will happen regarding the transit benefit. Mr. Nichols stated that the chart is based on demographic growth projected through 2040 including population and employment in VRE's service area and in the Alexandria-Arlington-DC Core. Mr. Harf stated that when VRE reaches the point of contemplating significant investments to the system, it will be important to understand the sensitivity to ridership projections. He stated that changes in the commuter benefit or the implications of the new I-95 Express Lanes to Spotsylvania should be explicitly looked at before major capital investments are made. Mr. Zimmerman stated that Mr. Harf's point has validity but there is a myriad of factors than can impact ridership and some of them are impossible to predict. In regards to the I-95 Express Lanes, they could take riders away from VRE or draw riders to VRE service. Ultimately, VRE needs to look at demand for service. He stated his belief that if VRE had the capacity today, it would be carrying 45,000 daily riders. It's not that people don't want to ride, but right now VRE has limited capacity and service. For a region that is predicted to add another 2-3 million people over the next 30 years, it is not farfetched to believe VRE will be carrying 45,000 people in the future.

Ms. Bulova asked if there are things VRE can be doing now to make connections better for passengers to connect to MARC trains, such as changing frequency of service, Smartcard technology, etc. Ms. Hoeffner stated that based on VRE survey results there are VRE riders who have final destinations in Maryland and transfer to MARC service at Union Station. VRE and MARC already have a cross honor agreement where passengers can transfer to either VRE or MARC at no additional cost to them. The future improvements to Union Station will also help make connections better between MARC and VRE. Mr. Nichols stated that an easy improvement is for VRE to provide more information about transfer opportunities to MARC on its website.

The Board then discussed Mr. Kelly's suggestion to ask DRPT for a report. Mr. Kelly stated that since the state is more involved in VRE, it would be good for VRE to receive a quarterly report from DRPT.

[Mr. Jenkins left the meeting at 11:33 A.M.]

Annual Customer Service Survey Results –10B

Mr. Henry reported that VRE conducted its annual customer service survey on May 8, 2013 and it was completed by 6,305 riders, which is basically the same number of responders as last year. The survey gives riders an opportunity to evaluate VRE operations and system performance. VRE saw improvement in 33 of 41 categories. This does not mean that there aren't opportunities for improvement. While OTP has been the number one concern of VRE riders for many years, 89 percent of responders rated OTP as excellent or above average, which is the highest rating VRE has received in this category. Train crew performance also rated higher this year in most categories. The number one issue this year was cost. However, it should be noted that the survey was done shortly after a fare increase was announced. More frequent service and more capacity are still big priorities for passengers.

VRE received a high rating in cleanliness of trains, cleanliness of stations, and responsiveness of staff.

Mr. Henry gave some examples of initiatives VRE is pursuing to continue to make improvements. VRE staff has already taken the initiative to implement a plan to improve service further in some areas that may result in higher scores going forward. An example is VRE's plan to improve Rail Time and include a way to differentiate each line, with the hope in the future to show individual tracks. Mr. Way asked if "staff" is considered train crews or VRE staff. Mr. Henry replied that it depends on how the responder interpreted "staff."

Mr. Covington stated that he is pleased to see the improvements reflected in the survey results, especially during Mr. Allen's first year as CEO. He congratulated both Mr. Allen and his staff. Mr. Zimmerman agreed and also stated that he liked that the presentation was not just a review of the results of the survey but that it showed how the results are being incorporated into VRE system improvements and how VRE is addressing the issues.

Maintenance and Custodial Service for VRE Facilities –10C

Chairman Smedberg noted the lateness of the hour and asked if Board Members would like a briefing on this issue. Mr. Cook reminded members that back in May 2013 the Operations Board directed staff to come back with a report. Board Members agreed that staff should give a report on this issue.

Mr. Allen asked Ms. Boxer to provide a brief review and status. Ms. Boxer also introduced Gerri Hill, VRE's Procurement Officer. Ms. Boxer noted that the written report provides a detailed history of the procurement and contracts, so her presentation will focus on other procurement options for moving forward. The base year of the two current Custodial and Maintenance contracts expire on May 1, 2014. She reviewed the four alternatives, as well as the pros and cons of each, which the Operations Board could consider as alternatives to exercising the first of the four option years for one or both contracts at this time:

- Separate scope of work into smaller contracts.
- Bring service in-house.
- Service provided by jurisdictions.
- Include responsibilities in the scope of work for the operations and maintenance contract.

[Ms. Caddigan left the meeting at 11:48 A.M.]

Mr. Cook asked if VRE can ask Keolis if they want to add it to their contract. Ms. Boxer stated that VRE would need to look at the details of the procurement and the contract documents with the Keolis contract. There would be more flexibility at the contract renewal. Mr. Dalton stated that the Keolis contract expires in July 2015. Mr. MacIsaac

stated that the scope could not be amended but Keolis could submit a proposal as part of a new VRE solicitation.

Other VRE Matters

Chairman Smedberg announced that he will be appointing members to serve on the Nominating Committee to recommend a slate of officers for 2014. He will also be sending an e-mail regarding Mr. Allen's performance review. Mr. Way reminded Capital Committee members that a meeting has been scheduled following the Operations Board meeting.

Adjournment

On a motion by Ms. Bulova and a second by Mr. Kelly, the Board unanimously agreed to adjourn. Chairman Smedberg adjourned the meeting at 11:50 A.M.


Approved this 15th day of November, 2013.

Paul Smedberg
Chairman

John Cook
Secretary

CERTIFICATION

This certification hereby acknowledges that the minutes for the October 18, 2013 Virginia Railway Express Operations Board Meeting have been recorded to the best of my ability.



Rhonda Gilchrest

**Virginia Railway Express
Operations Board**

**Resolution
8A-10-2013**

**Approval of Financial and Debt Management Principles and
Referral to Commissions**

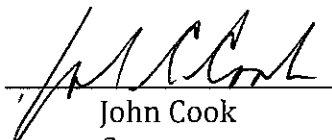
WHEREAS, a Capital Committee of the Operations Board was established by the Chairman in December 2012 in order to establish a set of Financial and Debt Management Principles for VRE and for other purposes; and,

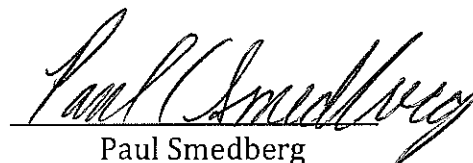
WHEREAS, the Committee has developed a set of such Principles, with the advice and assistance of PFM, the financial advisor to VRE; and,

WHEREAS, the Committee has solicited input from the CAO Task Force, the Commissions and DRPT in the development of these Principles.

NOW, THEREFORE, BE IT RESOLVED THAT the VRE Operations Board approves the Financial and Debt Management Principles and authorizes the Chief Executive Officer to forward these Principles to the Commissions for their review and approval.

Approved this 18th day of October 2013


John Cook
Secretary


Paul Smedberg
Chairman

**Virginia Railway Express
Operations Board**

**Resolution
8B-10-2013**

**Approval of Joint Audit Committee as
VRE Operations Board Audit Committee**


WHEREAS, at the request of the Operations Board, a Joint Audit Committee was created by the Commissions on October 3, 2013; and,

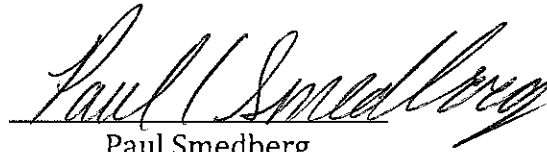
WHEREAS, an Audit Committee created by the Operations Board is required to provide a mechanism for the independent financial auditors to communicate directly with the Operations Board; and,

WHEREAS, in order to avoid confusion, the members of the Joint Audit Committee established by the Commissions and the members of the VRE Audit Committee should be the same.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board approves the creation of a VRE Audit Committee with the purpose and functions outlined in the attached materials, and the members of which shall be the members of the Joint Audit Committee created by the Commissions.

Approved this 18th day of October 2013


John Cook
Secretary


Paul Smedberg
Chairman

**Virginia Railway Express
Operations Board**

**Resolution
8C-10-2013**

**Authorization to Award a Contract for Security Services
for VRE Commuter Passenger Rail Operations**

WHEREAS, VRE remains committed to protecting passengers, employees and equipment from security risks at VRE facilities; and,

WHEREAS, in August of 2012, the VRE Operations Board authorized the issuance of an RFP for security services; and,

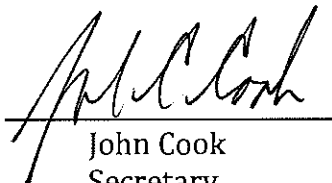
WHEREAS, a competitive selection process was conducted; and,

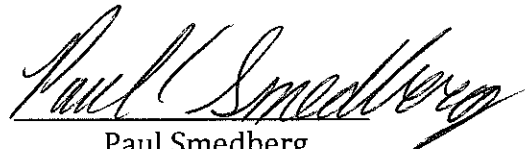
WHEREAS, the current contract for security services expires in November of 2013; and,

WHEREAS, New Horizons Security Services, Inc. of Manassas, VA, having submitted a responsive and responsible proposal, is now being recommended for contract award.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board is being asked to authorize the Chief Executive Officer to execute a contract with New Horizons Security Services, Inc. of Manassas, VA, for Security Services in the amount not to exceed \$1,546,226, plus a 5% contingency of \$77,311, for a total amount not to exceed \$1,623,537.

Approved this 18th day of October 2013


John Cook
Secretary


Paul Smedberg
Chairman

**Virginia Railway Express
Operations Board**

**Resolution
8D-09-2013**

Authorization to Award a Contract for the Delivery of Brake Shoes


WHEREAS, VRE currently uses several different types of brake shoes for the locomotive and passenger car fleets; and,

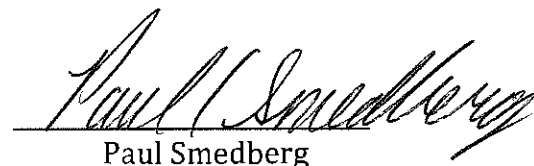
WHEREAS, the current contract for the delivery of brake shoes expires in November of 2013; and,

WHEREAS, a competitive solicitation was completed and the lowest responsive and responsible bidder is being recommended for contract award.

NOW, THEREFORE, BE IT RESOLVED THAT, The VRE Operations Board is being asked to authorize the Chief Executive Officer to execute a contract with Railroad Friction Products Corporation of Laurinburg, North Carolina for the delivery of brake shoes in the amount of \$193,118, plus a 15% contingency of \$28,968, for a total amount not to exceed \$222,086. The contract will be for a base year and two option years, with the VRE CEO exercising the option years at his discretion.

Approved this 18th day of October 2013


John Cook
Secretary


Paul Smedberg
Chairman

**Virginia Railway Express
Operations Board**

**Resolution
8E-10-2013**

Authorization to Award a Contract For Air Brake Overhaul Services

WHEREAS, VRE has a need for overhaul and certification of air brake components for the locomotive and rail car fleets; and,

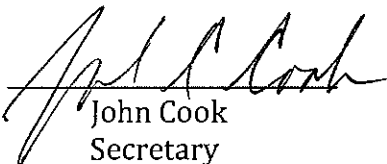
WHEREAS, in November of 2012, the VRE Operations Board authorized the issuance of an RFP for air brake overhaul services; and,

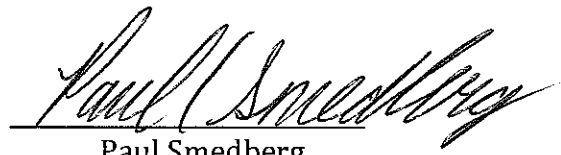
WHEREAS, a competitive selection process was conducted; and,

WHEREAS, Wabtec Global Services, having submitted a responsive and responsible proposal, is now being recommended for contract award.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board is being asked to authorize the Chief Executive Officer to execute a contract with Wabtec Global Services of Columbia, South Carolina, for Air Brake Overhaul Services in the amount not to exceed \$716,577, plus a 10% contingency of \$71,657, for a total amount not to exceed \$788,234. The contract will be for a base year with two (2) option years, with the VRE CEO exercising the option years at his discretion.

Approved this 18th day of October 2013


John Cook
Secretary


Paul Smedberg
Chairman

**Virginia Railway Express
Operations Board**

**Resolution
8F-10-2013**

**Authorization to Approve a Contract Amendment for Track and
Tie Rehabilitation at the VRE Broad Run and Crossroads Yards**

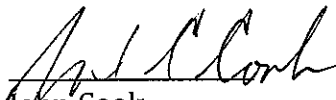
WHEREAS, in May 2013, the Operations Board authorized VRE to enter into a contract with G.W. Peoples Contracting Company, Inc. of Carnegie, Pennsylvania for track and tie rehabilitation; and,

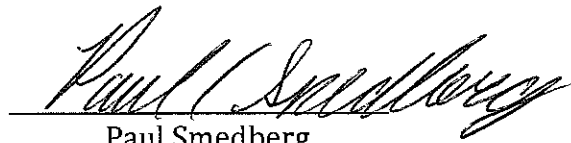
WHEREAS, additional work was discovered after the original scope of work was identified; and,

WHEREAS, additional authorization is needed in the amount of \$15,093, for a total not to exceed \$449,646, in order to address additional track and tie repairs at the Crossroads Yard.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board is being asked to authorize the Chief Executive Officer to amend the contract with G.W. Peoples Contracting Company, Inc. of Carnegie, Pennsylvania, for additional track and tie replacement at the Crossroads Yard and increase the \$434,553 contract amount by \$15,093, for a total contract value not to exceed \$449,646.

Approved this 18th day of October 2013


John Cook
Treasurer


Paul Smedberg
Chairman

**Virginia Railway Express
Operations Board**

**Resolution
8G-10-2013**

**Authorization to Extend a Lease Agreement for
Parking at the VRE Rippon Station**

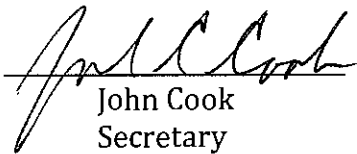
WHEREAS, in May 2002, the Operations Board approved a three year lease with Hazel Land for 320 parking spaces at the Rippon Station; and,

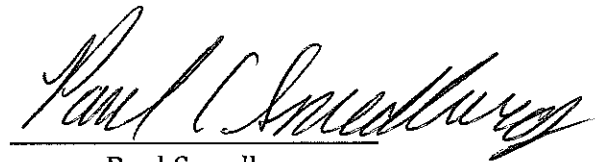
WHEREAS, the lease has been renewed several times since with the current extension set to expire at the end of February 2014; and,

WHEREAS, VRE staff is requesting permission to extend the lease agreement for one additional year through February 28, 2015.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board authorizes the Chief Executive Officer to extend the lease agreement with KP Big Crest Lane, LLC. The extension of the agreement would be in the amount of \$164,890 for one year, through February 28, 2015.

Approved this 18th day of October 2013


John Cook
Secretary


Paul Smedberg
Chairman

**Virginia Railway Express
Operations Board**

**Resolution
8H-10-2013**

**Authorization to Award a Supplemental GEC VI
Task Order for Field Work for the Alexandria King Street
Station Pedestrian Tunnel Project**

WHEREAS, In May of 2013 the CEO executed Task Order #2 to AECOM for \$49,941 under the GEC VI contract for mobilization management and to secure insurance for the project team; and,

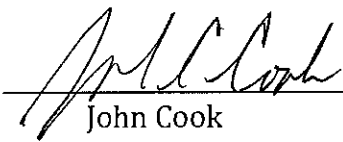
WHEREAS, VRE was subsequently notified by WMATA and CSX of additional permitting and insurance requirements; and,

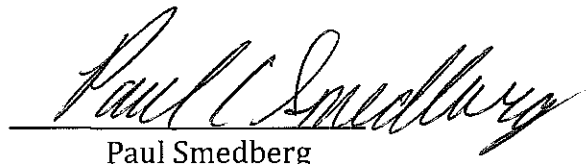
WHEREAS, the additional requirements exceeded the original scope of work identified in the task order previously executed with AECOM; and,

WHEREAS, this supplemental task order will allow the current field work to continue.

NOW, THEREFORE, BE IT RESOLVED THAT, The VRE Operations Board is being asked to authorize the Chief Executive Officer to award a GEC VI Supplemental Task Order to AECOM for Task Order #2 for field work for the Alexandria King Street Station Pedestrian Tunnel Project in an amount of \$26,709, plus a 10% contingency of \$2,671, for a total task order #2 amount not to exceed \$79,321.

Approved this 18th day of October 2013


John Cook
Secretary


Paul Smedberg
Chairman

**Virginia Railway Express
Operations Board**

**Resolution
8I-10-2013**

**Support for *Momentum: The Next Generation of Metro*
Strategic Plan**

WHEREAS, the Virginia Railway Express (VRE) is recognized as an important part of the transportation system for Northern Virginia and the greater Washington Metropolitan Region; and,

WHEREAS, the success VRE has achieved is due, in part to the connections it provides with the other successful public transportation services in the region; and,

WHEREAS, a quarter of VRE riders take a portion of their commute by connecting with the Washington Metropolitan Area Transit Authority (WMATA) Metrorail or Metrobus routes; and,

WHEREAS, WMATA has developed a new strategic plan called *Momentum: The Next Generation of Metro*; and,

WHEREAS, *Momentum* goals emphasize delivering quality service, ensuring financial stability and improving regional mobility align with VRE's own mission statement; and,

WHEREAS, VRE is advancing initiatives, such as the Alexandria Station Tunnel, that support *Momentum* strategies to enhance intermodal connections and connect communities with high-quality transit that supports regional trip-making across local boundaries; and,

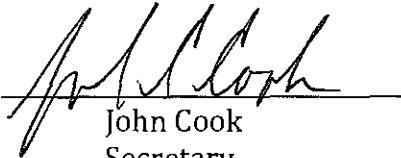
WHEREAS, VRE is also a regional partner with WMATA in developing its Next Electronic Payments Program (NEPP) which advances the *Momentum* strategy to promote interoperability across modes and will allow VRE riders to seamlessly access the Metro system; and,

WHEREAS, while VRE provides the equivalent capacity of 150 highway lane miles to our region, WMATA and its riders relieve the need to construct at least an additional 1,000 lane miles of roads, thus we are already linked in our goals to provide the region with safe and reliable commuting options; and,

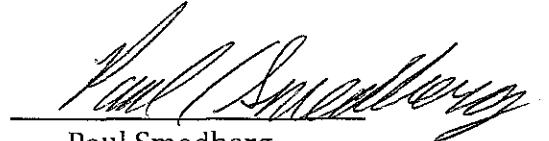
WHEREAS, VRE's System Plan and planning endeavors support the notion that all transit agencies should work collaboratively to plan and implement mobility solutions that will contribute to a regionally-optimized transportation network through robust use of public transportation.

NOW, THEREFORE BE IT RESOLVED, that the VRE Operations Board supports *Momentum: The Next Generation of Metro*.

Approved this 18th day of October 2013



John Cook
Secretary



Paul Smedberg
Chairman



RESOLUTION #2226

SUBJECT: Approve VRE's Financial and Debt Management Principles.

WHEREAS: A Capital Committee of the VRE Operations Board was established by VRE's Chairman in December 2012 in order to establish a set of Financial and Debt Management Principles for VRE and for other purposes;

WHEREAS: The Capital Committee developed a set of such Principles, with the advice and assistance of PFM, the financial advisor to VRE; and

WHEREAS: The Capital Committee solicited input from the CAO Task Force, the Commissions and DRPT in the development of these Principles.

NOW, THEREFORE, BE IT RESOLVED THAT the Northern Virginia Transportation Commission approves VRE's Financial and Debt Management Principles (see Attachment A).

Approved this 7th day of November, 2013.

Jeff McKay
Chairman

David F. Snyder
Secretary-Treasurer

**Virginia Railway Express
Financial and Debt Management Principles
(Adopted as of November 7, 2013)**

The purpose of this document is to formalize financial and debt management principles for the Virginia Railway Express (VRE), the commuter rail service jointly owned and operated by the Northern Virginia Transportation Commission (NVTC) and the Potomac and Rappahannock Transportation Commission (PRTC), together referred to as the Commissions. In accordance with the Master Agreement that established VRE, any bonds or notes issued to support the commuter rail operation will be issued in the name of NVTC, with the concurrence of both Commissions and all member jurisdictions. This Statement of Financial and Debt Management Principles confirms the commitment of VRE's Operations Board, the Commissions, and the management and staff of VRE to adhere to sound financial and debt management practices in the conduct of VRE's business.

Financial and Debt Management Principles

1. Any debt or financing arrangement issued in support of VRE projects must be in full compliance with all applicable provisions of the Commonwealth of Virginia statutes, federal laws and the VRE Master Agreement.
2. Any long term debt issued in support of VRE projects will be included in VRE's Capital Improvement Program and Six Year Financial Forecast and debt will only be issued for approved capital projects. Prior to issuance, VRE will forecast the long-term impact of such debt on the use of federal formula funds, the impact on VRE's six year plan, the annual contributions required from its member jurisdictions over the term of the debt, and to test compliance with the financial ratios described below.
3. VRE strives to attain the following financial ratios over its Six Year Plan:
 - a. A fare box recovery ratio not lower than 50% of operating expenses.
 - b. Debt service as a percent of annual budget not greater than 20%.
 - c. Percent of pay-as-you-go financing equal to a minimum of 20% of the total funded portion of the capital program over the term of the capital program.
 - d. Working capital reserves that are on average not less than 2 months of operating expenditures, with a goal of increasing to 3 months over a 10 year period.
 - e. Risk management reserves equal to amounts imposed by the Commonwealth. Currently the risk management reserve requirement is \$10 million.
4. VRE will match one time revenue with one time expenditures to avoid creating structural imbalance in its annual budgets.
5. Projects included in VRE's Capital Improvement Program will be prioritized with emphasis on regulatory requirements, the maintenance of equipment and facilities to support current service levels, and provisions for passenger safety.

**Virginia Railway Express
Financial and Debt Management Principles
(Adopted as of November 7, 2013)**

6. The capital reserve will be maintained through the contribution of surplus funds generated from operations and from other sources in order to provide the necessary match funds to take advantage of grant funding opportunities and to complete advantageous capital projects.
7. VRE will maintain an asset management plan for all major capital assets which will identify operating, maintenance and renewal costs over the life of the asset. If a reliable source of funding is not expected to be available to meet peak needs when they occur, a sinking fund will be established for this purpose. The annual budget and Capital Improvement Program will include the life-cycle cost impact of each project in the CIP.
8. VRE will maintain access to external liquidity sources, such as a line of credit, because of the heavy reliance on funding from other parties. This short term borrowing will only be used with the approval of the Operations Board and when the source of repayment has been identified.
9. Debt that supports VRE projects will be amortized for a period not to exceed the useful life of the assets being financed.
10. For any publicly sold debt to support VRE projects:
 - a. Debt service funds will be established at the time of issuance and contributions will be made on a monthly basis so that amounts are available to ensure timely payment of principal and interest when due.
 - b. A debt service reserve fund will be established (as needed by the revenue bond structure or for credit purposes) to provide a cushion of funding for the debt obligations. Such funds will be sized to equal maximum annual debt service, subject to limitations imposed by the IRS for funding of such reserves.
 - c. The bond structure will be sufficient to secure a rating in the A category or better.
11. The debt service structure that supports VRE projects will be developed and maintained to achieve strong credit ratings while addressing the overall revenue constraints and capacity of VRE. Total principal and interest payments for any borrowing will be structured to create level debt service in aggregate for VRE. Alternatively, VRE may use a more rapid repayment structure, such as equal annual principal payments. The use of back loaded principal repayment, bullet and balloon maturities will be avoided, except to achieve overall level aggregate debt service or to match anticipated one time revenues.
12. As needed, VRE will establish and maintain a separate set of post issuance policies and procedures for managing any required disclosure, tax or other legal requirements.
13. The use of variable rate debt is discouraged, except under unusual circumstances. However, should it be found to be in VRE's best interest to use this mechanism, the Operations Board and Commissions will first establish appropriate policies and procedures.

Updated: 10/30/13

Agenda Item 8-A
Action Item

To: Chairman Smedberg and the VRE Operations Board

From: Doug Allen

Date: October 18, 2013

**Re: Approval of Financial and Debt Management Principles
and Referral to Commissions**

Recommendation:

The VRE Operations Board is being asked to approve the Financial and Debt Management Principles and refer them to the Commissions for their review and approval.

Background:

A Capital Committee of the Operations Board was established by the Chairman in December 2012. The Committee is chaired by Mr. Way and current members are Mr. Cook, Mr. Zimmerman, Mr. Jenkins, Mr. Milde and Mr. Skinner. The Committee responsibilities were defined as the following:

- To establish and maintain a set of Financial and Debt Management Principles for VRE
- To provide an in-depth review of major capital needs
- To analyze capital funding sources and identify new sources and mechanisms

The Financial and Debt Management Principles were developed with the assistance of PFM, VRE's financial advisor and comments were solicited from the CAO Task Force, the Commissions and DRPT. The development and implementation of

financial and debt policies is a best practice for financial management, provides a framework for evaluating the long term impact of current decisions, and supports high quality credit ratings, if needed. The adoption of the Financial and Debt Management Principles confirms the commitment of VRE's Operations Board, the Commissions, and the management of VRE to adhere to sound financial and debt management practices in the conduct of VRE's business.

The topics that the Committee reviewed and discussed in the most detail concerned levels and types of reserve funds; parameters for debt issuance, such as limitations on annual debt service as a percentage of the annual budget; and how best to incorporate the life cycle needs of major assets in the budget and capital planning process. The list of Principles recommended by the Committee is attached. Once approved by the Operations Board, they will be forwarded to the Commissions for their further review and approval.

Fiscal Impact:

The Financial and Debt Management Principles will be reflected in future budgetary and debt decisions by the Operations Board and Commissions.

**Virginia Railway Express
Operations Board**

**Resolution
8A-10-2013**

**Approval of Financial and Debt Management Principles and
Referral to Commissions**

WHEREAS, a Capital Committee of the Operations Board was established by the Chairman in December 2012 in order to establish a set of Financial and Debt Management Principles for VRE and for other purposes; and,

WHEREAS, the Committee has developed a set of such Principles, with the advice and assistance of PFM, the financial advisor to VRE; and,

WHEREAS, the Committee has solicited input from the CAO Task Force, the Commissions and DRPT in the development of these Principles.

NOW, THEREFORE, BE IT RESOLVED THAT the VRE Operations Board approves the Financial and Debt Management Principles and authorizes the Chief Executive Officer to forward these Principles to the Commissions for their review and approval.

Approved this 18th day of October 2013

Paul Smedberg
Chairman

John Cook
Secretary



RESOLUTION #2227

SUBJECT: Approve Appointment of John Cook to Serve as Chairman of the VRE Joint Audit Committee

WHEREAS: By resolutions adopted by the Northern Virginia Transportation Commission (NVTC) and the Potomac and Rappahannock Transportation Commission (PRTC) in October 2013, a VRE Joint Audit Committee was established with six appointees to review the Auditor of Public Accounts (APA) audit of VRE, and formulate a proposed course of action for the commissions' consideration in response to the APA audit findings; and

WHEREAS: VRE Operations Board Chairman Smedberg is recommending that the Fairfax County Supervisor John Cook be appointed as the Chair of the VRE Joint Audit Committee; and

WHEREAS: Because the VRE Joint Audit Committee is a creation of the commissions, tasked to perform a function on behalf of the commissions, it is appropriate for the appointment of the VRE Joint Audit Committee chair to be affirmed by the commissions.

NOW, THEREFORE, BE IT RESOLVED THAT the Northern Virginia Transportation Commission hereby affirms the appointment of Fairfax County Supervisor and NVTC Commissioner John Cook as the chair of the VRE Joint Audit Committee.

Approved this 7th day of November, 2013.

Jeff McKay
Chairman

David F. Snyder
Secretary-Treasurer

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VRE SYSTEM PLAN PRELIMINARY FINDINGS



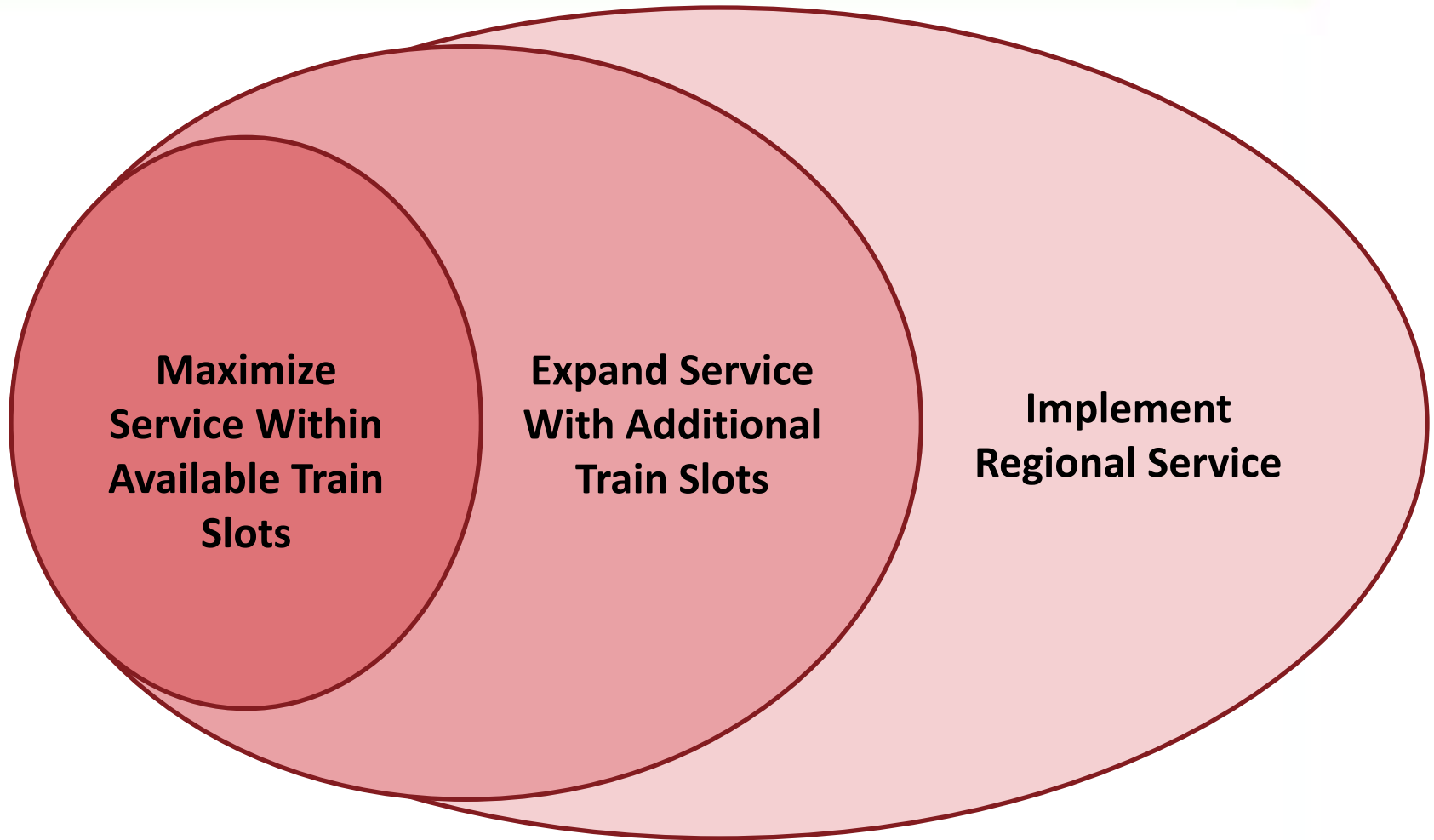
VRE Operations Board
October 18, 2013



July Workshop

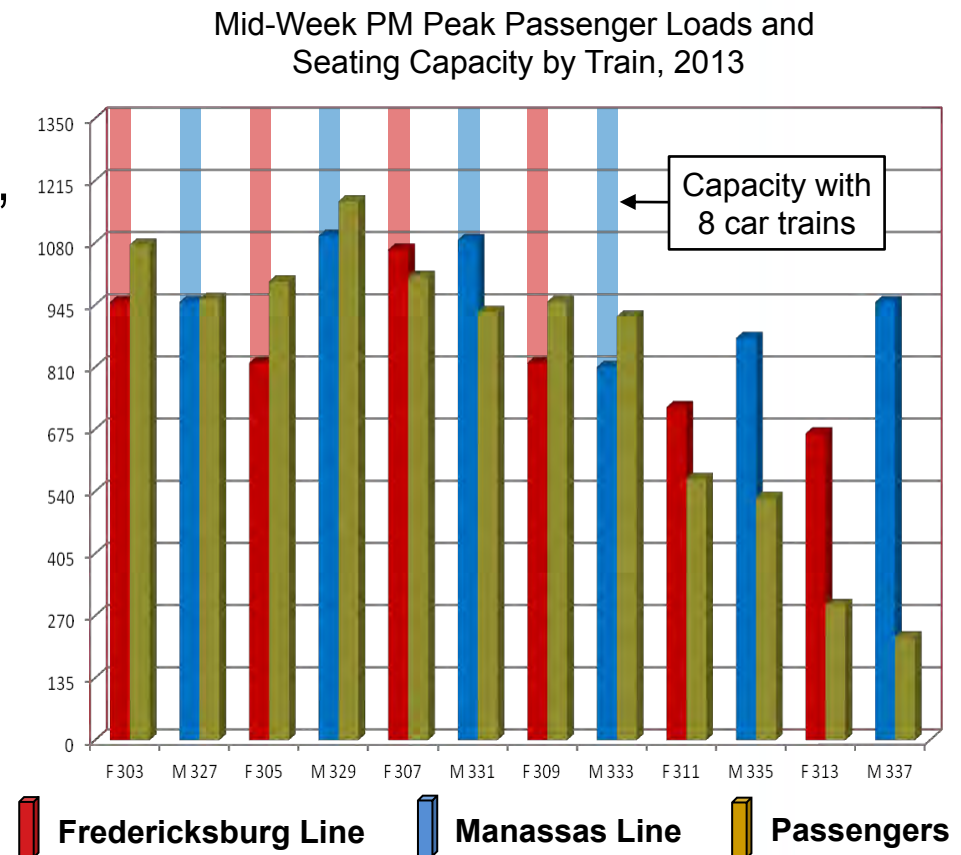
- ◆ What was presented
 - ◆ Current state of the VRE
 - ◆ Potential service initiatives and future role
- ◆ Consensus
 - ◆ Focus on needs within existing VRE service area
 - ◆ Pay attention to cost-effectiveness
- ◆ Direction
 - ◆ Provide quantitative information on ridership and costs

Potential Service Initiatives



Maximize Existing Service

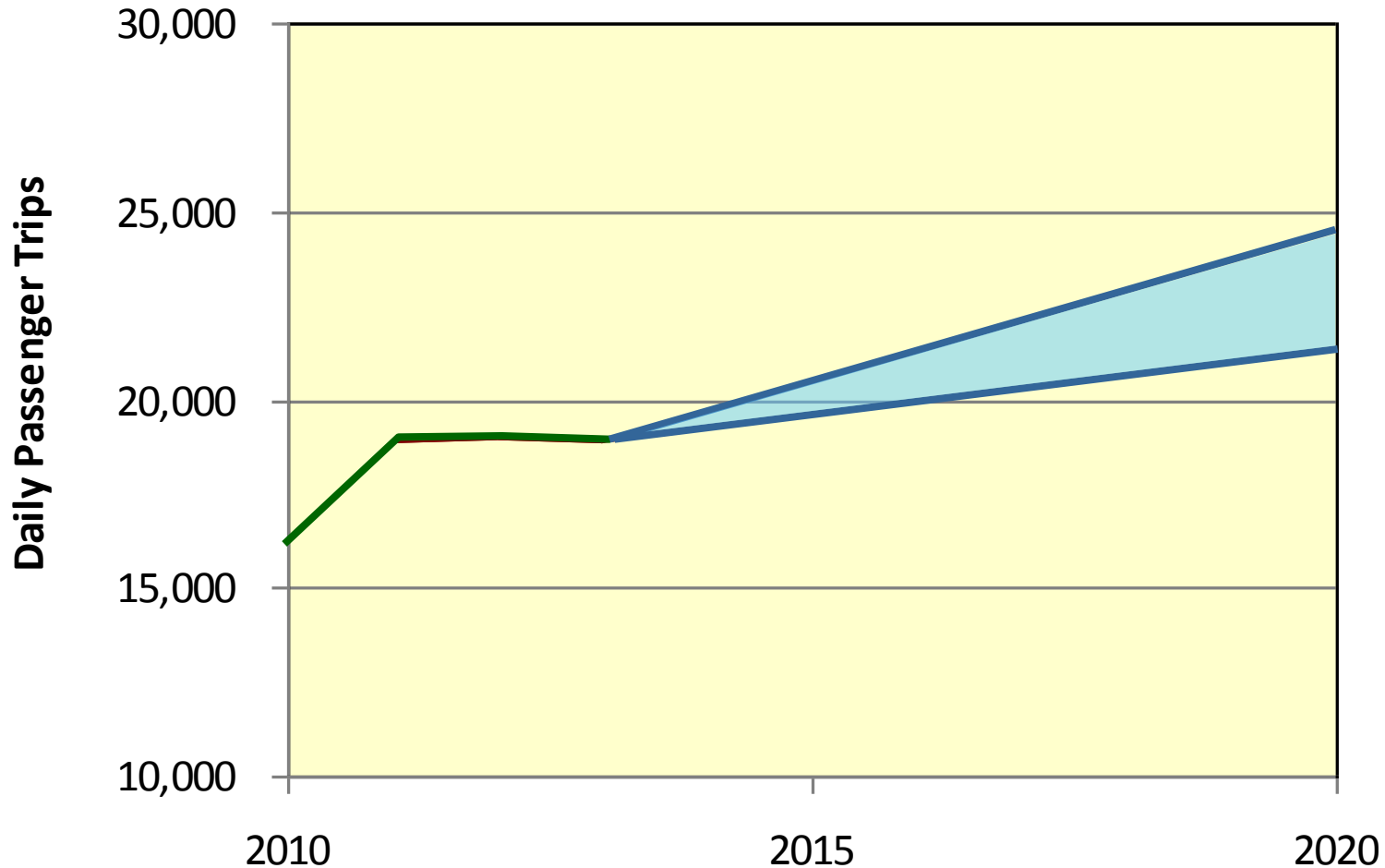
- ◆ Add trains within available train slots (2 round trips available)
- ◆ Maximize storage
- ◆ Add peak service
 - ◇ 20-minute “peak of the peak” headways
 - ◇ Broad Run yard constraints could preclude additional Manassas Line train
- ◆ Lengthen trains to 8 cars



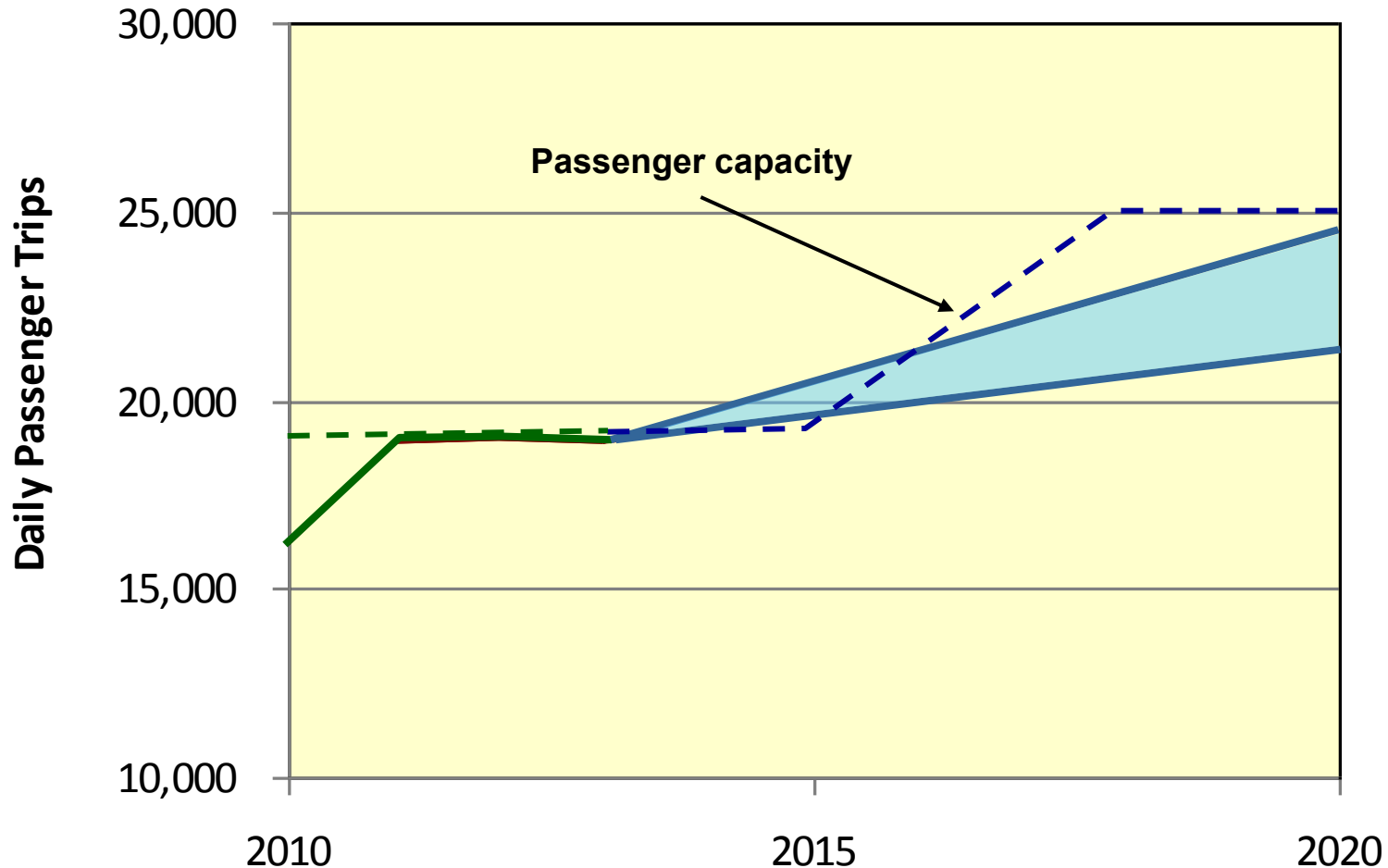
Maximize Existing Service

- ◆ Effective plan to satisfy short-term growth in existing VRE commuter markets
- ◆ “3S” – *Seats-Stations-Storage*
 - ◆ Additional coaches
 - ◆ Potomac Shores station
 - ◆ Longer station platforms
 - ◆ Station parking and access improvements
 - ◆ Train storage – Ivy City, Crossroads, Broad Run

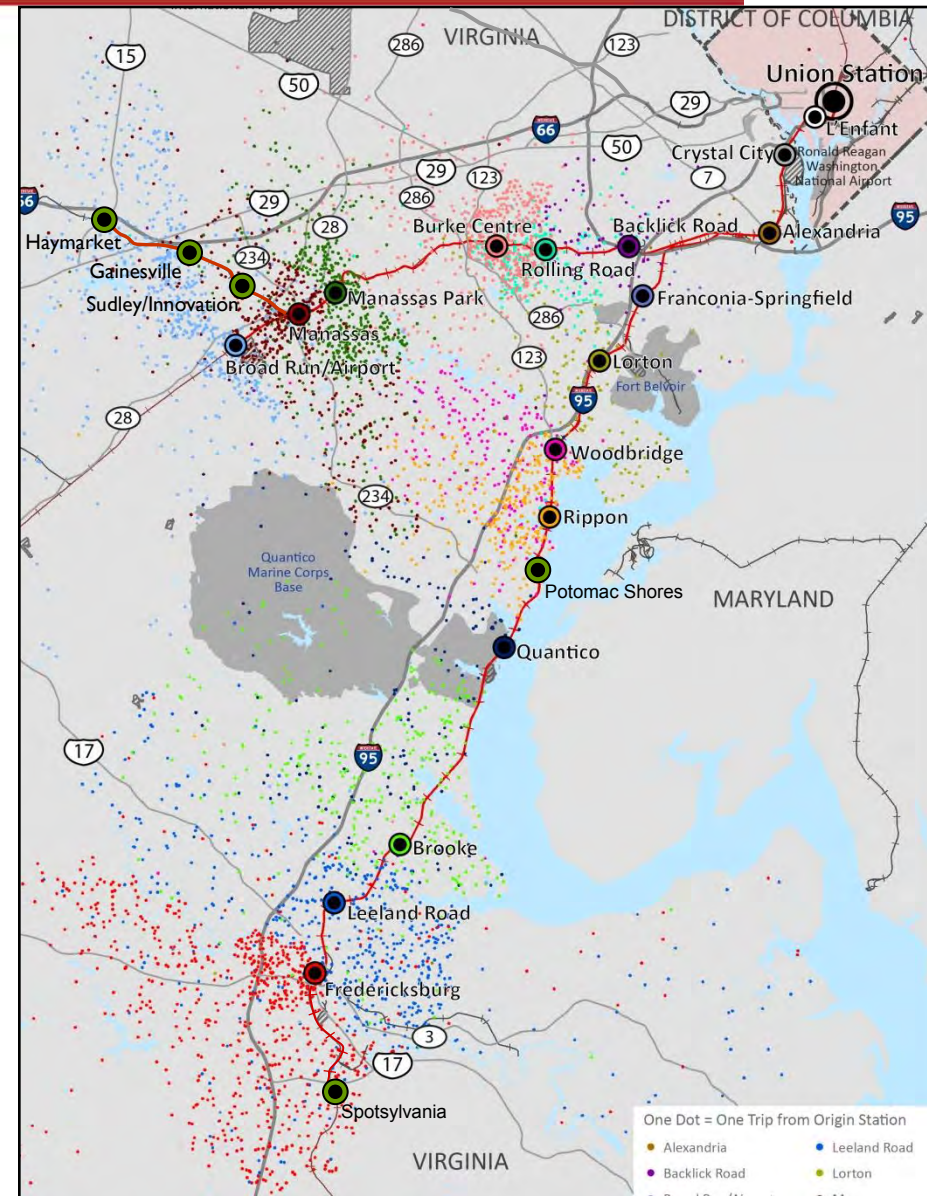
Maximize Existing Service



Maximize Existing Service



- 
- PARSONS
BRINCKERHOFF**



Expand Service



- ◆ Long-term growth linked to expanded railroad capacity
 - ◆ Long Bridge/CSX 3rd mainline track
 - ◆ Norfolk-Southern improvements
- ◆ “4S” – *Seats-Stations-Storage-Slots*
 - ◆ Coaches and locomotives
 - ◆ Longer station platforms (up to 10 car trains) and second station platforms
 - ◆ Station parking and access improvements
 - ◆ Train storage – midday and overnight
 - ◆ Railroad capacity



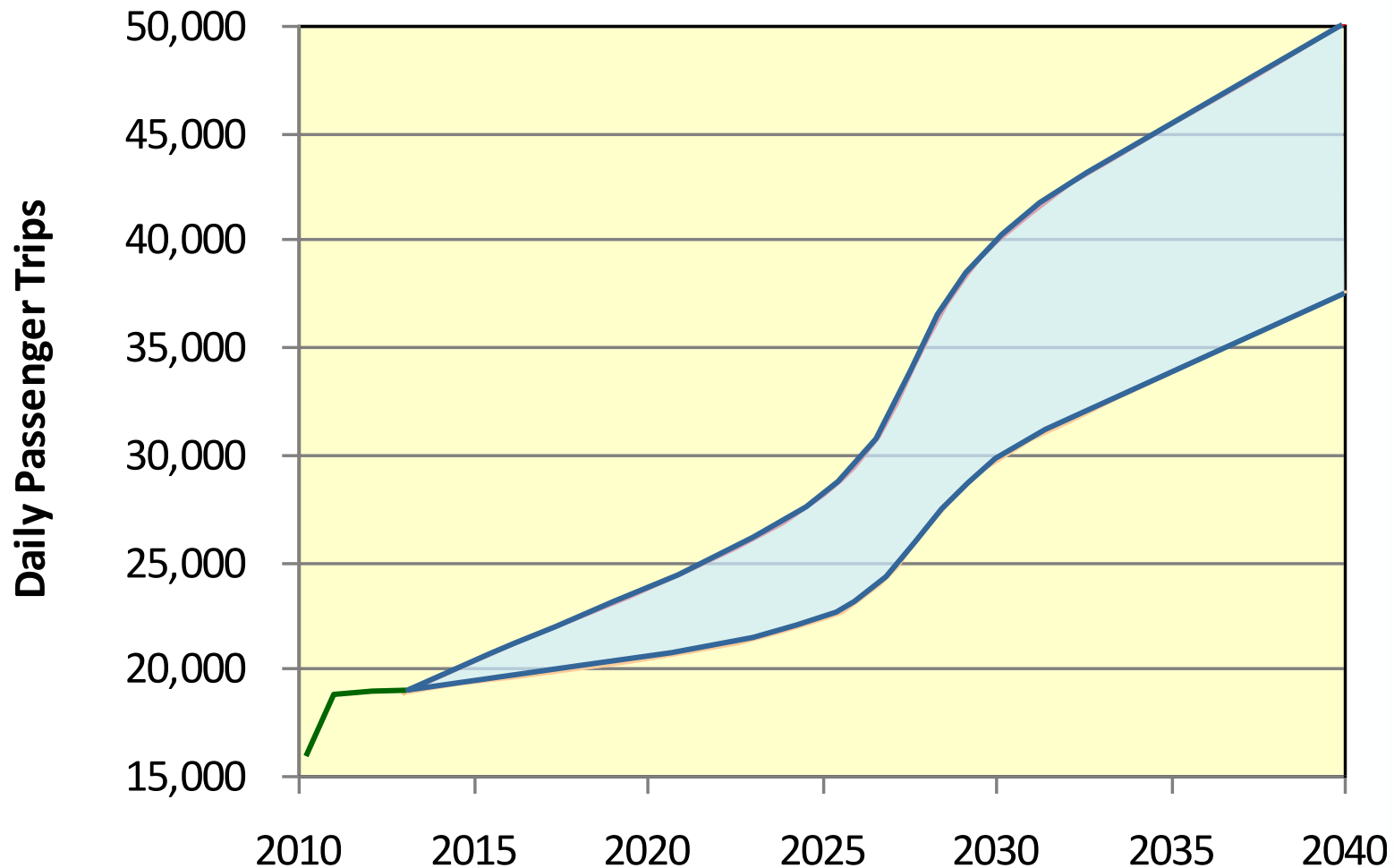
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Regional Service

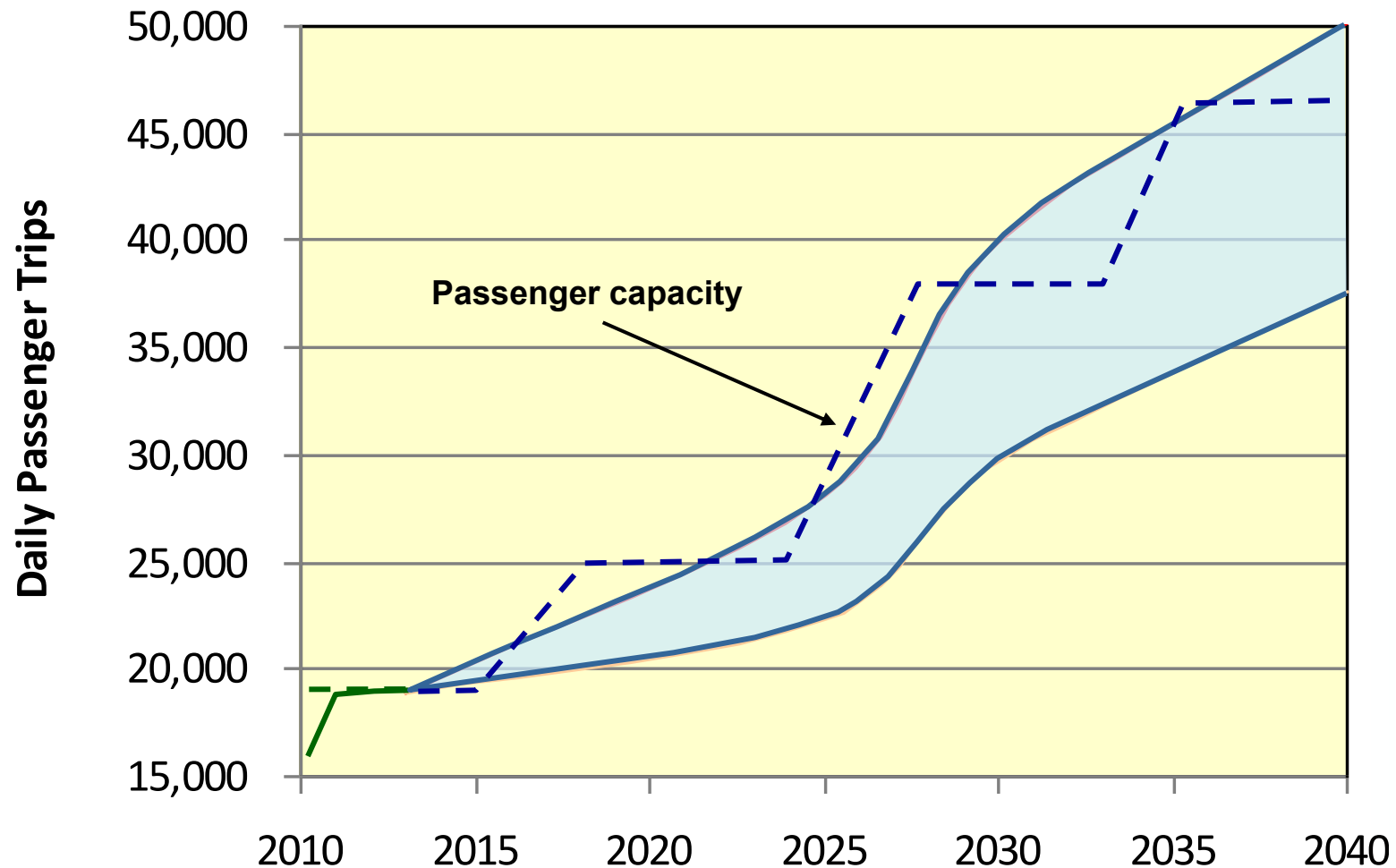


- ◆ Basis for a fully-integrated regional rail network
 - ◆ Improved regional transportation connectivity
 - ◆ Potential operating efficiencies associated with integrated service
- ◆ Requires a regional commitment
 - ◆ Capital investment requirements similar to Expand VRE Service
 - ◆ New agreements, fleet/technology solutions
 - ◆ Institutional changes/partnerships
- ◆ Costs and cost-effectiveness TBD

2040 Vision



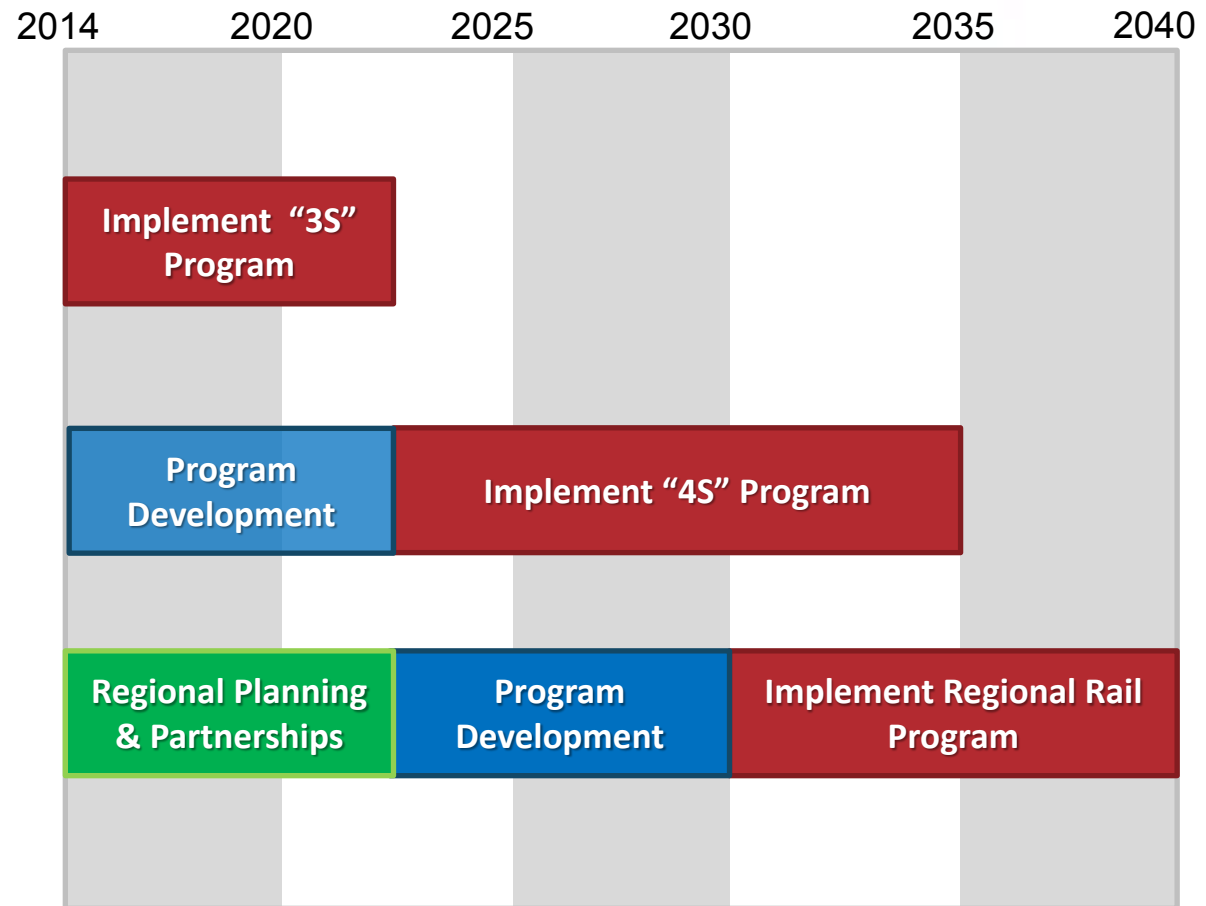
2040 Vision



Preliminary Recommendations & Timeline



- ◆ Maximize Existing Service
- ◆ Expand Service
- ◆ Regional Rail



Next Steps

- ◆ Detailed Analysis of Improvement Initiatives
 - ◆ Ridership market impact
 - ◆ Capital cost and incremental operating costs
 - ◆ Benefits and implementation issues
- ◆ Draft System Plan Report
- ◆ Priority projects included in VRE annual budget and CIP
- ◆ Ongoing stakeholder and interagency outreach

QUESTIONS



Agenda Item 10-B
Information Item

To: Chairman Smedberg and the VRE Operations Board

From: Doug Allen

Date: October 18, 2013

Re: Annual Customer Service Survey Results

VRE conducted its annual customer service survey on board all northbound VRE and Amtrak cross-honor trains on the morning of May 8, 2013. The survey gives riders an opportunity to evaluate VRE operations and system performance. The survey was completed by 6,305 riders, which is approximately the same number of responders as last year.

For the past few years we have seen improvement in nearly every category over the prior year, and this year is no different. While on-time performance (OTP) had been the number one concern of our riders for many years, 89% of those responding rated OTP as excellent or above average, the highest rating we have ever received in this category.

Train crew member performance was also rated higher this year in most categories. The overall train crew performance earned a 90% rating consistent with last year. While the trend is up, there are still opportunities for improvement in some of the individual categories.

Replacing OTP as the number one issue for riders was pricing. However, level of fare for quality and value of service increased from 61% to 67% since last year. Passengers identified more frequent service and more seats on trains as their biggest priorities to be addressed in the next year.

The results indicate that service is still improving with only 2% of respondents indicating that they felt service did not improve over last year. Overall service quality was rated at 88%, the third highest level ever and 4 points better than last year.

VRE is very pleased with the results of this year's survey and has already taken the initiative to implement a plan to improve service further still in some areas that may result in higher scores going forward.

The survey results are illustrated in the attached summary and full results are available at www.vre.org as downloadable Microsoft Word or PDF files.

VIRGINIA RAILWAY EXPRESS 2013 ANNUAL CUSTOMER SERVICE SURVEY



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REPORT CARD

<u>Customer Service:</u>	2013	2012	<u>VRE Operations:</u>	2013	2012
Responsiveness of VRE Staff	89%	88%	Convenience of Schedules	62%	59%
Friendliness of VRE Staff	88%	89%	On-time Performance	89%	85%
VRE Follow-Up to Delays or Problems	65%	61%	Cleanliness of Trains	93%	91%
Lost and Found	69%	70%	Cleanliness of Stations	88%	84%
Usefulness of Rail time	80%	77%	Communication between VRE Staff & Riders	81%	77%
Timeliness of E-mail Responses	62%	58%	Automated Telephone System	72%	67%
Quality of E-mail Responses	67%	65%	Reliability of Ticket Vending Machines	58%	58%
Quality of Website	75%	75%	Ease of Buying a Ticket	79%	75%
Timeliness of Website Information	70%	69%	Ease of Using SmartBenefits	70%	63%
Timeliness of Train Talk	68%	65%	Station Parking Availability	66%	57%
Quality of Train Talk	70%	67%	Quality of Public Address System On Train	64%	58%
Overall Communication with Passengers	77%	72%	Quality of Public Address System On Platform	58%	51%
			Timeliness of Platform Information	58%	50%
<u>Train Crew Members:</u>			Personal Security at Station & On Train	75%	68%
Are Knowledgeable About VRE Operations	92%	90%	Safety of Train Equipment	87%	84%
Are Helpful	90%	90%	Station Signage	76%	71%
Are Courteous	89%	89%	Lighting at Morning Station	85%	82%
Make Regular Station Announcements	84%	82%	Lighting at Evening Station	85%	82%
Make Timely Delay Announcements	78%	76%	Traffic Circulation	58%	53%
Check Tickets Regularly	81%	78%	Level of Fare for Quality and Value of Service	67%	61%
Present A Professional Appearance	93%	93%	Overall Service Quality	88%	84%
Overall Crew Performance	90%	90%			



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HOT TOPICS FOR PASSENGERS

•What is your number one concern about VRE service?

4)		Total	
A	On-time performance	1366	22%
B	Lack of seats	959	15%
C	Lack of parking	383	6%
D	Older equipment	158	3%
E	Cost	1535	24%
F	Communication	73	1%
G	Security	122	2%
H	Frequency of service	965	15%
I	Crews	46	1%
J	Other	137	2%
K	No concerns	526	8%
Grand Total		6270	100%

•What do you think should be VRE's top priority to address within the next year?

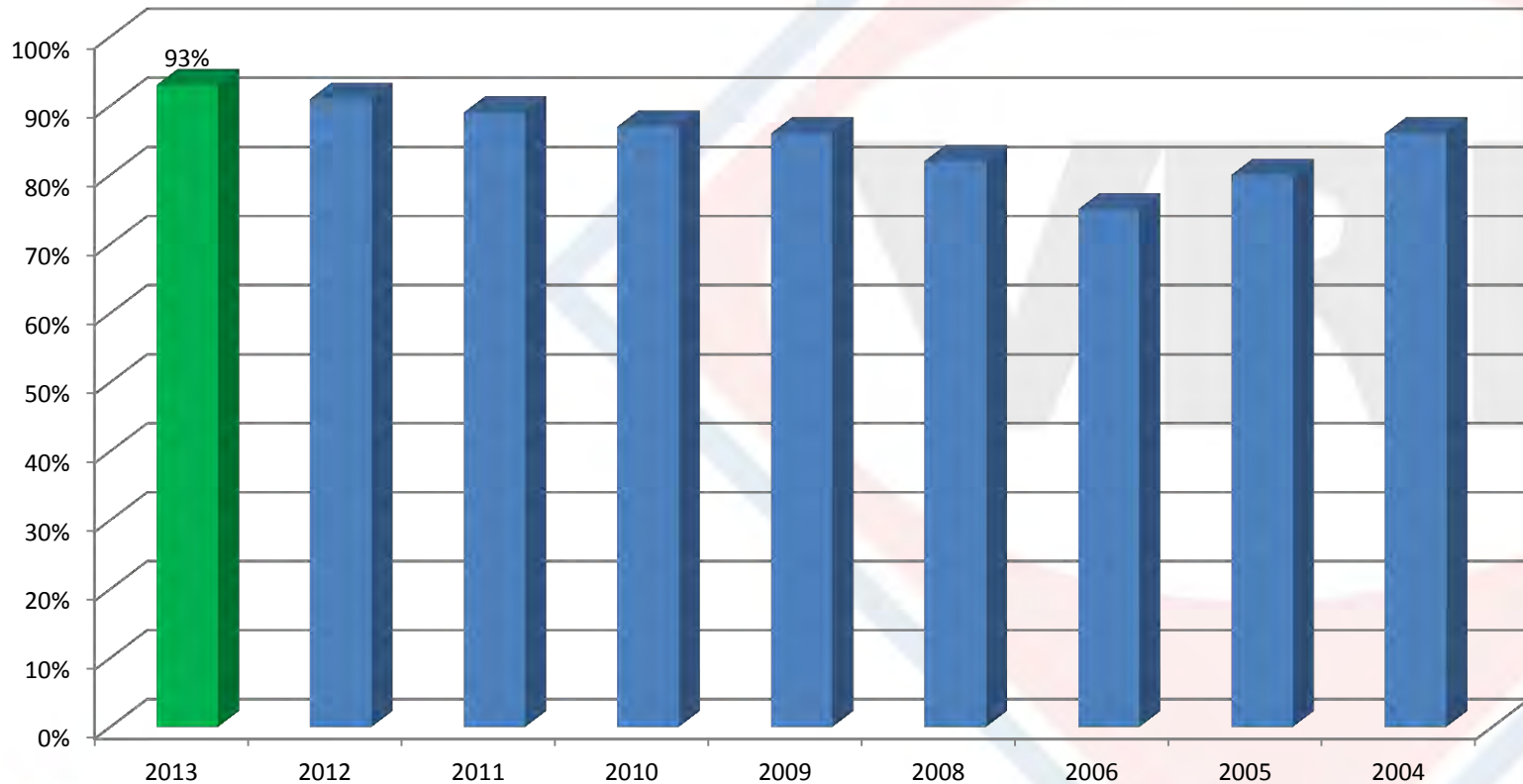
5)		Total	
A	More seats on the trains	1445	24%
B	More parking at stations	508	8%
C	More frequent service	1870	31%
D	Reverse flow service	491	8%
E	Implementing SmarTrip capabilities	590	10%
F	Implementing WiFi	1183	19%
Grand Total		6087	100%



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SUCCESSES

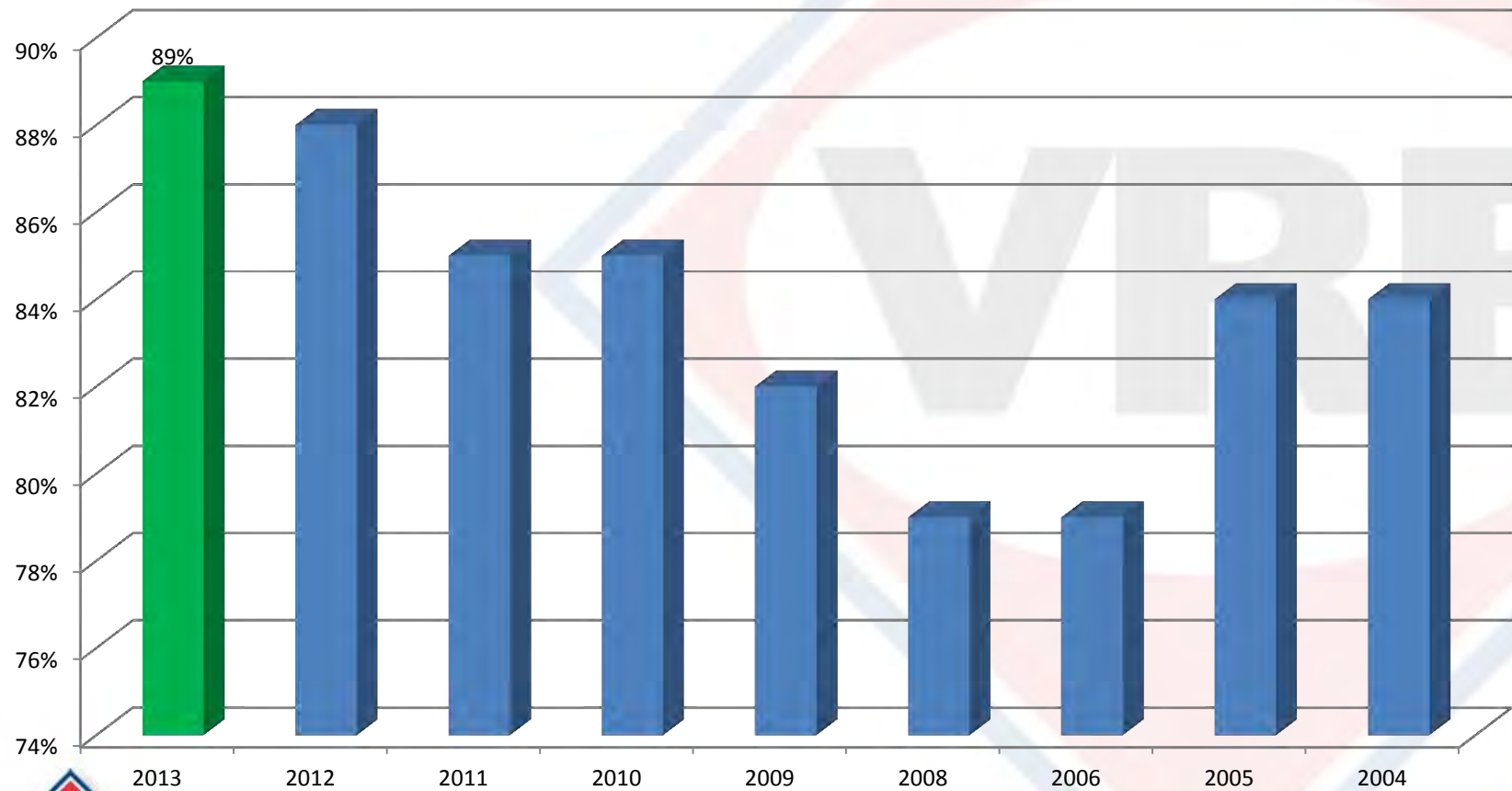
Cleanliness of Trains



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SUCCESSES

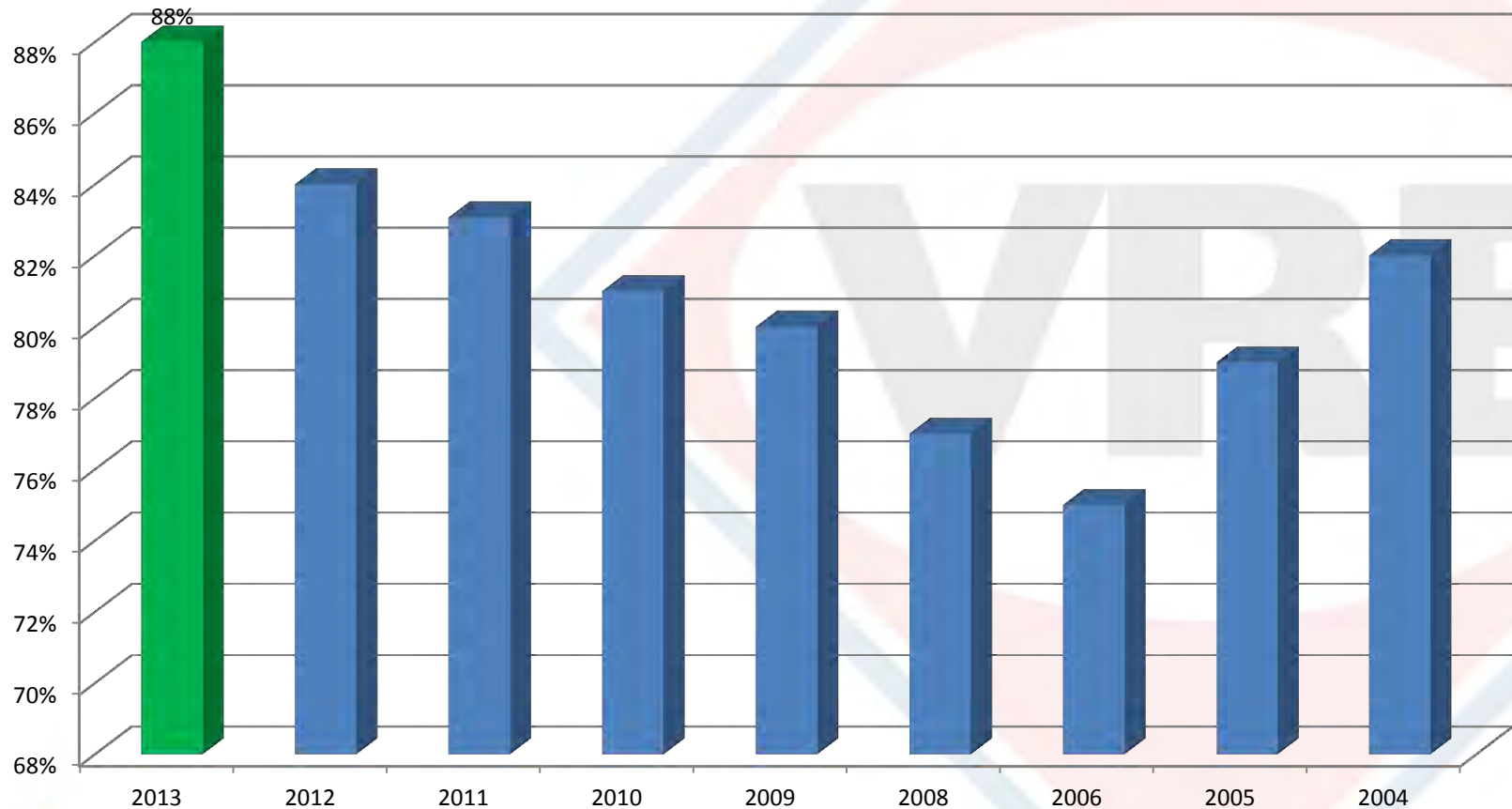
Responsiveness of VRE Staff



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SUCCESSES

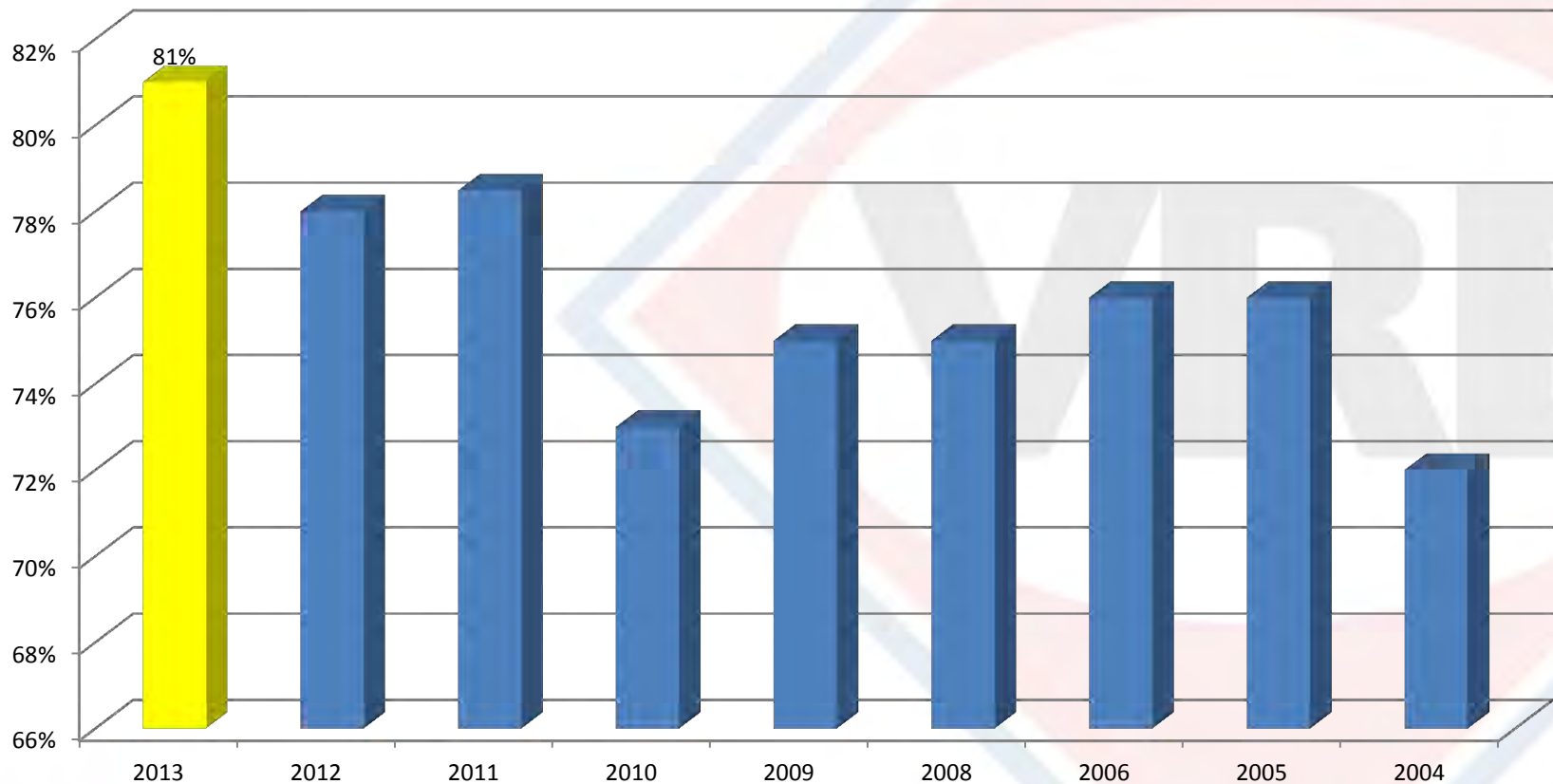
Cleanliness of Stations



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SUCCESSES

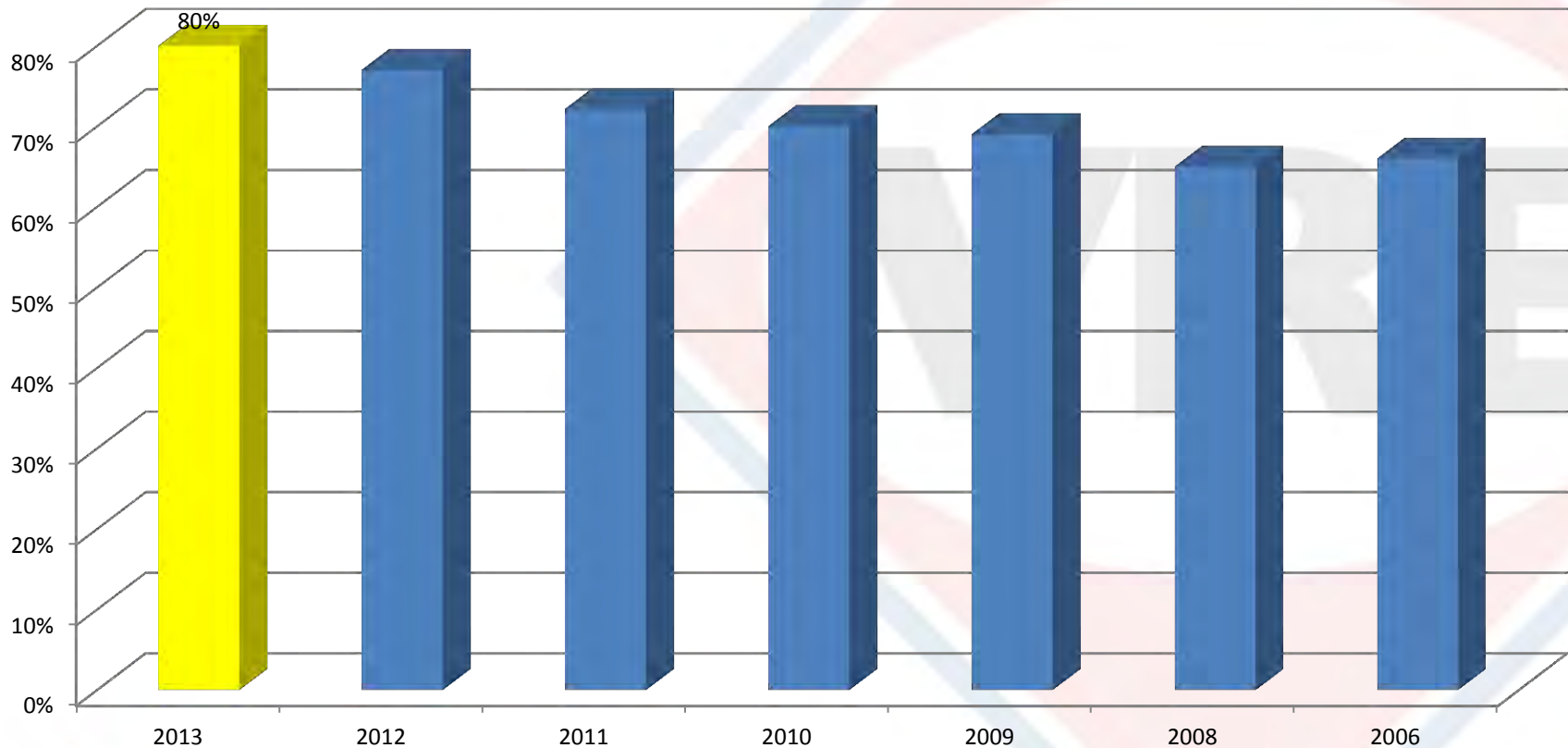
Check Tickets Regularly



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OPPORTUNITIES

Usefulness of Rail time



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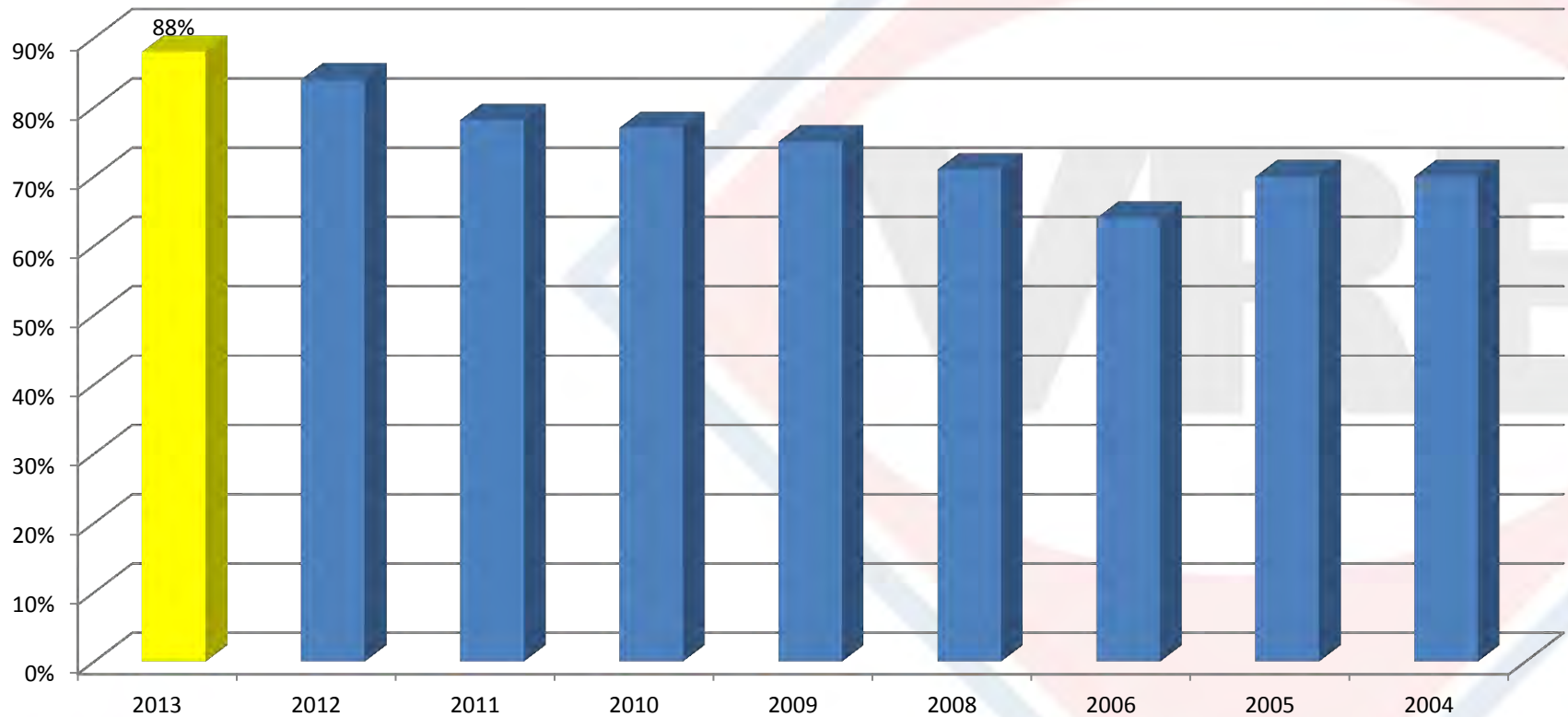
IMPROVEMENT PLAN

- Ticket Checking
 - 100% Checks (Every section of every car on every train)
 - Consistent enforcement
- Rail Time
 - Differentiate Manassas and Fredericksburg Trains
 - Improved GPS capability to show individual tracks
 - Add overlay to include Amtrak Trains



FINAL METRIC

Overall Service Quality



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QUESTIONS?



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AGENDA ITEM #4

TO: Chairman McKay and NVTC Commissioners

FROM: Kelley Coyner, Claire Gron, and Scott Kalkwarf

DATE: October 30, 2013

SUBJECT: Action on Capital Allocation

Capital Allocation

As anticipated on October 29, Transit Service Delivery Advisory Committee (TSDAC) approved the capital assistance allocation methodology including the switch to calculating state share based on total (gross) cost instead of non-federal (net) cost.. In addition to undermining the adopted tiering (prioritization) approach, the change from net to gross cost will increase the local contribution required in NVTC jurisdictions by an estimated \$17M and will put tremendous pressure on NVTC jurisdictions to federalize their systems.

TSDAC rejected proposals by Cindy Mester which would have addressed these concerns by adopting a hold harmless provision for a fixed time or by postponing the implementation date of the change in the approach to calculating the state share. Either approach would have allowed the Department of Rail and Public Transportation to base their recommendation on more accurate data and with much needed information on how federal funding will affect the allocation of state capital funds over the next three years. Al Harf and Cindy Mester cast "no" votes; their votes will be recorded as such on the entire capital assistance allocation methodology, and they will prepare a dissenting report.

As part of the final recommendation, TSDAC agreed to review the capital assistance allocation methodology within one year (in July 2014), confirmed the minimum 4% local contribution, and established a 4:2:1 ratio between the participation rates for the three tiers.

A 45-day public comment period for the capital allocation began October 11 and will conclude on November 29. CTB will take action on TSDAC's capital recommendations on December 4. NVTC has authorized the Chair to submit comments and will work with the jurisdictions, WMATA and VRE on those comments.

Operating Allocation

The CTB adopted the performance-based operating assistance allocation methodology recommended by TSDAC and DRPT on October 17. They did not address NVTC's objection to the way in which DRPT calculated Metrorail ridership.

Last month, DRPT/TSDAC committed to create a working group to: 1) create methods and standards to review and analyze data, and research possible processes to reward exceptional behavior; and 2) study indirect input vs. direct output metrics for sizing transit systems. The working group will produce reports on these two issues by March 31, 2014.

Working Group

Along with its recommendation on the Performance Based Operating Allocation, TSDAC requested the formation of a technical working group to address outstanding issues including data collection and defining outcome based measures of effectiveness, such as congestion reduction, economic benefit, and access to health and educational opportunities. Based on the discussion of problems with the capital allocation, TSDAC agreed to expand the scope of the working group to include consideration of a hold harmless approach. Based on subsequent discussion, the working group may be divided into two components on working on capital and the other on operating assistance. NVTC staff in coordination with the jurisdictions will identify NVTC representatives to serve on the working group for both the operating assistance allocation issues and the capital allocation issues.

Background material may be found on the website. We will update it with the Final Recommendations of TSDAC and the Minority Report when they are available.

TSDAC / DRPT CAPITAL PROPOSAL COMPARISON

Data and Calculations as Proposed

FY15-FY19 Estimated Programs

Capital Tier		Total Cost	Non-Federal
Tier 1: Vehicles		64.0%	75.0%
Tier 2: Infrastructure/Facilities		33.0%	50.0%
Tier 3: Other		17.0%	25.0%

Proposed Total Cost method requires 4% minimum local participation

District	State Capital Assistance			State Funds % of Total		Local Share %	
	Total Cost	Non-Federal	Variance	Total Cost	Non-Federal	Total Cost	Non-Federal
	Tiered	Tiered		Tiered	Tiered	Tiered	Tiered
Bristol	89	83	(6)	0.0%	0.0%	4.0%	5.0%
Culpeper	584	498	(86)	0.1%	0.1%	4.0%	6.4%
Fredericksburg	958	886	(73)	0.2%	0.2%	4.0%	5.2%
Hampton Roads	12,476	9,981	(2,495)	2.4%	1.9%	4.4%	7.7%
Lynchburg	8,012	6,143	(1,869)	1.5%	1.2%	4.0%	7.7%
Northern Virginia	483,390	492,219	8,829	92.5%	94.1%	30.4%	29.8%
Richmond	4,595	3,636	(959)	0.9%	0.7%	4.0%	7.3%
Salem	10,822	7,672	(3,150)	2.1%	1.5%	4.1%	8.9%
Staunton	1,919	1,771	(148)	0.4%	0.3%	4.0%	5.2%
TOTAL	522,845	522,887	43	100.0%	100.0%	26.8%	26.8%

NVTC WMATA Jurisdictions	418,899	436,147	17,248	80.1%	83.4%	33.5%	32.2%
Loudoun	-	-	-	0.0%	0.0%	0.0%	0.0%
VRE	27,527	13,431	(14,096)	5.3%	2.6%	4.0%	12.2%
PRTC	36,964	42,642	5,677	7.1%	8.2%	37.1%	29.8%
Total NOVA	483,390	492,219	8,829	92.5%	94.1%	30.4%	29.8%

By necessity, DRPT had to make many assumptions in developing the tables for assessing the impact of the capital funding proposals. Listed below are the more significant of these assumptions that may have a material impact on how much assistance each grantee receives under each funding scenario.

The calculations assume grantees will not maximize their state funds under the Total Cost method by moving federal assistance between assets.

Assumes DRPT provides flexible STP and other federal funds it administers to grantees at 80% of costs. Under the Total Cost method, DRPT could provide this federal funding at lower percentages and still fully fund assets by replacing federal funds with state funds.

	Federal	State	Local
Tier 1	32%	64%	4%
Tier 2	63%	33%	4%
Tier 3	79%	17%	4%

Data is from the six year information included in the FY14 approved SYIP, which may not be complete or accurate. The assignment of certain assets to tiers may not be correct.

Many systems must make assumptions regarding future federal funding levels to plan their capital purchases. The actual federal funding levels may be significantly different than assumptions made.

Estimated Statewide Capital Program Funding Levels (proposed total cost method for FY15-19):

FY14 (actual)	FY15	FY16	FY17	FY18	FY19	FY15-19
93,500	126,152	109,345	120,721	80,720	85,907	522,845



AGENDA ITEM #5

TO: Chairman McKay and NVTC Commissioners
FROM: Kelley Coyner, Scott Kalkwarf and Colethia Quarles
DATE: October 31, 2013
SUBJECT: NVTC Financial Items for September, 2013

A. September Financial Report

The financial report for September, 2013 is attached for your information.

B. FY 2014 Proposed Revised Budget

Based on a preliminary management review of core functions and the mid-year adjustment of NVTC priorities, the Executive Director identified gaps in our current resources. We have made a series of changes in job functions in order to better align our staff with the current needs of NVTC and its member jurisdictions. In addition, we have identified several measures that have no fiscal impact that can help assure we take advantage of new opportunities especially with the Next Electronic Payment Program and NVTa regional funding.

The proposed budget adjustment of \$169,000 is requested to bridge remaining gaps. This adjustment is spread across four principal budget lines and will better align the resources to our priorities. Additional explanation is provided in the notes to the proposed revision. This plan was developed in consultation with the Executive Committee.

Funding for this adjustment would be taken off the top of the allocation and the proportional shares of this adjustment are listed below.

Alexandria	\$ 24,082
Arlington	38,970
City of Fairfax	2,062
Fairfax County	102,639
Falls Church	1,247
	\$169,000

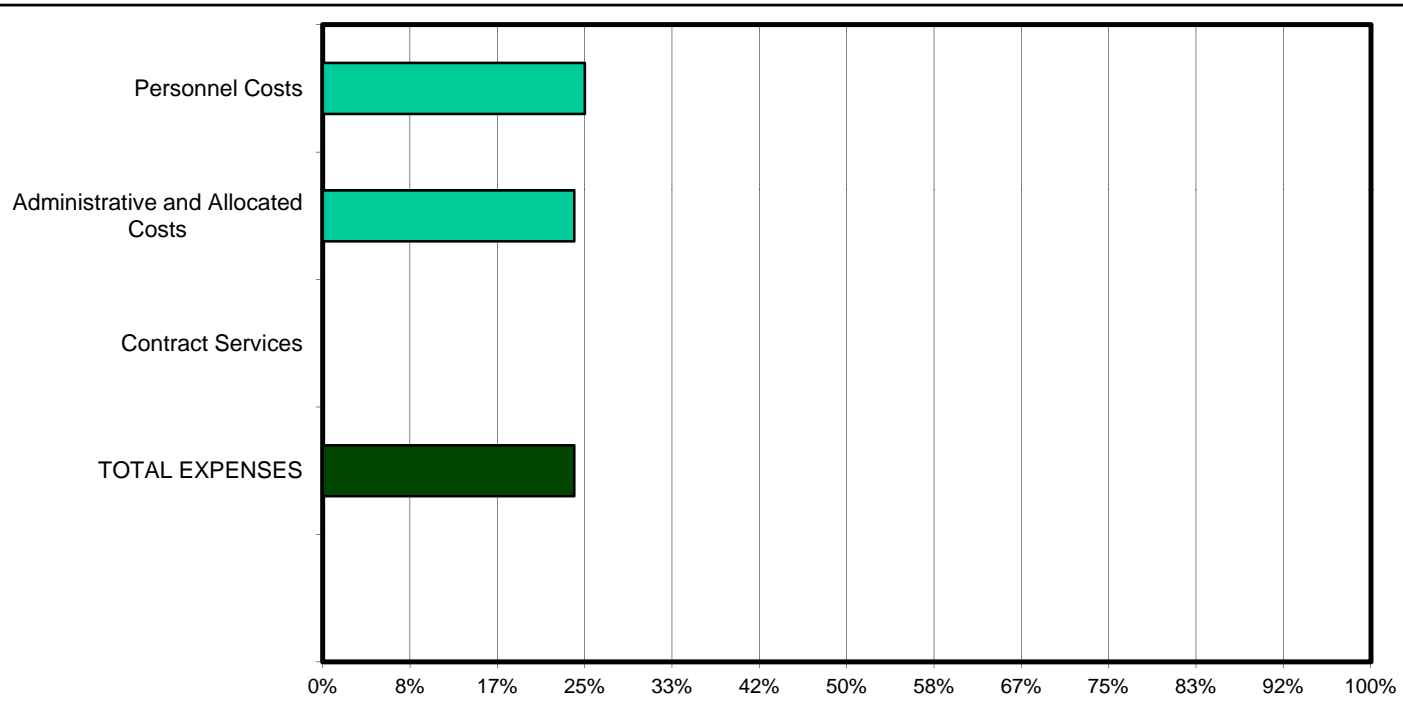
C. NVTC State Assistance Process

As requested, Scott Kalkwarf prepared a memorandum-report on the impact of designating NVTC as the fiscal agent for the local jurisdictions rather than serving as the grantee. The attached memo details the increase in the number of projects, the complications in completing project agreements, and the increased time and resources required to complete project agreements.

Northern Virginia Transportation Commission

Financial Reports
September, 2013

Percentage of FY 2014 NVTC Administrative Budget Used
September, 2013
(Target 25% or less)



Note: Refer to pages 2 and 3 for details

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
G&A BUDGET VARIANCE REPORT
September 2013

	<u>Current Month</u>	<u>Year To Date</u>	<u>Annual Budget</u>	<u>Balance Available</u>	<u>Balance %</u>
<u>Personnel Costs</u>					
Salaries	\$ 62,912.86	\$ 182,317.08	\$ 706,300.00	\$ 523,982.92	74.2%
Temporary Employee Services	-	-	-	-	
Total Personnel Costs	62,912.86	182,317.08	706,300.00	523,982.92	74.2%
<u>Benefits</u>					
Employer's Contributions:					
FICA	3,888.21	11,669.65	48,500.00	36,830.35	75.9%
Group Health Insurance	5,084.03	15,011.37	96,800.00	81,788.63	84.5%
Retirement	5,475.00	16,425.00	68,000.00	51,575.00	75.8%
Workmans & Unemployment Compensation	126.36	245.36	3,100.00	2,854.64	92.1%
Life Insurance	134.94	404.82	3,900.00	3,495.18	89.6%
Long Term Disability Insurance	249.54	748.62	3,600.00	2,851.38	79.2%
Total Benefit Costs	14,958.08	44,504.82	223,900.00	179,395.18	80.1%
<u>Administrative Costs</u>					
Commissioners Per Diem	750.00	1,750.00	11,000.00	9,250.00	84.1%
<i>Rents:</i>	<i>16,497.33</i>	<i>49,823.39</i>	<i>196,500.00</i>	<i>146,676.61</i>	<i>74.6%</i>
Office Rent	15,400.88	46,202.64	186,000.00	139,797.36	75.2%
Parking & Transit Benefits	1,096.45	3,620.75	10,500.00	6,879.25	65.5%
<i>Insurance:</i>	<i>300.58</i>	<i>901.74</i>	<i>6,100.00</i>	<i>5,198.26</i>	<i>85.2%</i>
Public Official Bonds	-	-	2,300.00	2,300.00	100.0%
Liability and Property	300.58	901.74	3,800.00	2,898.26	76.3%
<i>Travel:</i>	<i>255.98</i>	<i>435.87</i>	<i>5,500.00</i>	<i>5,064.13</i>	<i>92.1%</i>
Conference Registration	-	-	-	-	0.0%
Conference Travel	-	-	1,200.00	1,200.00	100.0%
Local Meetings & Related Expenses	255.98	435.87	4,000.00	3,564.13	89.1%
Training & Professional Development	-	-	300.00	300.00	100.0%
<i>Communication:</i>	<i>1,394.41</i>	<i>2,472.58</i>	<i>8,500.00</i>	<i>6,027.42</i>	<i>70.9%</i>
Postage	786.00	746.37	3,100.00	2,353.63	75.9%
Telecommunication	608.41	1,726.21	5,400.00	3,673.79	68.0%
<i>Publications & Supplies</i>	<i>759.40</i>	<i>2,064.76</i>	<i>10,900.00</i>	<i>8,835.24</i>	<i>81.1%</i>
Office Supplies	147.71	416.51	3,000.00	2,583.49	86.1%
Duplication	611.69	1,648.25	7,400.00	5,751.75	77.7%
Public Information	-	-	500.00	500.00	100.0%

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
G&A BUDGET VARIANCE REPORT
September 2013

	<u>Current Month</u>	<u>Year To Date</u>	<u>Annual Budget</u>	<u>Balance Available</u>	<u>Balance %</u>
<i>Operations:</i>	-	387.00	11,000.00	10,613.00	96.5%
Furniture and Equipment	-	-	4,000.00	4,000.00	0.0%
Repairs and Maintenance	-	-	1,000.00	1,000.00	100.0%
Computers	-	387.00	6,000.00	5,613.00	93.6%
<i>Other General and Administrative</i>	503.96	1,328.77	5,100.00	3,771.23	73.9%
Subscriptions	-	-	-	-	0.0%
Memberships	239.01	464.01	1,200.00	735.99	61.3%
Fees and Miscellaneous	264.95	864.76	3,000.00	2,135.24	71.2%
Advertising (Personnel/Procurement)	-	-	900.00	900.00	100.0%
Total Administrative Costs	<u>20,461.66</u>	<u>59,164.11</u>	<u>254,600.00</u>	<u>195,435.89</u>	<u>76.8%</u>
<u>Contracting Services</u>					
Auditing	-	-	28,500.00	28,500.00	100.0%
Consultants - Technical	-	-	-	-	0.0%
Legal	-	-	-	-	0.0%
Total Contract Services	<u>-</u>	<u>-</u>	<u>28,500.00</u>	<u>28,500.00</u>	<u>100.0%</u>
 Total Gross G&A Expenses	<u><u>\$ 98,332.60</u></u>	<u><u>\$ 285,986.01</u></u>	<u><u>\$ 1,213,300.00</u></u>	<u><u>\$ 927,313.99</u></u>	<u><u>76.4%</u></u>

NVTC
RECEIPTS and DISBURSEMENTS
September, 2013

Payer/ Payee		Purpose	Wells Fargo	Wells Fargo	VA LGIP	
Date			(Checking)	(Savings)	G&A / Project	Trusts
RECEIPTS						
3	DRPT	Operating assistance receipts - City of Fairfax				\$ 233,198.00
4	DRPT	Capital grant receipt				4,571.00
9	DRPT	Capital grant receipt - VRE			22,462.00	
13	DRTP	Operating assistance receipt - City of Fairfax				60,889.00
13	DRPT	Capital grant receipt				217.00
17	DRPT	Capital grant receipt - Fairfax County				195,190.00
18	DRPT	Capital grant receipt - Arlington County				232,759.00
19	Dept. of Taxation	Motor Vehicle Fuels Sales tax revenue				90,868.46
24	FTA	City of Alexandria			18,284.00	
25	VRE	Staff support		7,128.54		
30	DMV	Motor Vehicle Fuels Sales tax revenue				2,098,557.15
30	Banks	Interest income		1.79	9.47	9,840.57
			-	7,130.33	40,755.47	2,926,090.18
DISBURSEMENTS						
1-30	Various	G&A expenses	(80,434.37)			
6	Stantec	NTD project consulting	(10,899.76)			
9	VRE	Grant revenue			(22,462.00)	
11	City of Fairfax	Other operating				(11,795.00)
26	Alexandria	Project costs incurred			(22,855.00)	
30	Banks	Service fees	(63.55)	(23.96)		
			(91,397.68)	(23.96)	(45,317.00)	(11,795.00)
TRANSFERS						
11	Transfer	From LGIP to LGIP (NTD Project)			10,899.76	(10,899.76)
26	Transfer	From savings to checking	50,000.00	(50,000.00)		
26	Transfer	From LGIP to checking	50,000.00		(50,000.00)	
			100,000.00	(50,000.00)	(39,100.24)	(10,899.76)
NET INCREASE (DECREASE) FOR MONTH			\$ 8,602.32	\$ (42,893.63)	\$ (43,661.77)	\$ 2,903,395.42

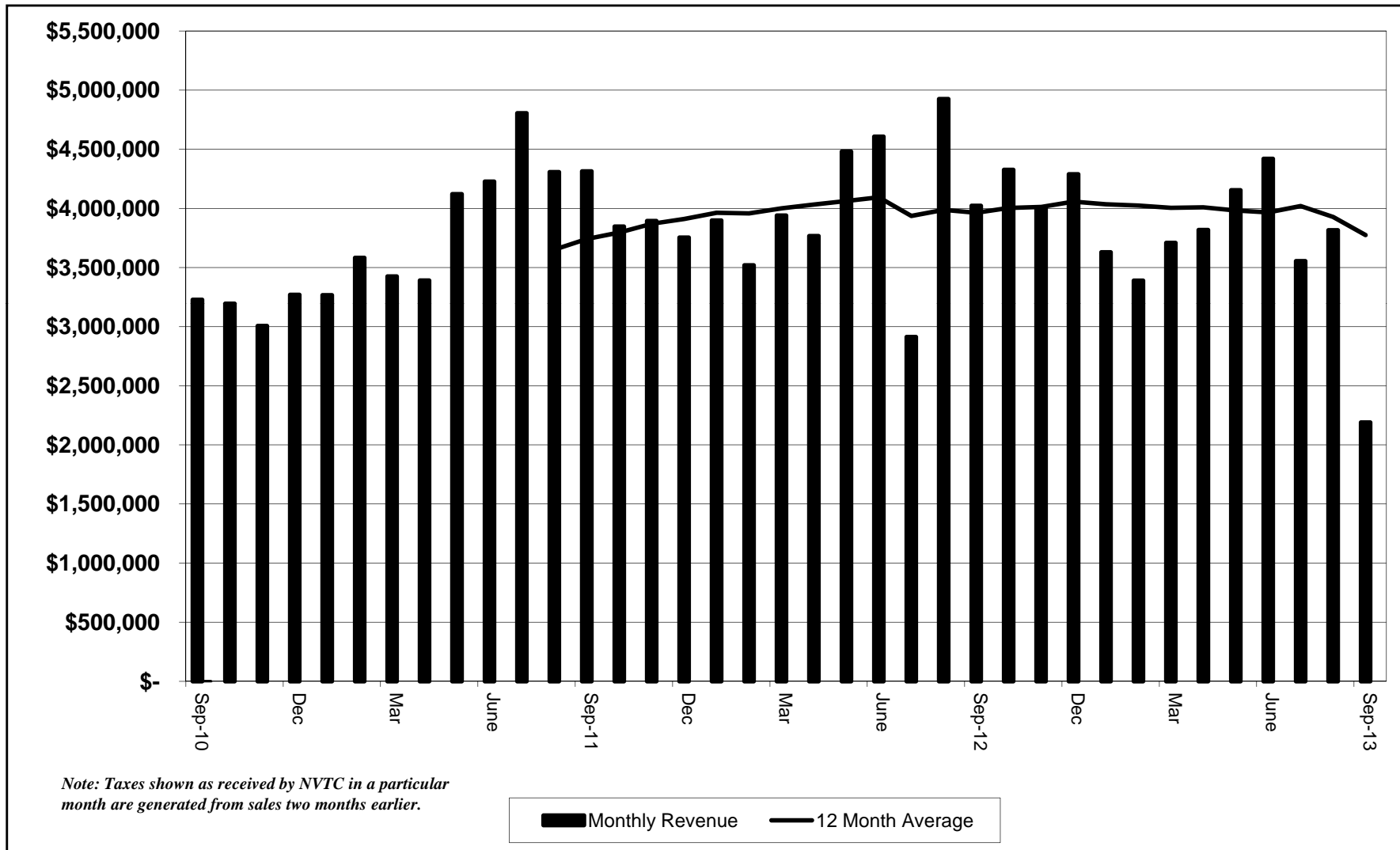
**NVTC
INVESTMENT REPORT
September, 2013**

Type	Rate	Balance 8/31/2013	Increase (Decrease)	Balance 9/30/2013	NVTC G&A/Project	Jurisdictions Trust Fund	Loudoun Trust Fund
<u>Cash Deposits</u>							
Wells Fargo: NVTC Checking	N/A	\$ 85,141.45	\$ 8,602.32	\$ 93,743.77	\$ 93,743.77	\$ -	\$ -
Wells Fargo: NVTC Savings	0.200%	116,319.26	(42,893.63)	73,425.63	73,425.63	-	-
<u>Investments - State Pool</u>							
Bank of America - LGIP	0.107%	111,216,280.64	2,859,733.65	114,076,014.29	66,534.06	91,429,602.50	22,579,877.73
		<u>\$ 111,417,741.35</u>	<u>\$ 2,915,866.57</u>	<u>\$ 114,243,183.69</u>	<u>\$ 233,703.46</u>	<u>\$ 91,429,602.50</u>	<u>\$ 22,579,877.73</u>

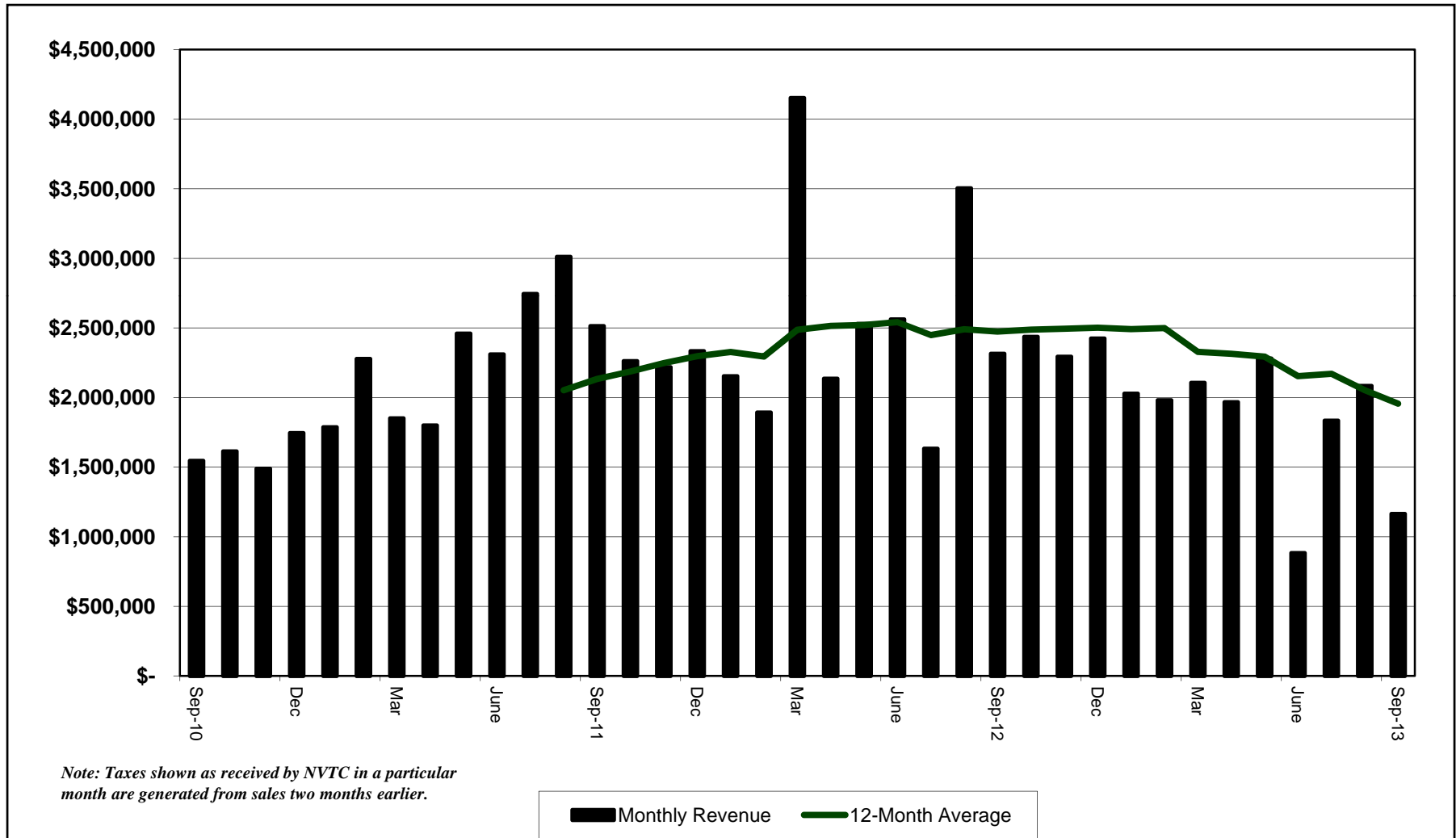
NVTC MONTHLY GAS TAX REVENUE

ALL JURISDICTIONS

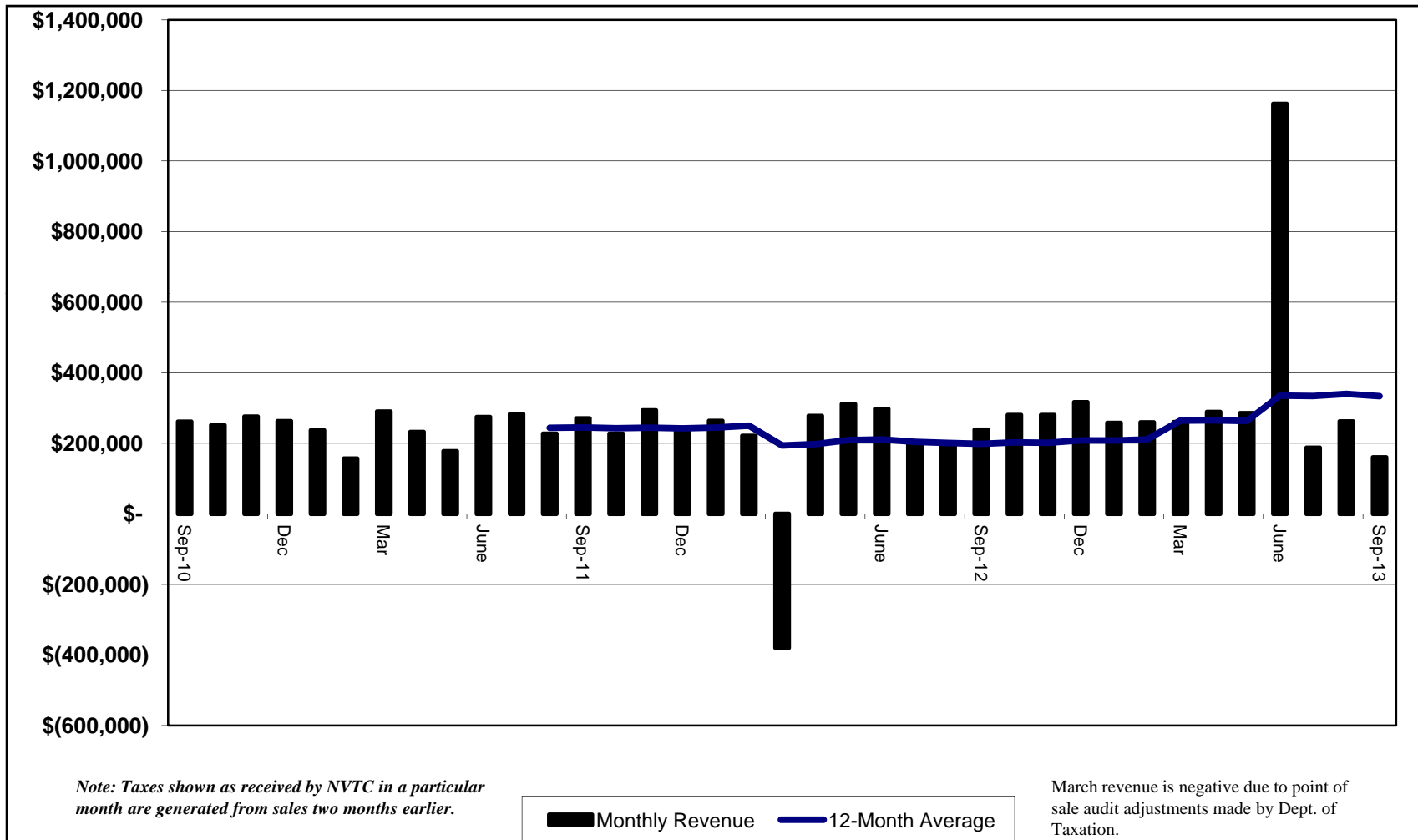
FISCAL YEARS 2011-2014



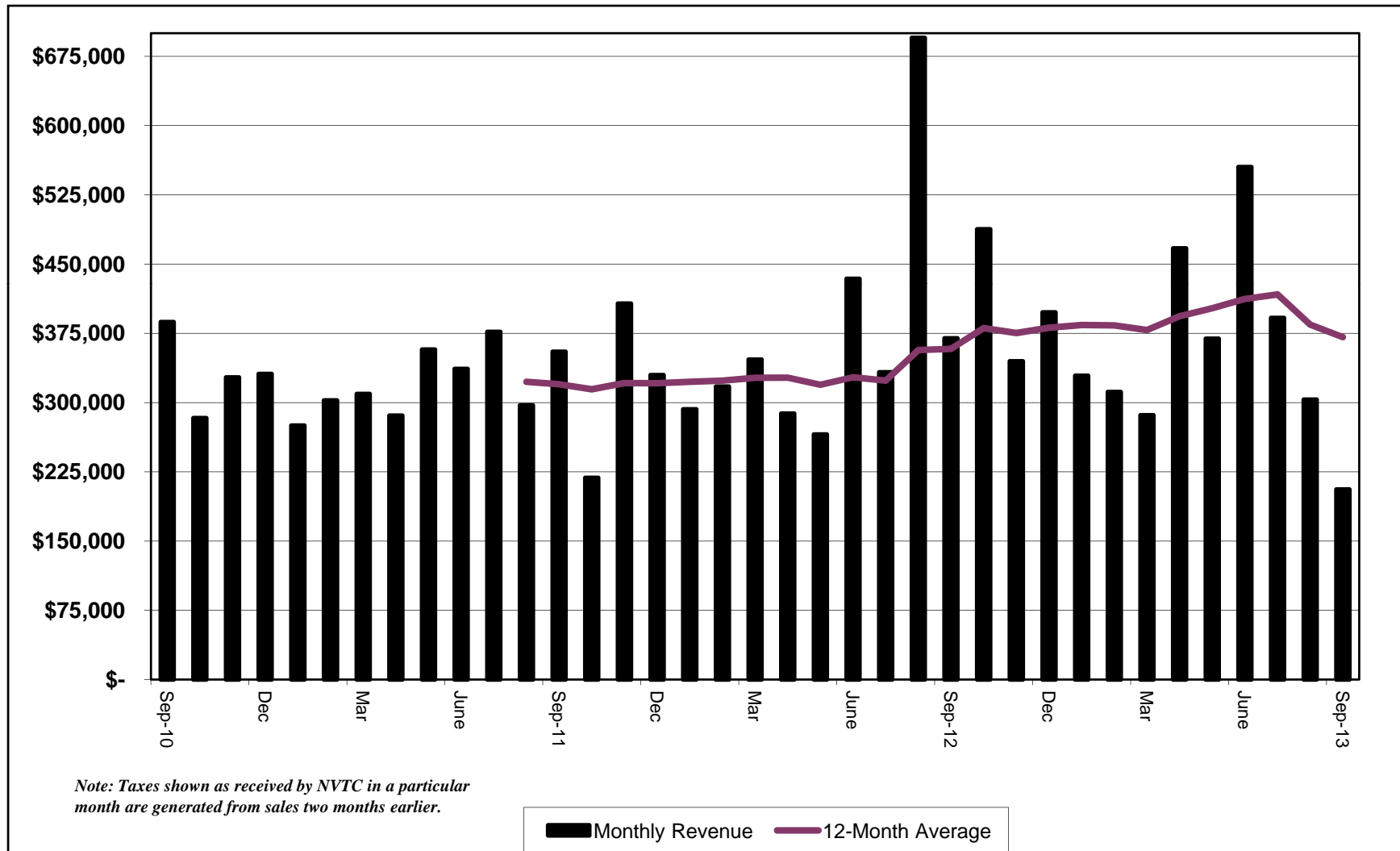
NVTC MONTHLY GAS TAX REVENUE FAIRFAX COUNTY FISCAL YEARS 2011-2014



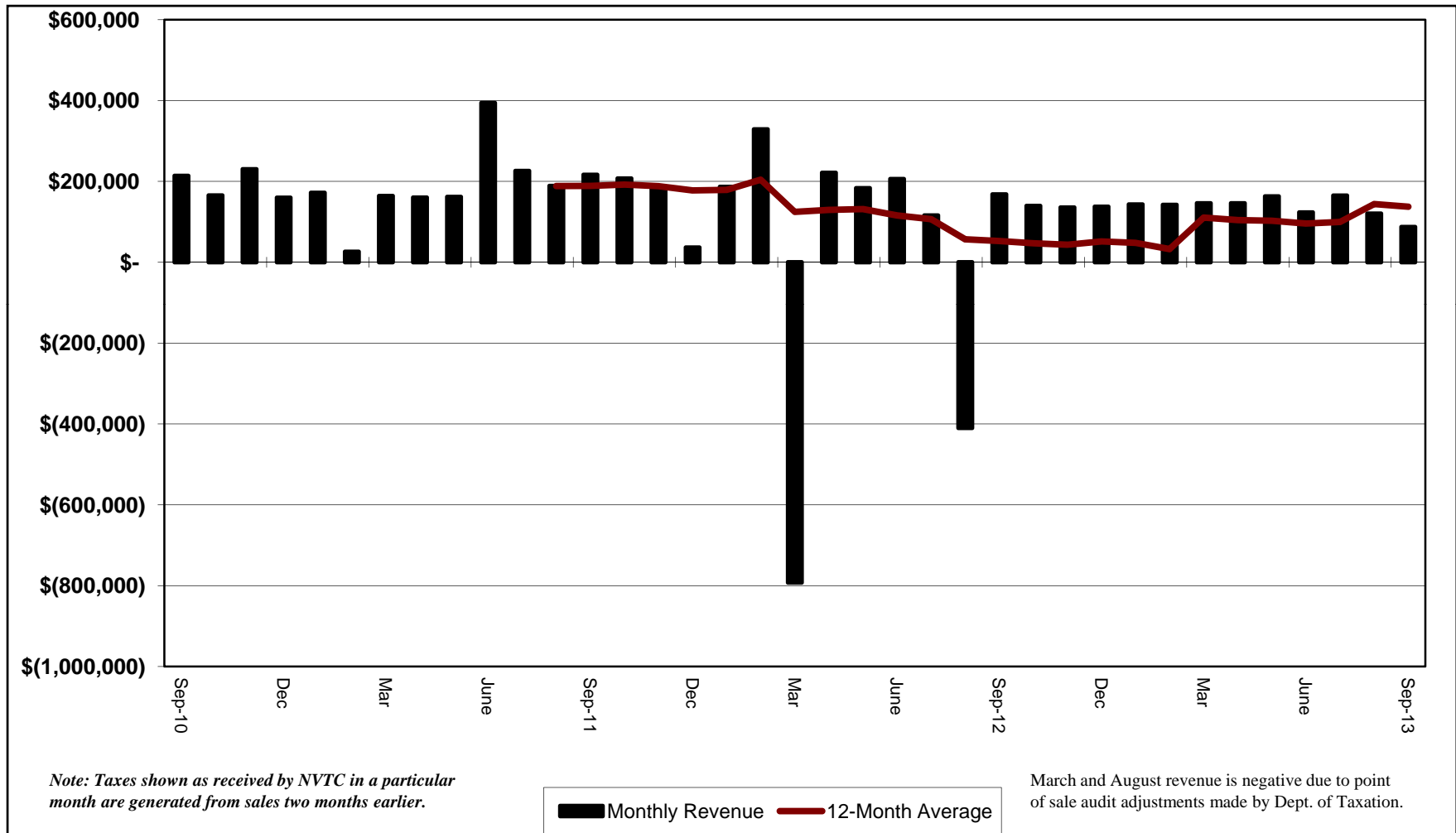
NVTC MONTHLY GAS TAX REVENUE CITY OF ALEXANDRIA FISCAL YEARS 2011-2014



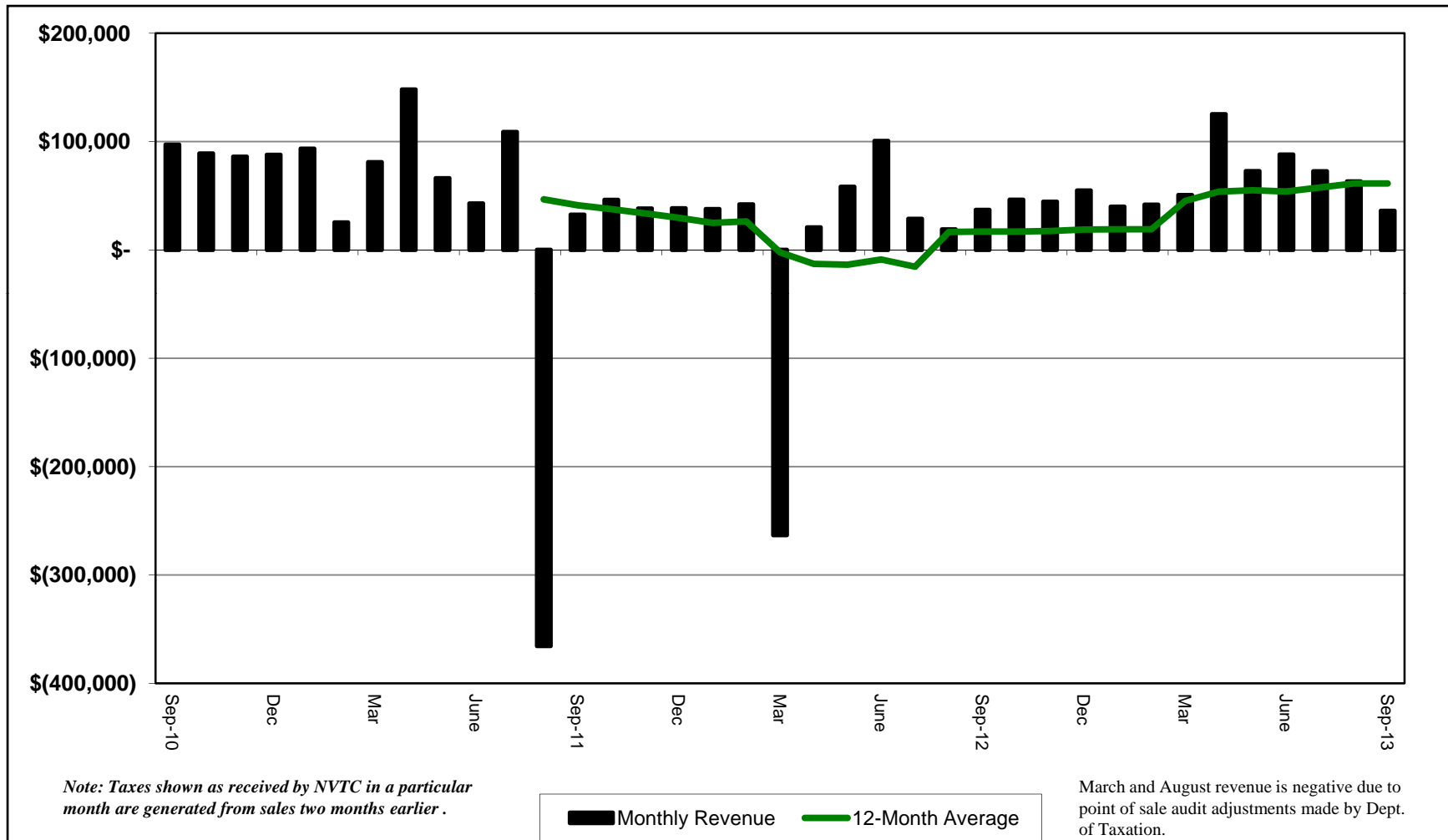
NVTC MONTHLY GAS TAX REVENUE ARLINGTON COUNTY FISCAL YEARS 2011-2014



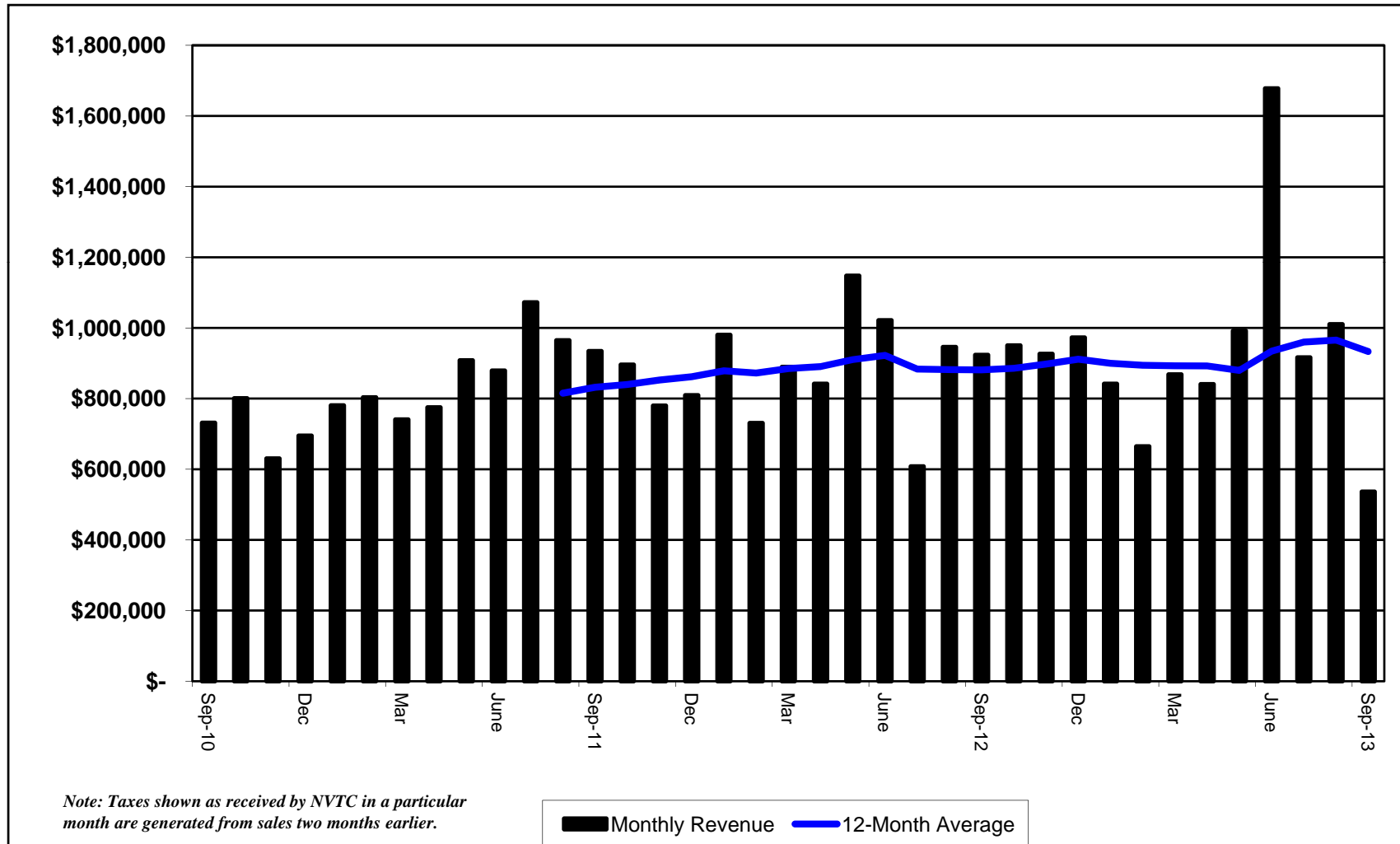
NVTC MONTHLY GAS TAX REVENUE CITY OF FAIRFAX FISCAL YEARS 2011-2014



NVTC MONTHLY GAS TAX REVENUE CITY OF FALLS CHURCH FISCAL YEARS 2011-2014



NVTC MONTHLY GAS TAX REVENUE
LOUDOUN COUNTY
FISCAL YEARS 2011-2014





PROPOSED BUDGET REVISION

**FISCAL YEAR
2014**

(July 1, 2013 – June 30, 2014)

-- November 7, 2013 --

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
BUDGETED FISCAL YEAR 2014 REVENUE
(Proposed Revision)

	FY 2012 Actual	Approved Budget FY 2013	Approved Budget FY 2014	Revised Budget FY 2014	FY 2014-2013 Budget Increase (Decrease)	Percentage Change
Commonwealth of Virginia*						
NVTC	\$ 185,590	\$ -	\$ -	\$ -		
NVTC Jurisdictions	568,805	736,093	-	-		
	<u>754,395</u>	<u>736,093</u>	<u>747,853</u>	<u>916,853</u>	<u>169,000</u>	<u>22.6%</u>
Alexandria	35,243	32,259	32,218	32,218		
Arlington	59,458	51,994	52,226	52,226		
City of Fairfax	6,142	7,684	6,751	6,751		
Fairfax County	174,499	169,504	173,465	173,465		
Falls Church	2,716	2,813	2,328	2,328		
Loudoun	13,257	19,993	17,259	17,259		
Total Local Jurisdictions	<u>291,315</u>	<u>284,247</u>	<u>284,247</u>	<u>284,247</u>	<u>-</u>	<u>0.0%</u>
Total Commonwealth of Virginia and Local Jurisdictions (Note 1)	1,045,710	1,020,340	1,032,100	1,201,100	169,000	16.4%
Interest and Other Revenue	977	2,000	1,500	1,500	-	0.0%
Project Chargebacks (Note 2)	70,000	70,000	80,000	80,000	-	0.0%
Project Grant Billings	-	-	-	-	-	0.0%
Appropriated Surplus (Note 3)	(31,144)	102,000	99,700	99,700	-	0.0%
Total Revenue	<u>\$ 1,085,543</u>	<u>\$ 1,194,340</u>	<u>\$ 1,213,300</u>	<u>\$ 1,382,300</u>	<u>\$ 169,000</u>	<u>13.9%</u>

*Note: NVTC receives state operating and capital assistance for its WMATA compact members' annual commitments to WMATA and those jurisdictions' local transit systems. NVTC allocates this revenue among the jurisdictions based on NVTC's Subsidy Allocation Model (SAM), and holds the funds in trust for the jurisdictions' transit use. Before the funding is allocated, NVTC's SAM resolution states that amounts are to be applied to WMATA debt service, certain NVTC projects, and a portion of the general and administrative budget of NVTC. The amount used for NVTC's general and administrative expenses is determined each year by NVTC's approved budget. These expenses are funded by a combination of local funds and state operating funds allocated by DRPT to NVTC's members.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SCHEDULE OF FISCAL YEAR 2014 BUDGETED EXPENDITURES
(Proposed Revision)

	FY 2012 Actual	Approved Budget FY 2013	Approved Budget FY 2014	Revised Budget FY 2014	Revised / Approved Increase (Decrease)	Percentage Change
<u>Personnel Costs</u>						
Salaries	\$ 642,900	\$ 697,950	\$ 706,300	\$ 779,600	73,300	10.5%
Intern	-	-	-	-	-	N/A
Temporary Employee Services	-	-	-	-	-	N/A
Total Personnel Costs	642,900	697,950	706,300	779,600	73,300	10.5%
<u>Benefits</u>						
Employer's Contributions						
FICA	46,105	48,100	48,500	53,800	5,300	11.0%
Group Health Insurance	63,287	103,500	96,800	97,900	1,100	1.1%
Retirement	55,109	64,900	68,000	52,700	(15,300)	-23.6%
Workers & Unemployment Compensation	539	3,300	3,100	3,100	-	0.0%
Life Insurance	3,303	4,000	3,900	3,900	-	0.0%
Long Term Disability Insurance	2,819	3,700	3,600	3,600	-	0.0%
Total Benefit Costs	171,162	227,500	223,900	215,000	(8,900)	-3.9%
<u>Administrative Costs</u>						
Commissioners Per Diem	12,350	10,000	11,000	11,000	-	0.0%
Rents:	183,073	189,500	196,500	202,500	6,000	3.2%
Office Rent	173,627	177,700	186,000	192,000	6,000	3.4%
Parking / Metrochek	9,446	11,800	10,500	10,500	-	0.0%
Insurance:	5,978	6,400	6,100	6,100	-	0.0%
Public Official Bonds	2,325	2,300	2,300	2,300	-	0.0%
Liability and Property	3,653	4,100	3,800	3,800	-	0.0%
Travel:	5,214	5,800	5,500	16,500	11,000	189.7%
Conferences / Professional Development	250	300	300	5,300	5,000	N/A
Non-Local Travel	392	1,500	1,200	1,200	-	0.0%
Local Travel, NVTC and Other Meetings	4,572	4,000	4,000	10,000	6,000	150.0%
Communication:	8,010	8,740	8,500	11,100	2,600	29.7%
Postage	2,882	3,400	3,100	3,100	-	0.0%
Telephone and Data	5,128	5,340	5,400	8,000	2,600	48.7%
Publications & Supplies	9,974	10,600	10,900	15,900	5,000	47.2%
Office Supplies	2,483	3,200	3,000	3,000	-	0.0%
Duplication and Paper	7,067	6,900	7,400	7,400	-	0.0%
Public Information	424	500	500	5,500	5,000	1000.0%
Operations:	5,426	11,500	11,000	11,000	-	0.0%
Furniture and Equipment (Capital)	2,644	4,000	4,000	4,000	-	N/A
Repairs and Maintenance	344	1,000	1,000	1,000	-	0.0%
Computer Operations	2,438	6,500	6,000	6,000	-	0.0%
Other General and Administrative	5,941	5,100	5,100	5,100	-	0.0%
Subscriptions	189	-	-	-	-	N/A
Memberships	1,112	1,200	1,200	1,200	-	0.0%
Fees and Miscellaneous	3,653	3,000	3,000	3,000	-	0.0%
Advertising (Personnel/Procurement)	987	900	900	900	-	0.0%
Total Administrative Costs	235,966	247,640	254,600	279,200	24,600	9.9%
<u>Contracting Services</u>						
Auditing	35,515	21,250	28,500	28,500	-	0.0%
Research and Analytic Support	-	-	-	80,000	80,000	N/A
Consultants	-	-	-	-	-	N/A
Legal	-	-	-	-	-	N/A
Total Contract Services	35,515	21,250	28,500	108,500	80,000	376.5%
Total Operating Program	<u>\$1,085,543</u>	<u>\$ 1,194,340</u>	<u>\$1,213,300</u>	<u>\$1,382,300</u>	<u>\$ 169,000</u>	<u>14.2%</u>

NORTHERN VIRGINIA TRANSPORTATION COMMISSION NOTES EXPLAINING THE SIGNIFICANT PROPOSED REVISIONS TO THE FY 2014 APPROVED BUDGET

Salaries

The FY14 revised budget would permit the reconfiguring of existing positions including converting two part-time positions to full time. This would allow us to move IT Administrator from the CFO, provide appropriate staffing of outreach efforts, and support of web site and other technology management. Coupled with the increase in technical and research support, NVTC will have greater depth in planning and technology as well as analytic support of state agency and legislative matters.

Group Health Insurance

A provision has been included for all employees, with the exception of the Executive Director.

Retirement

Annual retirement contributions are determined by actuarial formula. The decrease between the approved budget and the proposed revised budget is the result of change in Executive Director position.

Office Rent

The administrative office lease was renewed during FY 11, and includes the pass-through of building expenses and real estate taxes. The first pass-through calculation was provided by the building after the FY 14 approved budget was developed. The FY 14 revised budget builds off of the most recent pass-through calculation to more accurately reflect costs.

Conference / Professional Development

This item was eliminated with the FY 10 budget. The revised FY 14 budget includes a \$5,000 provision for costs related to conferences and professional development.

Local Travel, NVTC and Other Meetings

This line includes the costs of NVTC Commission meetings, hosting regional meetings, and the costs of NVTC staff traveling to meetings elsewhere in the region. The FY 14 revised budget includes a \$5,000 which reflects increased travel costs and efforts related to the 50th anniversary and the outreach related to the strategic plan.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION NOTES EXPLAINING THE SIGNIFICANT PROPOSED REVISIONS TO THE FY 2014 APPROVED BUDGET

Public Information

Funding for this line was effectively eliminated with the FY 10 budget. The FY 14 budget includes \$5,000 provision will support outreach efforts.

Telephone and Data

As part of the move to new leased office space, NVTC purchased a new phone system to replace the antiquated system previously owned. This new system has allowed NVTC to utilize newer technology at a lower monthly cost; however the present data service does not meet NVTC's needs. A provision has been included for enhanced data service including WiFi access at the December 31, 2013 expiration of the existing services contract.

Contract Support

The FY 14 revised budget includes seed money for research and technology support efforts. As well as support of state liaison activities, NVTC intends to seek additional alternative funding sources or partners in these activities.



#5C

TO: Chairman McKay and NVTC Commissioners

FROM: Scott Kalkwarf

DATE: October 29, 2013

SUBJECT: NVTC state assistance process

Effective with the FY13 state assistance project agreements, DRPT started contracting directly with the NVTC jurisdictions. This process has increased the number of WMATA agreements and related invoices by a factor of 5, and requires each jurisdiction to review and approve the local and WMATA agreements individually. DRPT also modified the project agreements to include additional language that in previous years would be captured in a master agreement, and has different language between years and in some cases, project agreements. In addition, it was late September before all of the FY14 project agreements were released by DRPT, rather than July which was typical in the past. The combination of these factors has caused a significant delay in the execution of the project agreements, and the release of approximately \$40M in operating and capital assistance to NVTC.

For fiscal year 2012 and prior, DRPT contracted directly with NVTC for the state operating and capital assistance for the NVTC WMATA jurisdictions' local systems and their share of WMATA subsidies. The project agreements for each fiscal year specified the purpose of the funding, the amount, and the expiration date of those funds. Those agreements referenced and incorporated a master agreement, which was updated from time to time, and was entered into between NVTC and DRPT.

A separate project agreement was created for each capital line of each jurisdiction. Likewise, a separate project agreement was created for the local operations of each system. But for the jurisdictions' share of WMATA operating and capital, DRPT would combine all jurisdictions and create a single project agreement for each line.

During a typical fiscal year, NVTC would receive the project agreements from DRPT during July and August. NVTC would verify that the projects, amounts and expiration dates agreed to the approved SYIP and project applications. Since the project agreements incorporated the master agreement, there was no additional review

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Email nvtc@nvtc.org • www.thinkoutsidethecar.org

required unless the master agreement was modified. NVTC's executive director would execute the project agreements, and return to DRPT. Shortly after, NVTC would begin to receive operating assistance payments, which are on a scheduled basis with the first payments in July or August. NVTC could then invoice the first quarter WMATA capital payments made on July 1st to the grants, as well as any local capital expenditures that were incurred. This would allow all funds that NVTC was entitled to to be received by the next WMATA quarterly payment due on October 1st.

With the FY13 project agreements, DRPT started contracting directly with the NVTC jurisdictions. It was agreed that NVTC could continue to act as an agent on the jurisdictions' behalf. This means that NVTC can apply for capital and operating assistance for the local systems and the jurisdictions' share of WMATA, invoice the grants, receive the funding, but cannot sign the project agreements. DRPT required that separate bank accounts be established for each jurisdiction in NVTC's name for the purpose of receiving these funds. NVTC was then permitted to continue pooling these funds and allocate among the jurisdictions using the SAM.

In contracting directly with the jurisdictions, the WMATA grant applications, project agreements, and grant invoices all increased by a factor of 5. Where there were once 5 to 6 WMATA agreements, there are now 25 to 30. It is expected that the new funding method proposed by TSDAC will create at least 4 additional tiers for WMATA capital, which would equal an additional 20 project agreements, for a total of 45 to 50. With WMATA capital invoiced to DRPT on a quarterly basis, where there were once 16 to 20 invoices per year, there are now 80 to 100, and with the TSDAC proposal, a total of 160 to 180.

Also beginning in FY13, new language and provisions were added directly to the project agreements beyond the project description, amounts and dates, where previously this would be captured in the master agreement. We understand this delayed the distribution of the FY14 project agreements in part because the language was changed from the FY13 agreements, and the DRPT attorney reviewed each agreement individually. While some agreements were received by NVTC in July, the WMATA capital agreements were not received until September 20th, much later than in previous years.

While each jurisdiction's processes are different, most need to wait until all agreements are received before going through their internal review, approval and signature process. Since all agreements were not received until September 20th, this meant some could not go to their boards or councils until October. Adding language directly in the project agreements that changes from year to year, and in some cases, project to project, complicates and adds to the time required for review and approval. To date, most of the FY14 project agreements still have not been fully executed.

As of today, approximately \$40 million in state capital and operating assistance that normally would be received by NVTC at this time is outstanding due to the delay in executing the project agreements. Because jurisdictions have sufficient reserves in the NVTC Trust account, there were enough funds to pay WMATA's second quarter invoice due on October 1st. However, if delays extend further, it is projected that some jurisdictions will not have sufficient trust funds to make their January 1st WMATA payment.



AGENDA ITEM #6

TO: Chairman McKay and NVTC Commissioners
FROM: Claire Gron and Kala Quintana
DATE: October 31, 2013
SUBJECT: WMATA

A. Vital Signs/Dashboard Report (to be provided)

B. NEPP

Please see the attached memo. (Attachment 6B)

C. Regional Transit System Plan (RTSP)

WMATA is developing the Regional Transit System Plan (RTSP), a long-range plan, multi-modal, multi-operator plan for the D.C. metropolitan area. Preliminary recommendations include: building new rail lines in the core and in Virginia; adding new stations with pedestrian tunnels; developing a circular line to connect underserved activity centers; prioritizing a regionally significant integrated surface transit network; and improving multi-modal access at stations. WMATA plans to include Metro 2025 projects in the 2014 CLRP Update. WMATA will release a full Regional Network and Metro 2040 implementation plan next fall, with the goal of board approval in winter 2014. (Attachment 6C)

D. WMATA Budget Development

WMATA is in the process of preparing its FY2015 capital and operating budgets. In October, the Finance & Administration Committee received a briefing on ridership projections and discussed possible fare and parking increases. WMATA staff plans a special meeting with the Jurisdictional Coordinating Committee (JCC) in early November to further discuss the development of the FY2015 budget, including fare and subsidy changes, and funding Metro 2025 projects. The GM/CEO will present the proposed FY2015 budget to the board in December.

E. Metro 2025 (*Momentum*)

In October, the 2025 Committee received a briefing on Metro 2025 outreach activities. WMATA is focusing on outreach to elected officials/funders, customers, business community and civic groups, the planning community, Momentum “Champions,” and universities. The committee also discussed the roles and responsibilities of *Momentum* endorsers/supporters moving forward, and a representative from each jurisdiction provided an update on recent efforts to secure funding for Metro 2025 projects.



AGENDA ITEM #6B

TO: Chairman McKay and NVTC Commissioners

FROM: Kala Quintana

DATE: October 31, 2013

SUBJECT: New Electronic Payment Program (NEPP)

Recommended Action: The Commission is requested to authorize the Executive Director to enter into a Memorandum of Understanding (MOU) with regional transit partners and the Potomac and Rappahannock Transportation Commission (PRTC) to coordinate the testing, technical assistance, funding and implementation of the Washington Metropolitan Area Transit Authority's (WMATA) New Electronic Payment Program (NEPP).

Recommended Action: The Commission is also requested to authorize the Executive Director to apply for an off-cycle technical assistance grant from the Department of Rail and Public Transportation (DRPT) in an amount not to exceed \$200,000.

Background:

In anticipation of WMATA's award of a contract for New Electronic Payment Program (NEPP) system, NVTC is working to put in place an MOU with the local jurisdictions, VRE and PRTC. The MOU would authorize NVTC to contract on behalf these entities, to secure a unified price, and organize participation by Northern Virginia systems in the conceptual design review (CDR) and the initiation of a pilot of this customized technology.

As directed by the Commission, staff has developed and prioritized a preliminary list of resources required to oversee the pilot, the CDR, and the successful implementation of the NEPP. Also, DRPT and NVTC have begun drafting an application for an initial funding of a technical assistance consultancy. In the coming weeks, NVTC staff will work with the jurisdictions to select and convene members of a technical advisory group that will participate in the concept design review and assessment of the pilot.

WMATA expects to award the NEPP contract within the next 45-60 days; the CDR and the pilot will begin 90 days later. Consequently, NVTC is drafting a MOU between NVTC and each of the participating jurisdictions and putting in place a contract for technical support. This week we will circulate a list of core provisions of the MOU with MAC members and will work to complete a draft of the MOU during the month of November. In the wake of Mariela Garcia-Colberg's departure, Kala Quintana is coordinating this NEPP Project at NVTC in the interim; the Executive Director anticipates assigning a permanent staff lead by January.

Request for a DRPT Technical Assistance Grant

NVTC staff is working with DRPT staff to secure off-cycle funding for technical assistance support for January 1 -- June 30, 2014. Based on a high-level scope of work and historical experience, NVTC seeks a \$200,000 matching grant to provide the rapid ramp-up required to participate effectively in the CDR and the pilot. This DRPT grant requires a 50 percent match by local jurisdictions. Staff will consult with MAC members about providing this match. We propose to submit an application another \$450,000 in Technical Assistance Grants for Pilot Phase (Conceptual Design and Review) and Operational Testing Phase (January 2014 – December 2016). This application must be submitted by January 31st.

Next steps include submitting the off-cycle grant application, executing a MOU between NVTC and participating jurisdictions, and confirming milestones for the next eight months. Also participating jurisdictions need to determine what staff they wish to participate in technical review in the first phase of NEPP. NVTC will also work with the local jurisdictions, PRTC, VRE and DRPT to identify federal, state, and local funds required for implementation of the NEPP regionally.

Activity Matrix

Major Milestone Dates	Action
Dec 31, 2013 (NLT)	Vendor Contract Award by WMATA
November, 2013	Create and sign an MOU with its member jurisdictions and regional transit partners to authorizing it to act as the coordinating agent for this effort
November/December 2013	Explore existing contract vehicles or issue an RFP to provide in depth Technical Assistance
2 nd Quarter, 2014	Negotiate and execute a contract with the selected NEPP vendor
February/March, 2014	Reassemble the technical consortium of jurisdictional and regional partners to assist in the Design Review and Pilot phases of NEPP
Spring, 2015	Coordinate with region to ensure that systems and partners are prepared to sign implementation agreements
July 1, 2015 (FY2016)	Begin payments for funding NEPP



Washington Metropolitan Area Transit Authority

Regional Transit System Plan: A Progress Report

Planning, Program Development and Real Estate Committee

October 10, 2013



Purpose

- Provide update on Regional Transit System Plan (RTSP)
 - Purpose of plan
 - Analysis completed to date
 - Next steps





Metrorail's System Growth

1977

1982

1983

1986

1991

1998

2001

2006

2012

2014

2025

2040

Where should
the region's
transit system
go from here?



Region's Transit Plans



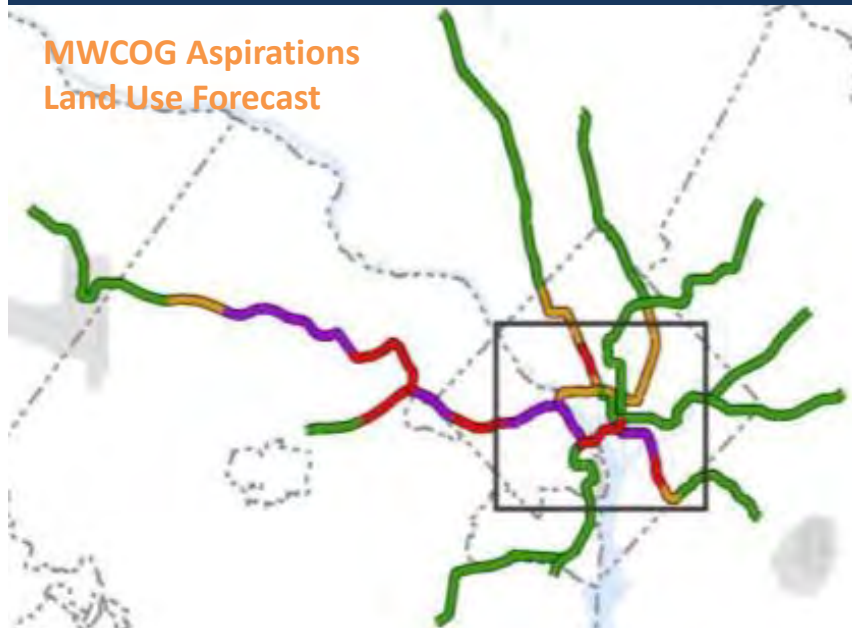


2040 Metrorail System Forecast

Peak Hour Passenger Loads with CLRP Projects and 100% Eight-Car Trains

2040 Forecasted Growth from 2007

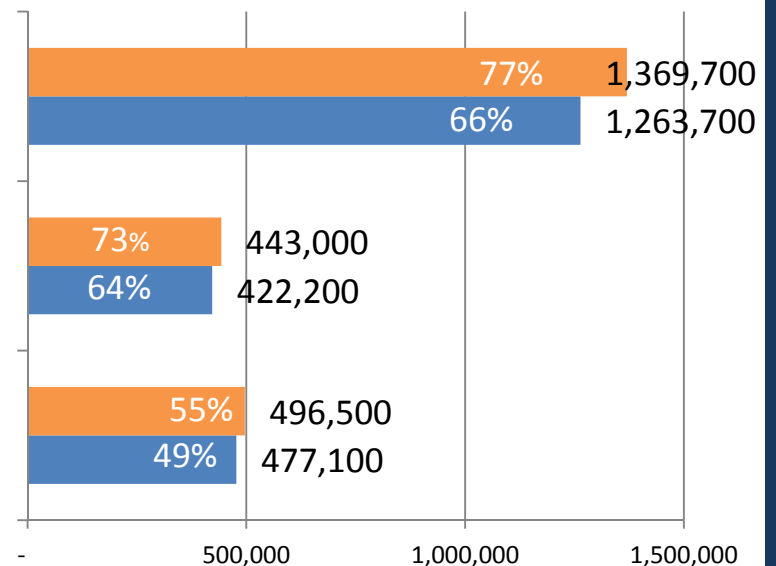
MWCOG Aspirations
Land Use Forecast



Average Weekday Boardings

Average Weekday Core Station Transfers

Average Peak Period Peak Direction Ridership in Core



- < 80 Passengers per Car
- 80-100 Passengers per Car
- 100-120 Passengers per Car
- > 120 Passengers per Car

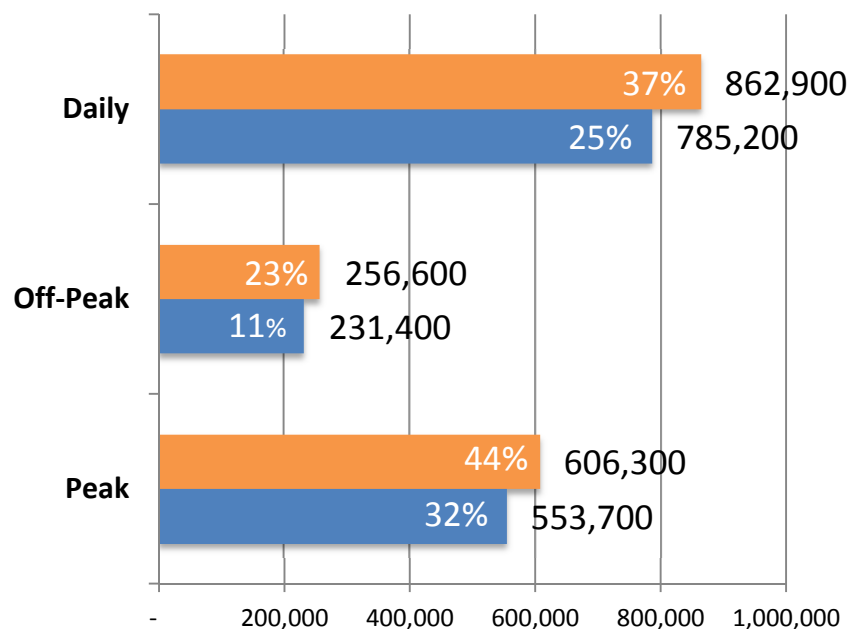
- Region's Adopted Land Use
- Aspirations Land Use

COG's Aspirations Land Use concentrates growth in regional activity centers (RACs) and at existing/planned transit stations

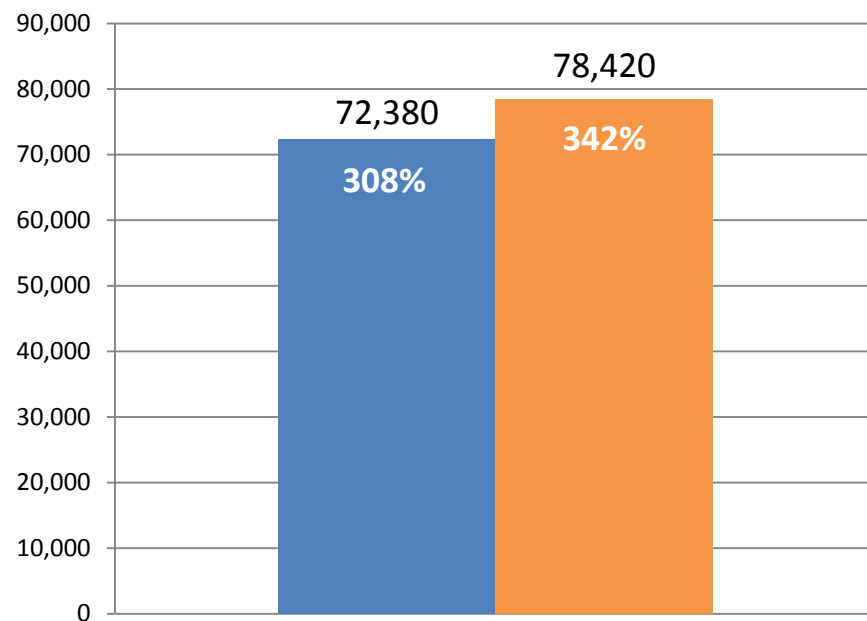


2040 Bus System Forecast

2040 Forecasted Ridership Growth from 2007



Daily Person Hours of Travel on Congested Roadways



Region's Adopted Land Use



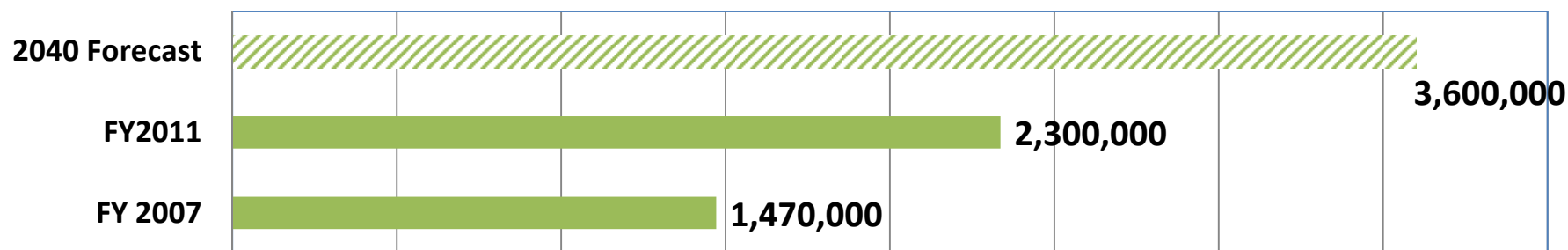
Aspirations Land Use

Growth and congestion indicate need for transit priority improvements to enable higher speed, more-frequent service

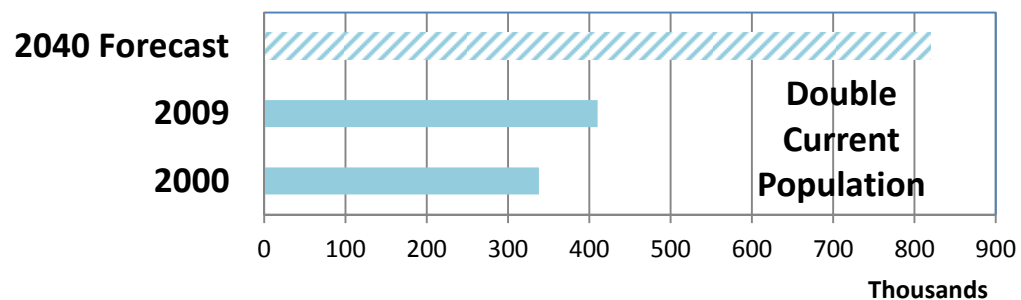


2040 MetroAccess Forecast

MetroAccess Annual Ridership Forecast for 2040



Metro Compact Area Older Adult (65+) Population



Elderly with Severe Disabilities



2040 Projections



-
- Legend**
- MWMCOG Regional Activity Center
 - 2040 Baseline High-Capacity Transit Network**
 - Metrolink Network
 - Commuter Rail
 - Streetcar/LRT/BRT
 - 2040 Transit Challenges and Opportunities**
 - Resolve Core Capacity Deficiencies**
 - Metrolink Core Lines
 - M Metrolink Core Transfer Stations
 - Improve Connections among Regional Activity Centers**
 - Suburban Extensions
 - New Connections among RACs
 - Operate Efficient Region-wide Transit Service**
 - Missing Cross-Jurisdictional Link
 - Improve Central Jurisdiction Circulation
 - Priority Surface Transit
 - Improve Access to the Regional Transit System**
 - Station Access Improvements (throughout system)

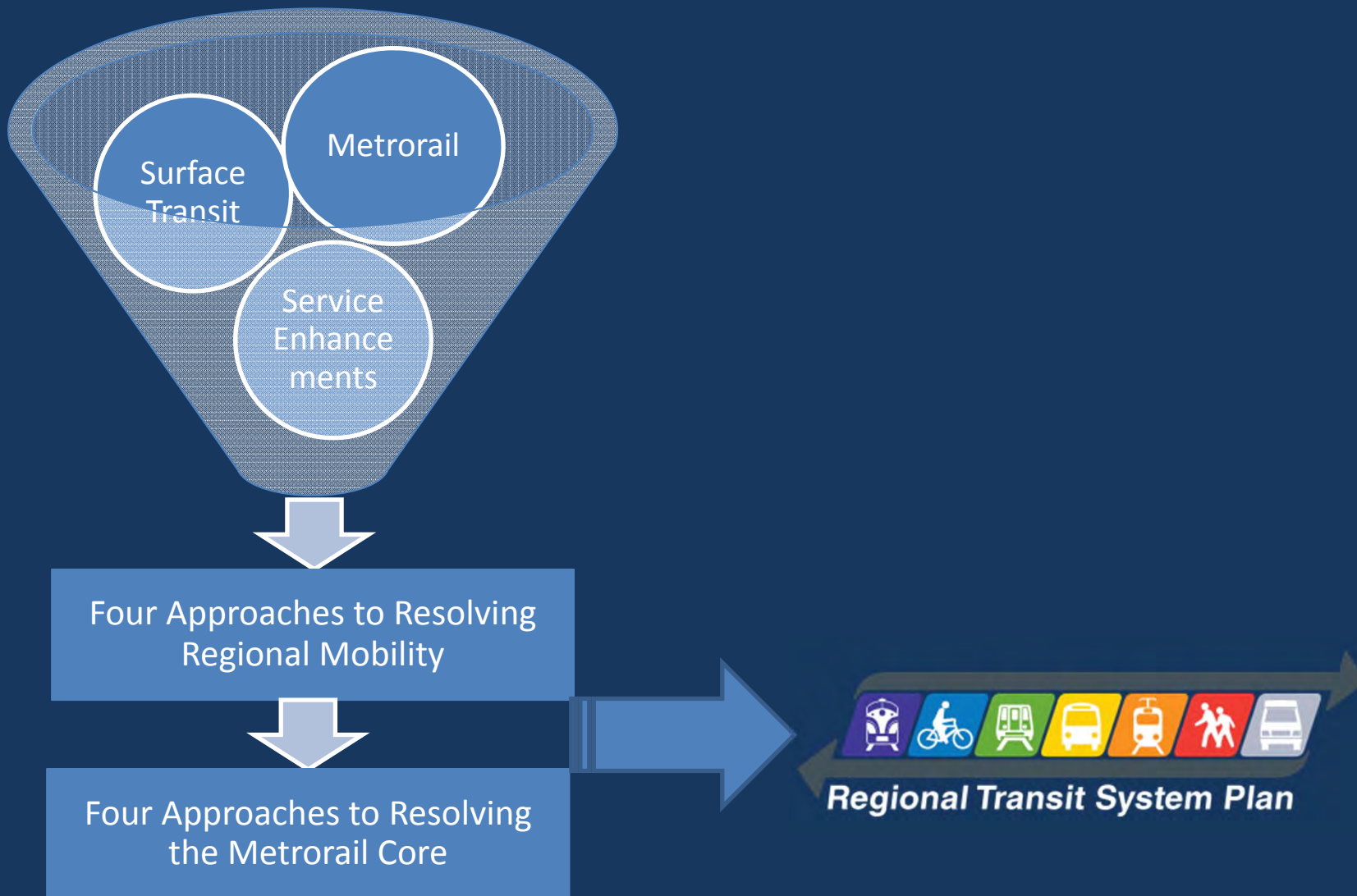


Collaborative Regional Planning

- Ten technical advisory group meetings
 - Three rounds of one-on-one meetings with jurisdictions
 - Presentation to Joint Coordinating Committee, Riders' Advisory Council, Transportation Planning Board (TPB), TPB Access for All Advisory Committee
- Arlington County
 - District of Columbia
 - City of Alexandria
 - City of Fairfax
 - City of Falls Church
 - Fairfax County
 - Federal Transit Administration
 - Frederick County
 - Loudoun County
 - Maryland Department of Transportation
 - Maryland Transit Administration/MARC
 - Metropolitan Washington Council of Governments/Transportation Planning Board
 - Montgomery County
 - National Capital Planning Commission
 - Prince George's County
 - Prince William County
 - Virginia Department of Rail and Public Transportation
 - Virginia Department of Transportation
 - Virginia Railway Express (VRE)



Approach to Developing a Regional Transit Network for 2040





Transit Projects and Enhancements Considered

Columbia Pike Streetcar
MARC across Potomac K Street Transitway Walkability
Kansas Ave Infill Station Green Extension BWI
Rosslyn Interline Aspirations Land Use Veirs Mill Busway
Relocated Blue Line Constitution Montgomery County BRT Van Dorn Busway
Relocated Yellow Line 10th Street LRT/BRT to Charles County Silver Line Phase I/II
Orange Extension Bowie Commuter Bus Service Enhancements Silver Extension Leesburg
WFC/Silver Line Interline Connection Parking Lots with Shuttle Buses Relocated Yellow Line Split Pentagon Interline
DDOT Streetcar Silver Line Georgetown Union Station Commuter Rail Service Enhancements Green Extension Waldorf
Yellow/Green L'Enfant Interline Connection Purple Line Montgomery College Infill Station Oklahoma Ave Infill Station
Blue Extension Bowie BRT/LRT from New Carrollton to Alexandria Orange Extension Gainesville
BRT/LRT from Grosvenor Tysons Dunn Loring Red Extension Metropolitan Grove
Crystal City Potomac Yard Busway Extensions DC/Arlington Streetcar across Potomac Corridor Cities Transitway
Silver Line Arlington Bypass Brown Line Eisenhower Ave Valley Infill Station Purple Line to White Oak
Blue Extension Potomac Mills Crystal City Potomac Yard Busway Columbia Pike Streetcar to Lincolnia
VRE to Haymarket Yellow Extension Silver Spring Relocated Yellow Line 2nd Street
Yellow Extension Lorton Orange Extension Centreville Priority Corridor Network
St Elizabeth's Infill Station Relocated Blue Line M Street Beltway Line
Express Bus on HOT Potomac Yard Station
100 Percent 8-car Trains Route 7 Streetcar
Station Connections



RTSP Evaluation Measures

Goal 1: Enhance environment, energy, health and safety

- Incidents per passenger miles
- Congested person-miles of travel
- Vehicle miles traveled

Goal 2: Facilitate transit-oriented, mixed use communities

- Number of regional activity centers (RACs) served by high-quality transit
- Transit mode share
- Cumulative travel time savings



RTSP Evaluation Measures

Goal 3: Maximize
availability and access
to transit

- Total transit ridership
- Jobs/Households within ½ mile of high-quality transit
- Metrorail parking availability
- Evenness of distribution of user benefits

Goal 4: Accommodate
and encourage
ridership growth

- Transit link capacity
- Metrorail transfer capacity
- Households that can be reached by transit within 45 min

Goal 5: Provide a
financially viable and
sustainable transit
system

- Transit utilization
- Transit peak-orientation factor



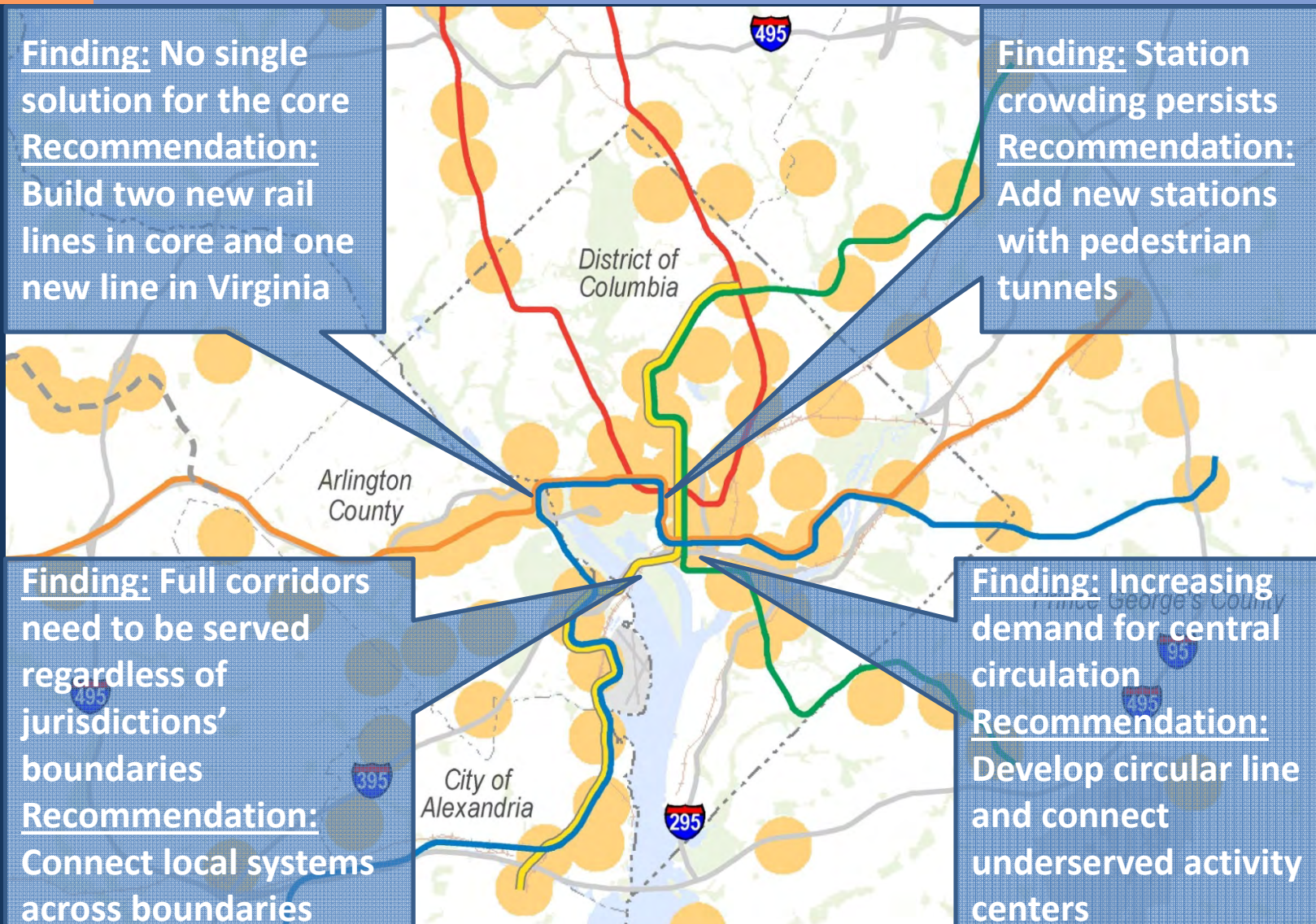
RTSP: Findings and Preliminary Recommendations

Finding: No single solution for the core
Recommendation:
Build two new rail lines in core and one new line in Virginia

Finding: Station crowding persists
Recommendation:
Add new stations with pedestrian tunnels

Finding: Full corridors need to be served regardless of jurisdictions' boundaries
Recommendation:
Connect local systems across boundaries

Finding: Increasing demand for central circulation
Recommendation:
Develop circular line and connect underserved activity centers





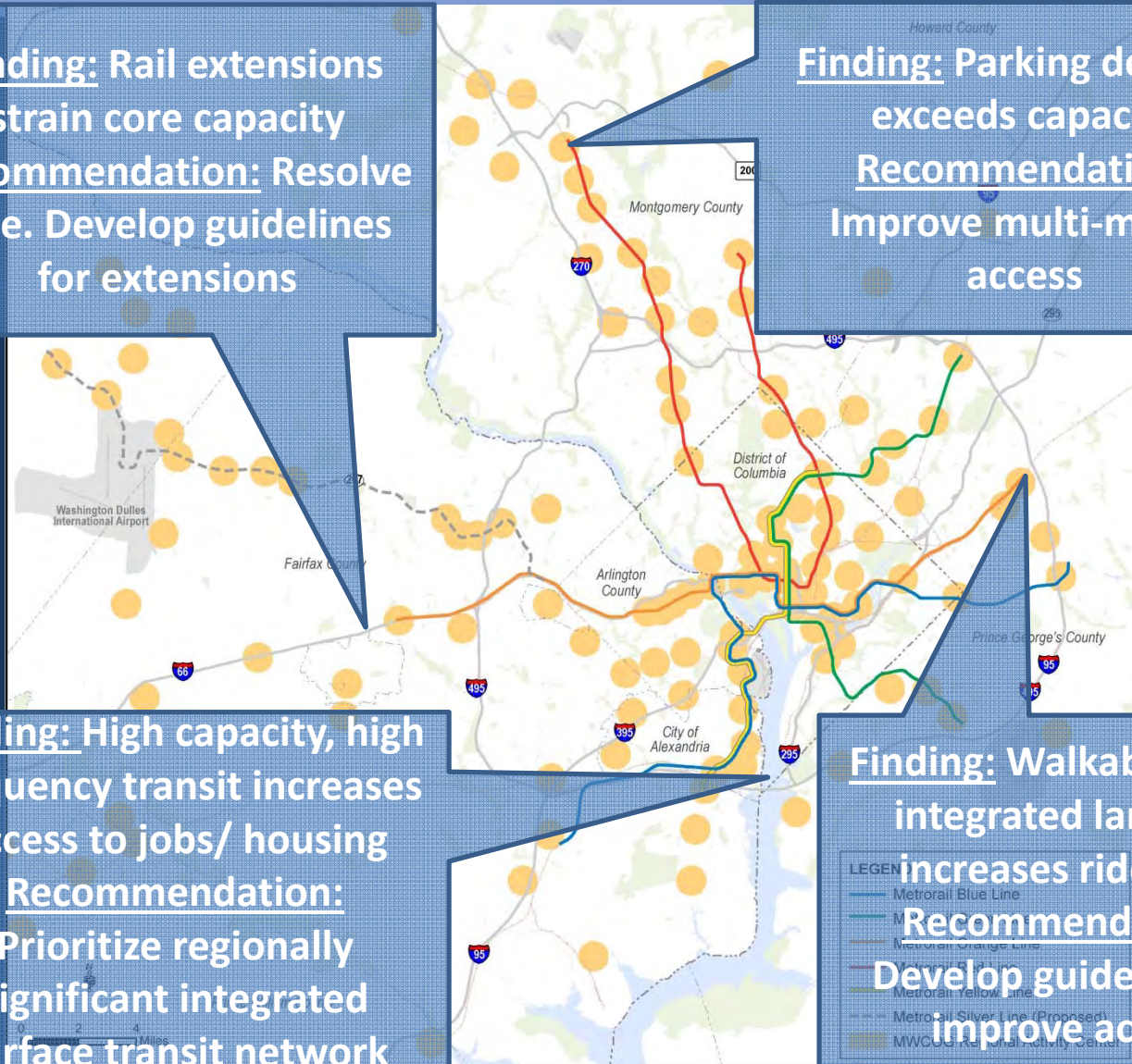
RTSP: Findings and Preliminary Recommendations

Finding: Rail extensions strain core capacity
Recommendation: Resolve core. Develop guidelines for extensions

Finding: Parking demand exceeds capacity
Recommendation: Improve multi-modal access

Finding: High capacity, high frequency transit increases access to jobs/ housing
Recommendation: Prioritize regionally significant integrated surface transit network

Finding: Walkability and integrated land use increases ridership
Recommendation: Develop guidelines to improve access

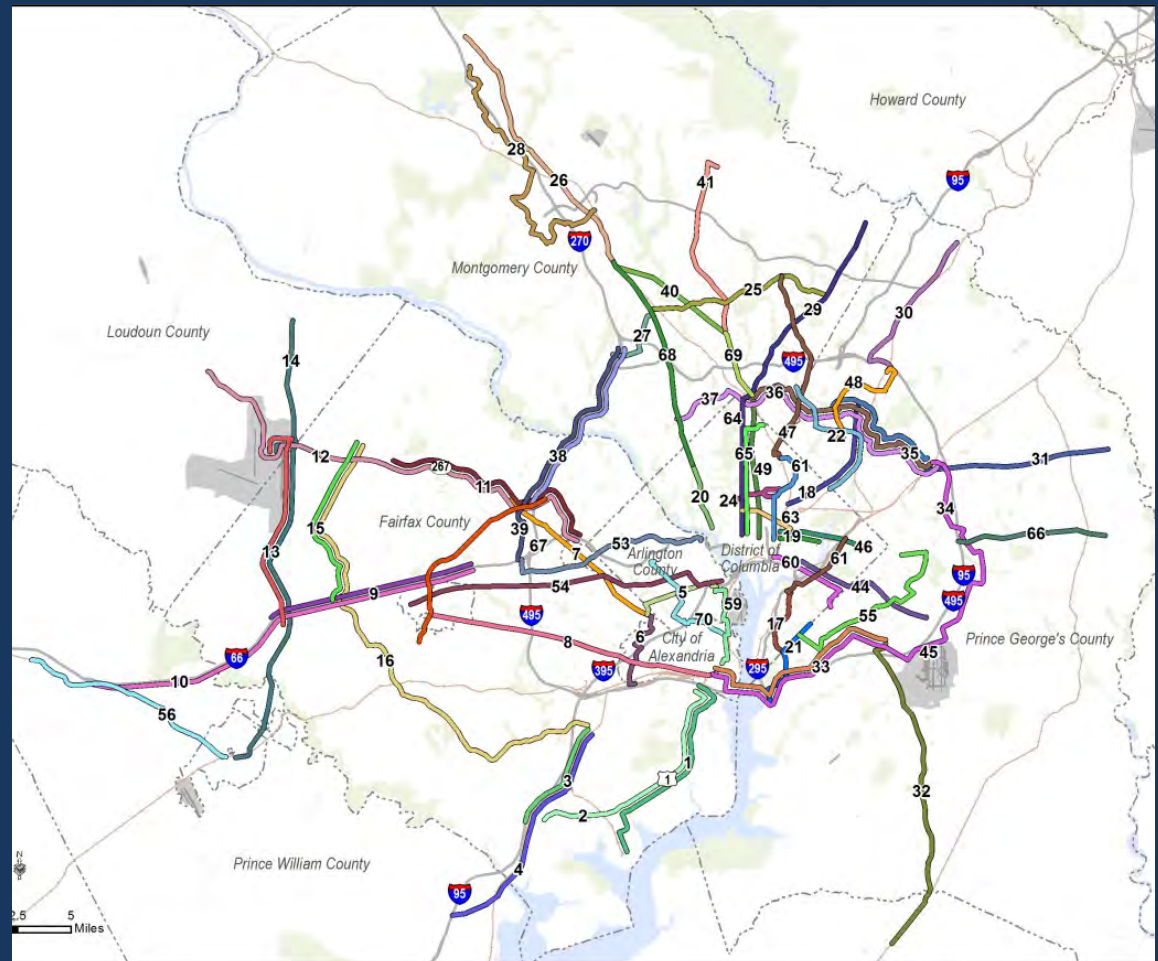




Surface Transit 2.0: Regionally Significant High Capacity Corridors

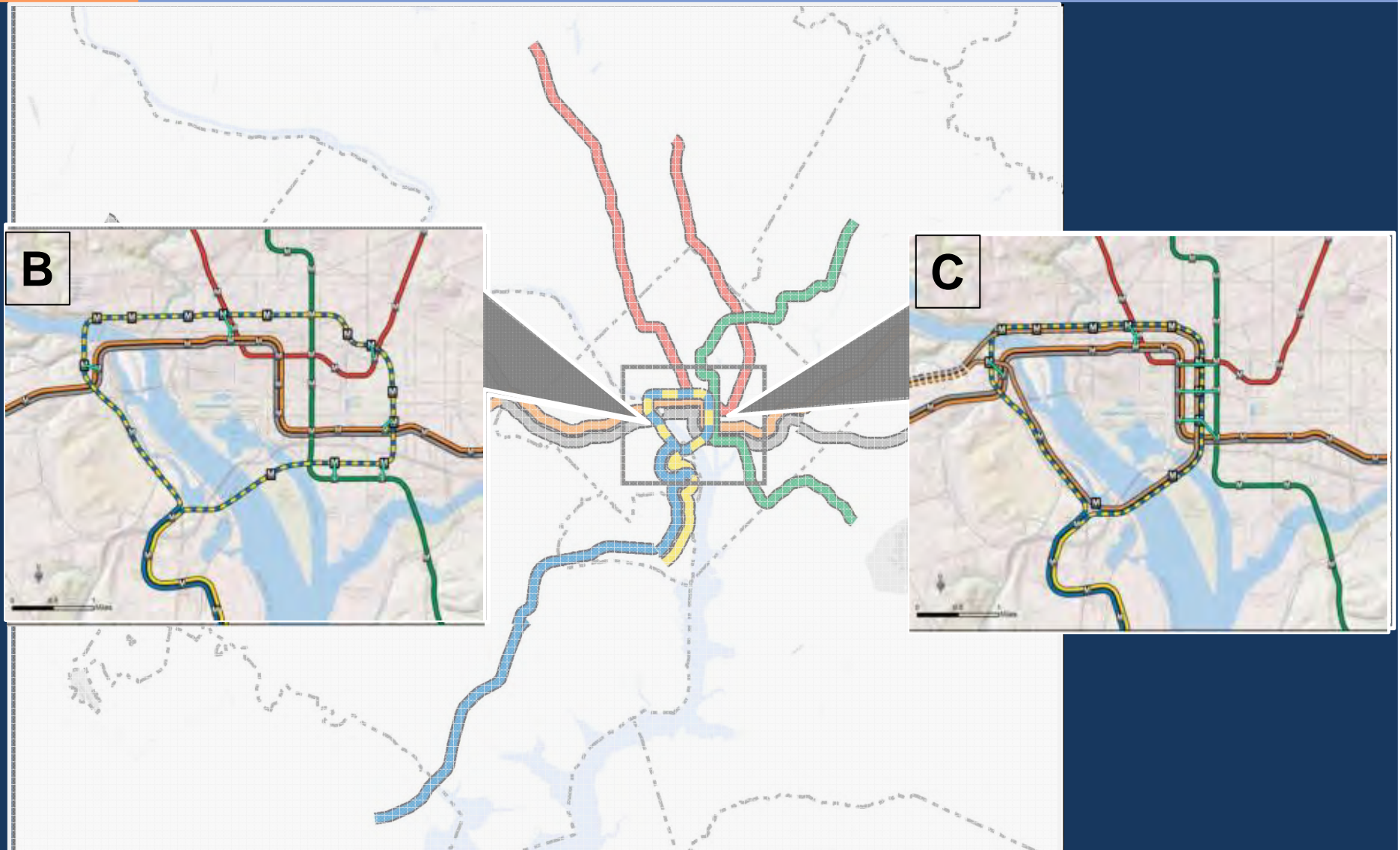
- Identify corridors with local jurisdictions
- Prioritize regionally significant corridors for infrastructure investment
- Develop integrated network of high capacity surface transit

Examples of corridors under consideration



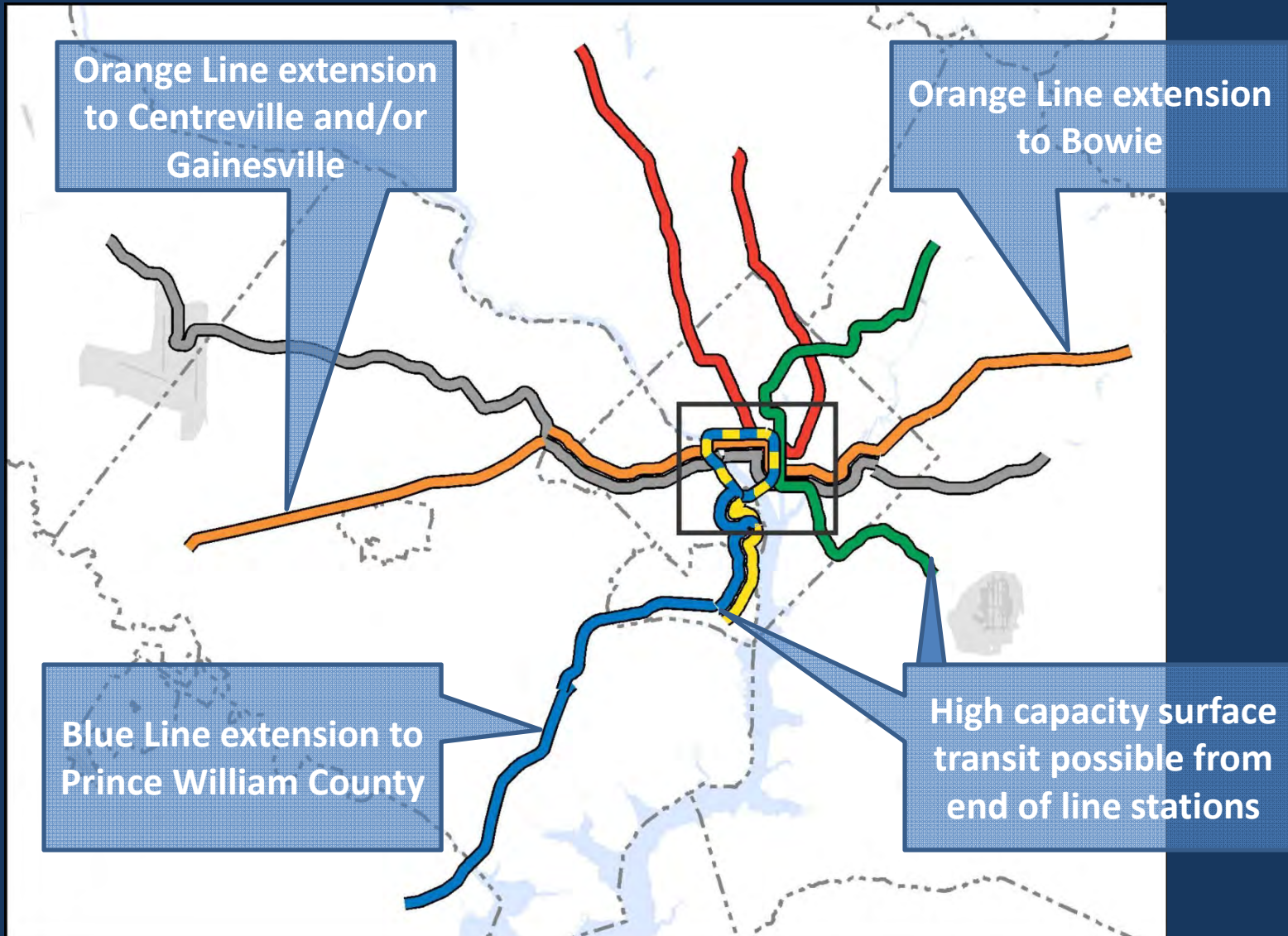


Core 2.0: Connecting the Region's Downtowns





System 2.0: Extending the Reach of Metrorail





RTSP Plan Next Steps

Meet with jurisdictions and agencies	Summer/Fall 2013
Hold Board and public discussion	Fall 2013
Complete final round of modeling/analysis	Fall 2013
Public Outreach Regional Visioning	Spring/Summer 2014
Recommend Regional Network and supporting documentation	Fall 2014
Develop Metro 2040 (Metro elements) implementation plan	Fall/Winter 2014
Adopt Metro 2040 and endorse RTSP	Winter 2014



MEMORANDUM

TO: Chairman McKay and NVTC Commissioners

FROM: Commissioner Dyke

DATE: October 28, 2013

SUBJECT: DRPT Update

Events

Commissioner Dyke attended the Cinder Bed Road Bus Facility groundbreaking event.

Transit and Planning

SuperNoVa Transit and TDM Action Plan

The Super NoVa Action Plan project team is currently updating the recommendations based on comments received from the stakeholders. The Super NoVa Action Plan Report is currently under development and will be available for stakeholder review and comment by the next stakeholder meeting that is to be held in November.

Route 1 Multimodal Alternatives Analysis

The first public meeting for the Route 1 Multimodal Alternatives Analysis was held on October 9, 2013. The meeting was well attended by the public, as well as local and state elected officials. The project team has developed the draft land use analysis methodology report and the draft ridership modeling report. The project team continues to coordinate with VDOT and staff from Fairfax and Prince William Counties on advancing the project.

The DRPT Project Manager Amy Inman will be presenting a project overview and update at the September 2013 Board meeting.

I-66 Tier I DEIS

VDOT Central Office is currently compiling public comments that have been received and expect to receive the Record of Decision (ROD) from FHWA on the Tier I DEIS in the fall timeframe. – No significant update to report

TSDAC (SB1140)

The Performance-Based Funding Allocation Methodology and the FY 2014 mid-year allocation has been finalized and approved per resolution from the CTB on October 17, 2013. The Phase III work associated with the Performance-Based Operating Assistance Implementation Plan has

begun. TSDAC has been requested to appoint up to fifteen transit professionals to serve on the Transit Agency Working Group. The working group will provide technical input, review and comment on technical materials throughout the Phase III study. DRPT and TSDAC continue to work on finalizing the Capital Allocation Methodology. The Capital Allocation Methodology Report is currently out for a 45-day public comment period.



AGENDA ITEM #8

TO: Chairman McKay and NVTC Commissioners
FROM: Kelley Coyner and Kala Quintana
DATE: October 31, 2013
SUBJECT: NVTA and JACC Update

No appeal of the decision in the bond validation suit was filed as of close of business Monday October 28. This means that the Circuit Court decision is final and clears the way to begin project implementation and related activities. Two items of critical concern require engagement of jurisdictional staff as well as NVTA's Members:

1. Development and implementation of the Program Model for HB599; and
2. Alignment of NVTA's Projects and Six Year Plan with the Transportation Planning Board's (TPB) Constrained Long Range Plan (CLRP) Conformity Analysis.

At its meeting of October 24, 2013 NVTA passed a motion calling on John Mason to consider relocation to a space that is transit accessible and possibly co-located with NVTC. Key next steps include a Project Implementation Working Group, a workshop with VDOT, and the next NVTA meeting. Of additional interest to the Northern Virginia Transportation Commission, Kala Quintana continues in her role as interim PIO.

No Notice of Appeal was Filed – Delegate Robert Marshall did not file a notice to appeal the Judge Dennis J. Smith's ruling in Fairfax County Circuit Court in the matter of the NVTA's Bond Validation Suit. The filing deadline was 5:00 pm on October 28, 2013. Therefore the Fairfax Circuit Court ruling stands and NVTA can proceed with issuing Bonds and executing projects identified on the Bond Project list.

HB599 – The Jurisdiction and Agency Coordination Committee (JACC) met October 10, 2013 and received an update from the Virginia Department of Transportation (VDOT) on the status of their program to address the changes in project analysis imposed by HB599 and HB2313. VDOT has established an aggressive program to implement HB599 and establish evaluation criteria (*See attached summary of HB599 issues*).

Quantity of Projects to be Evaluated - VDOT needs to evaluate and rank enough projects so that NVTAs projects and Six Year Plan (SYP) are not unnecessarily delayed. NVTAs will be collecting hundreds of millions in revenue and then be limited to only a handful of road projects. This will raise significant practical and accountability concerns. The timely rating of projects is needed to allow the tremendous backlog in projects to be reduced. \$46.5 million in revenues have been collected since July 1, 2013.

Constrained Long Range Plan (CLRP) Air Quality Conformity Analysis Conflict - The Transportation Planning Board (TPB) must engage in the CLRP conformity analysis beginning in November. A majority of the projects not included in the list of first year projects or the bond validation suit for NVTAs are not in the current CLRP and if not able to meet the deadline to be added, then would require an off-cycle analysis at a cost to the region. The amount has yet to be determined and a source of funding may be available to cover these costs. Chairman Nohe directed NVTAs Executive Director to work with the JACC to coordinate with TPB to resolve the conflict with the CLRP and Air Quality analysis schedule. If the CLRP update is not completed by October 2014 then the CLRP will lapse.

Upcoming NVTAs Meeting Dates

Date	Group	Agenda
November 8	Project Implementation Working Group	Development of Six Year Plan
November 21	Workshop with VDOT	CTB Related Issues
December 12	NVTAs Meeting	TBD
For more information on upcoming meetings: www.thenovaauthority.org		



Development of Program Model for the Application of HB599

At the October JACC meeting VDOT staff outlined an aggressive schedule and approach to developing the necessary definitions and models in order to meet the legislative requirements of HB599. Key points are:

- Projects selected will be evaluated according to Commonwealth Transportation Board (CTB) investment priorities (concept and strategic) based on existing studies such as VTRANS 2035 and Supernova.
- VDOT states that all projects the Northern Virginia Transportation Authority (NVTA) selects should be consistent with these CTB strategic priorities.
- VDOT reports that they have identified 4-5 investment priorities based on VTRANS 2035 alone.

VDOT has said that it will review 25-30 projects annually. The process they will use to develop the model is as follows:

Selection Criteria Model

1. Identify CTB priorities.
2. Establish a definition of "Regionally Significant" projects as a region. Because there are multiple ways to define this term VDOT will convene a series of consultant moderated meetings in the coming weeks for all stakeholders including NVTC to help define. All input will be taken into account and ranked. The schedule for these meetings has not yet been finalized.
3. VDOT advises that Northern Virginia may want to identify additional layers of criteria and can add as many proposed definitions for consideration in this process.
4. Identify a secondary selection criteria (e.g. geographic representation; projects that can be funded and completed in a finite period).

Evaluation Criteria Model

1. Regional stakeholders should propose 4-6 measures of effectiveness that have an impact congestion and emergency preparedness. The NVTA will have a chance to review these measures and can defer to JACC or technical staff, if preferred, to make a final recommendation.
2. VDOT will use existing data from the TransAction 2040 corridor analysis and travel demand models to conduct analysis to identify locations of congestion.
3. In January 2014, VDOT will then ask jurisdictions to identify projects which will meet selection and evaluation models as consistent with the previously identified CTB priorities.
4. VDOT will compare the list of submitted projects to all the criteria identified and score those projects.
5. Finally, VDOT will bring the finalized criteria back to NVTA and CTB. Once approved they will proceed with the actual analysis.



AGENDA ITEM #9

TO: Chairman McKay and NVTC Commissioners

FROM: Claire Gron and Kala Quintana

DATE: October 31, 2013

SUBJECT: Information Items

A. MWCOG/TPB Commuter Bus Staging Area Study

TPB commenced a study to examine the need for commuter bus staging, layover, and parking locations (mid-day) in the District and Arlington County. The study will identify short-term solutions and develop a long-term vision for the region. A final report is due in June 2014.

B. MAP-21 MPO Representation

The Federal Transit Administration (FTA) released proposed policy guidance concerning representation on Metropolitan Planning Organization (MPO) boards. Under MAP-21, the TPB will be required to incorporate a specifically-designated public transportation representative on its board by October 2014. (Attachment 9B)

C. Regional Transportation Priorities Plan (RTPP)

TPB released a revised draft of the Regional Transportation Priorities Plan (RTPP) for public comment. NVTC staff will submit comments on the revised draft plan on behalf of the Commission prior to the November 10th deadline.

D. CTB Reallocation Hearing Testimony

On October 22, 2013 Chairman Jeff McKay testified before the Commonwealth Transportation Board (CTB) on the current FY2014 –FY2019 Six Year Program and the development of the FY2015 –FY2020 Six Year Program. (Attachment 9D)

E. MWCOG/TPB Planning Website

The TPB launched a new website (www.transportationplanninghub.org) which will serve as a one-stop-shop for transportation planning for the region. The website details transportation planning processes, major projects, and agency contact information for the District, Maryland, and Virginia.

rate of crash involvement than the general population. The diabetes rule provides that “A person is physically qualified to drive a commercial motor vehicle if that person has no established medical history or clinical diagnosis of diabetes mellitus currently requiring insulin for control” (49 CFR 391.41(b)(3)).

FMCSA established its diabetes exemption program, based on the Agency’s July 2000 study entitled “A Report to Congress on the Feasibility of a Program to Qualify Individuals with Insulin-Treated Diabetes Mellitus to Operate in Interstate Commerce as Directed by the Transportation Act for the 21st Century.” The report concluded that a safe and practicable protocol to allow some drivers with ITDM to operate CMVs is feasible. The September 3, 2003 (68 FR 52441), **Federal Register** notice in conjunction with the November 8, 2005 (70 FR 67777), **Federal Register** notice provides the current protocol for allowing such drivers to operate CMVs in interstate commerce.

These 16 applicants have had ITDM over a range of 1 to 28 years. These applicants report no severe hypoglycemic reactions resulting in loss of consciousness or seizure, requiring the assistance of another person, or resulting in impaired cognitive function that occurred without warning symptoms, in the past 12 months and no recurrent (2 or more) severe hypoglycemic episodes in the past 5 years. In each case, an endocrinologist verified that the driver has demonstrated a willingness to properly monitor and manage his/her diabetes mellitus, received education related to diabetes management, and is on a stable insulin regimen. These drivers report no other disqualifying conditions, including diabetes-related complications. Each meets the vision requirement at 49 CFR 391.41(b)(10).

The qualifications and medical condition of each applicant were stated and discussed in detail in the June 26, 2013, **Federal Register** notice and they will not be repeated in this notice.

Discussion of Comments

FMCSA received two comments in this proceeding. The comments are proceeeded and discussed below.

Laurie Susan Palmer expressed concern regarding the new A1C testing regulations.

John D. Heffington requested information regarding the new A1C testing regulations.

Basis for Exemption Determination

Under 49 U.S.C. 31136(e) and 31315, FMCSA may grant an exemption from the diabetes requirement in 49 CFR 391.41(b)(3) if the exemption is likely to achieve an equivalent or greater level of safety than would be achieved without the exemption. The exemption allows the applicants to operate CMVs in interstate commerce.

To evaluate the effect of these exemptions on safety, FMCSA considered medical reports about the applicants’ ITDM and vision, and reviewed the treating endocrinologists’ medical opinion related to the ability of the driver to safely operate a CMV while using insulin.

Consequently, FMCSA finds that in each case exempting these applicants from the diabetes requirement in 49 CFR 391.41(b)(3) is likely to achieve a level of safety equal to that existing without the exemption.

Conditions and Requirements

The terms and conditions of the exemption will be provided to the applicants in the exemption document and they include the following: (1) That each individual submit a quarterly monitoring checklist completed by the treating endocrinologist as well as an annual checklist with a comprehensive medical evaluation; (2) that each individual reports within 2 business days of occurrence, all episodes of severe hypoglycemia, significant complications, or inability to manage diabetes; also, any involvement in an accident or any other adverse event in a CMV or personal vehicle, whether or not it is related to an episode of hypoglycemia; (3) that each individual provide a copy of the ophthalmologist’s or optometrist’s report to the medical examiner at the time of the annual medical examination; and (4) that each individual provide a copy of the annual medical certification to the employer for retention in the driver’s qualification file, or keep a copy in his/her driver’s qualification file if he/she is self-employed. The driver must also have a copy of the certification when driving, for presentation to a duly authorized Federal, State, or local enforcement official.

Conclusion

Based upon its evaluation of the 16 exemption applications, FMCSA exempts Tyler A. Benjamin (AL), Larry K. Brindle (KS), James D. Damske (MA), Manuel M. Fabela, Jr. (CA), Ryan L. Guffey (IL), Richard B. Harvey (CA), Donald F. Kurzejewski (PA), Joshua O. Lilly (VA), Steven C. Lundberg (IA),

Frank D. Marcou, Jr. (VT), Roger D. Mott (IA), Bernard K. Nixon (FL), Thomas P. Olson (WI), Steven T. Vanderburg (NC), John P. Washington (NJ), and Christopher J. Wisner (MD) from the ITDM requirement in 49 CFR 391.41(b)(3), subject to the conditions listed under “Conditions and Requirements” above.

In accordance with 49 U.S.C. 31136(e) and 31315 each exemption will be valid for two years unless revoked earlier by FMCSA. The exemption will be revoked if the following occurs: (1) The person fails to comply with the terms and conditions of the 1/exemption; (2) the exemption has resulted in a lower level of safety than was maintained before it was granted; or (3) continuation of the exemption would not be consistent with the goals and objectives of 49 U.S.C. 31136(e) and 31315. If the exemption is still effective at the end of the 2-year period, the person may apply to FMCSA for a renewal under procedures in effect at that time.

Issued on: September 20, 2013.

Larry W. Minor,

Associate Administrator for Policy.

[FR Doc. 2013–23766 Filed 9–27–13; 8:45 am]

BILLING CODE 4910-EX-P

DEPARTMENT OF TRANSPORTATION

Federal Transit Administration

Federal Highway Administration

[Docket No. FTA–2013–0029]

Proposed Policy Guidance on Metropolitan Planning Organization Representation

AGENCY: Federal Transit Administration (FTA) and Federal Highway Administration (FHWA), DOT.

ACTION: Proposed policy guidance; request for comments.

SUMMARY: The FTA and FHWA are jointly issuing this proposed guidance on implementation of provisions of the Moving Ahead for Progress in the 21st Century Act (MAP–21), Public Law 112–141, that require representation by providers of public transportation in each metropolitan planning organization (MPO) that serves a transportation management area (TMA) no later than October 1, 2014. The purpose of this guidance is to assist MPOs and providers of public transportation in complying with this new requirement.

DATES: Comments must be received by October 30, 2013. Any comments

received beyond this deadline will be considered to the extent practicable.

ADDRESSES: Comments. You may submit comments identified by the docket number (FTA–2013–0029) by any of the following methods:

Federal eRulemaking Portal: Go to <http://www.regulations.gov> and follow the online instructions for submitting comments.

DOT Electronic Docket: Go to <http://dms.dot.gov> and follow the instructions for submitting comments.

U.S. Mail: Docket Management Facility, U.S. Department of Transportation, 1200 New Jersey Avenue SE., Room W12–140, Washington, DC 20590.

Hand Delivery or Courier: Docket Management Facility, U.S. Department of Transportation, 1200 New Jersey Avenue, Southeast, Room W12–140, Washington, DC 20590, between 9 a.m. and 5 p.m., Monday through Friday, except Federal Holidays.

Fax: 202–493–2251.

Instructions: You must include the agency names (Federal Transit Administration and Federal Highway Administration) and docket number (FTA–2013–0029) for this notice at the beginning of your comments. You must submit two copies of your comments if you submit them by mail. If you wish to receive confirmation that FTA and FHWA received your comments, you must include a self-addressed, stamped postcard. Due to security procedures in effect since October 2001, mail received through the U.S. Postal Service may be subject to delays. Parties submitting comments may wish to consider using an express mail firm to ensure prompt filing of any submissions not filed electronically or by hand. All comments received will be posted, without change and including any personal information provided, to <http://www.regulations.gov>, where they will be available to Internet users. You may review DOT's complete Privacy Act Statement published in the **Federal Register** on April 11, 2000, at 65 FR 19477. For access to the docket to read background documents and comments received, go to <http://www.regulations.gov> at any time, or to the Docket Management Facility, U.S. Department of Transportation, 1200 New Jersey Avenue SE., Room W12–140, Washington, DC 20590, between 9 a.m. and 5 p.m., Monday through Friday, except Federal Holidays.

FOR FURTHER INFORMATION CONTACT: Dwayne Weeks, FTA Office of Planning and Environment, telephone (202) 366–4033 or Dwayne.Weeks@dot.gov; or Harlan Miller, FHWA Office of Planning, telephone (202) 366–0847 or Harlan.Miller@dot.gov.

SUPPLEMENTARY INFORMATION:

I. Introduction

The FTA and FHWA are jointly issuing this proposed policy guidance on the implementation of 23 U.S.C. 134(d)(2)(B) and 49 U.S.C. 5303(d)(2)(B), which require representation by providers of public transportation in each MPO that serves an area designated as a TMA. The FTA and FHWA anticipate issuing a joint notice of proposed rulemaking to amend 23 CFR part 450 to implement 23 U.S.C. 134(d)(2)(B) and 49 U.S.C. 5303(d)(2)(B) as amended by sections 1201 and 20005 of MAP–21. These United States Code sections now require representation by providers of public transportation in each MPO that serves an area designated as a TMA. A TMA is defined as an urbanized area with a population of over 200,000 individuals as determined by the 2010 census, or an urbanized area with a population of fewer than 200,000 individuals that is designated as a TMA by the request of the Governor and the MPO designated for the area.¹ As of the date of this guidance, of the 384 MPOs throughout the Nation, 184 MPOs serve an area designated as a TMA.

The FTA conducted an On-Line Dialogue on this requirement from March 5 through March 29, 2013. Through this forum, FTA received input from MPOs, local elected officials, transit agencies, and the general public, with over 3,000 visits to the Web site. Over 100 ideas were submitted from 340 registered users who also provided hundreds of comments and votes on these ideas. Participants discussed the complex nature of MPOs and the advantages of providing flexibility for MPOs and transit providers to decide locally how to include representation by providers of public transportation in the MPO.

To increase the accountability and transparency of the Federal-aid highway and Federal transit programs and to improve project decision-making through performance-based planning and programming, MAP–21 establishes a performance management framework. The MAP–21 requires FHWA to establish, through a separate rulemaking, performance measures and standards to be used by States to assess the condition of the pavements and bridges, serious injuries and fatalities, performance of the Interstate System and National Highway System, traffic congestion, on-road mobile source emissions, and freight movement on the Interstate System.² The MAP–21 also

requires FTA to establish, through separate rulemakings, state of good repair and safety performance measures, and requires each provider of public transportation to establish performance targets in relation to these performance measures.³

To ensure consistency, an MPO must coordinate to the maximum extent practicable with the State and providers of public transportation to establish performance targets for the metropolitan planning area that address these performance measures.⁴ An MPO must describe in its metropolitan transportation plans the performance measures and targets used to assess the performance of its transportation system.⁵ Statewide and metropolitan transportation improvement programs (STIPs and TIPs) must include, to the maximum extent practicable, a description of the anticipated effect of the program toward achieving the performance targets established in the statewide or metropolitan transportation plan, linking investment priorities and the highway and transit performance targets.⁶ These changes to the planning process will be addressed in FHWA and FTA's anticipated joint rulemaking amending 23 CFR part 450.

As part of its performance management framework, MAP–21 assigns MPOs the new transit related responsibilities described above, i.e., to establish performance targets with respect to transit state of good repair and transit safety and to address these targets in their transportation plans and TIPs. Representation by providers of public transportation in each MPO that serves a TMA will better enable the MPO to define performance targets and to develop plans and TIPs that support an intermodal transportation system for the metropolitan area. Including representation by providers of public transportation in each MPO that serves an area designated as a TMA is an essential element of MAP–21's performance management framework and will support the successful implementation of a performance-based approach to transportation decisionmaking.

The FTA and FHWA seek comment on the following proposals in this guidance: the determination of specifically designated representatives, the eligibility of representatives of providers of public transportation to

³ 49 U.S.C. 5326(b), (c), 5329(b), (d).

⁴ 23 U.S.C. 134(h)(2); 49 U.S.C. 5303(h)(2).

⁵ 23 U.S.C. 134(i)(2)(B); 49 U.S.C. 5303(i)(2)(B).

⁶ 23 U.S.C. 134(j)(2)(D); 49 U.S.C. 5303(j)(2)(D) (TIPs) and 23 U.S.C. 135(g)(4); 49 U.S.C. 5304(g)(4) (STIPs).

¹ 23 U.S.C. 134(k)(1); 49 U.S.C. 5303(k)(1).

² 23 U.S.C. 150(c).

serve as specifically designated representatives, and the cooperative process to select a specifically designated representative in MPOs with multiple providers of public transportation. There is wide variation in transit agency representation among MPOs and in the governance structure of MPOs throughout the country. To accommodate the many existing models of transit agency representation on MPO boards, this proposed guidance proposes flexible approaches for MPOs and providers of public transportation to work together to meet this requirement.

II. Specifically Designated Representatives

MAP-21 requires that by October 1, 2014, MPOs that serve an area designated as a TMA must include local elected officials; officials of public agencies that administer or operate major modes of transportation in the metropolitan area, including representation by providers of public transportation; and appropriate State officials.⁷ The requirement to include “representation by providers of public transportation” is a new requirement under MAP-21. The FHWA and FTA construe that the intent of this provision is that representatives of providers of public transportation, once designated, will have equal decision-making rights and authorities as other members listed in 23 U.S.C. 134(d)(2)(B) and 49 U.S.C. 5303(d)(2)(B) that are on the policy board of an MPO that serves a TMA. This expectation reflects the long-standing position of FHWA and FTA with respect to statutorily required MPO board members.⁸

A public transportation representative on an MPO board is referred to herein as the “specifically designated representative.” A specifically designated representative should be an elected official or a direct representative employed by the agency being represented, such as a member of a public transportation provider’s board of directors, or a senior transit agency official like a chief executive officer or a general manager.

III. Providers of Public Transportation

This guidance proposes that only representation by providers of public transportation that operate in a TMA and are direct recipients⁹ of the Urbanized Area Formula Funding program¹⁰ will satisfy 23 U.S.C. 134(d)(2)(B) and 49 U.S.C. 5303(d)(2)(B).

IV. Process for the Selection of Specifically Designated Representatives

The FTA and FHWA’s Metropolitan Transportation Planning rule at 23 CFR 450.314 provides for metropolitan planning agreements in which MPOs, States, and providers of public transportation cooperatively determine their mutual responsibilities in carrying out the metropolitan transportation planning process. This guidance proposes that MPOs that serve an area designated as a TMA should cooperate with providers of public transportation and the State to amend their metropolitan planning agreements to include the cooperative process for selecting the specifically designated representative(s) for inclusion on the MPO board and for identifying the representative’s role and responsibilities.

V. Role of the Specifically Designated Representative

To the extent that an MPO has bylaws, the MPO should, in consultation with transit providers in the TMA, develop bylaws that describe the establishment, roles, and responsibilities of the specifically designated representative. These bylaws should explain the process by which the specifically designated representative will identify transit-related issues for consideration by the full MPO policy board and verify that transit priorities are considered in planning products to be adopted by the MPO. In TMAs with multiple providers of public transportation, the bylaws also should outline how the specifically designated representative(s) will consider the needs of all eligible¹¹ providers of public transportation and address issues that are relevant to the responsibilities of the MPO.

VI. Restructuring MPOs To Include Representation by Providers of Public Transportation

Title 23 U.S.C. 134(d)(5)(B) and 49 U.S.C. 5303(d)(5)(B) provide that an

MPO may be restructured to meet MAP-21’s representation requirements without having to secure the agreement of the Governor and units of general purpose government as part of a redesignation.

There are multiple providers of public transportation within most TMAs. In large MPOs that include numerous municipal jurisdictions and multiple providers of public transportation, FTA and FHWA expect that it would not be practical to allocate separate representation to each provider of public transportation. Consequently, this guidance proposes that an MPO that serves an area designated as a TMA that has multiple providers of public transportation should cooperate¹² with the eligible providers to determine how the MPO will include representation by providers of public transportation.

There are various approaches to meeting this requirement. For example, an MPO may allocate a single board position to eligible providers of public transportation collectively, providing that one specifically designated representative must be agreed upon through the cooperative process. The requirement for specifically designated representation might also be met by rotating the board position among all eligible providers or by providing all eligible providers with proportional representation. However the representation is ultimately designated, the MPO should provide specifics of the designation in its bylaws, to the extent it has bylaws.

Apart from the requirement for specifically designated representation on the MPO’s board, an MPO also may allow for transit representation on policy or technical committees. Eligible providers of public transportation not given decision-making rights on the MPO’s board may hold positions on policy or technical committees.

The FHWA and FTA encourage MPOs, State Departments of Transportation, local stakeholders, and transit providers to take this opportunity to determine the most effective governance and institutional arrangements to best serve the interests of the metropolitan planning area.

Peter Rogoff,

FTA Administrator.

Victor M. Mendez,

FHWA Administrator.

[FR Doc. 2013-23780 Filed 9-27-13; 8:45 am]

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¹²Cooperation means that the parties involved in carrying out the transportation planning and programming processes work together to achieve a common goal or objective. 23 CFR 450.104.

⁷ 23 U.S.C. 134(d)(2); 49 U.S.C. 5303(d)(2).

⁸ While this guidance specifically addresses the new requirement for representation by providers of public transportation, all MPOs that serve a TMA must consist of local elected officials; officials of public agencies that administer or operate major modes of transportation in the metropolitan area, including representation by providers of public transportation; and appropriate State officials by October 1, 2014. 23 U.S.C. 134(d)(2); 49 U.S.C. 5303(d)(2). Only those MPOs acting pursuant to authority created under State law that was in effect on December 18, 1991, that meet the requirements of 23 U.S.C. 134(d)(3) and 49 U.S.C. 5303(d)(3), are exempt.

⁹ A direct recipient is defined as a public entity that is legally eligible under Federal transit law to apply for and receive grants directly from FTA.

¹⁰ 49 U.S.C. 5307.

¹¹ Eligible transit agencies are those that are direct recipients of the Urbanized Area Formula Funding program, 49 U.S.C. 5307, and operate in a TMA.



AGENDA ITEM #9D

TO: Chairman McKay and NVTC Commissioners

FROM: Kala Quintana

DATE: October 31, 2013

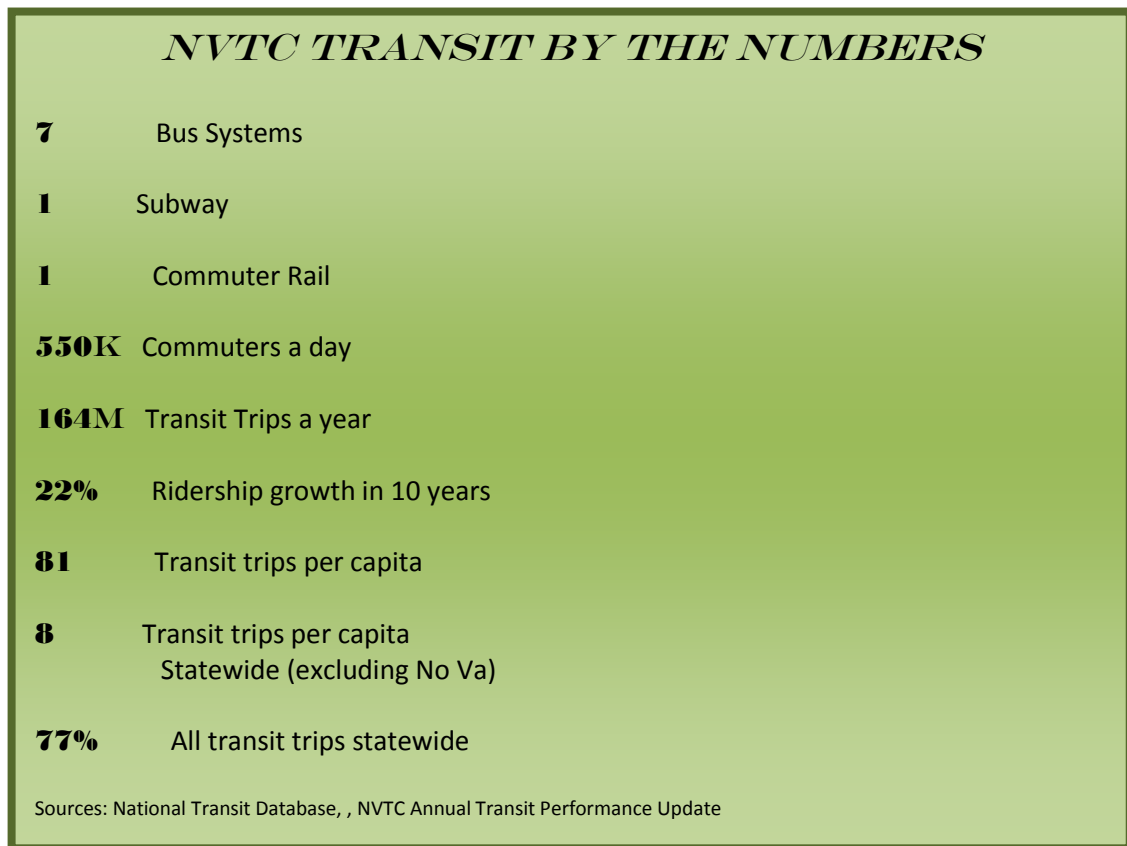
SUBJECT: CTB Fall Testimony

On October 22, 2013 Chairman Jeff McKay testified before the Commonwealth Transportation Board (CTB) on the current FY2014 –FY2019 Six Year Program and the development of the FY2015 –FY2020 Six Year Program. Chairman McKay's testimony focused on five main issues:

1. **HB2313** - The first real opportunity in a generation to address the backlog of transportation projects so critical to the economy of the region and the Commonwealth.
2. **WMATA PRIIA Match** -- Urging the Commonwealth to continue to provide \$50 million annually to this effort to ensure that the Metro system operates safely and efficiently.
3. **VRE & Federal Funds for Track Lease** – Urging continued investment in VRE and particular, maintaining funding for the VRE track leases from discretionary federal funds.
4. **The work of the Transit Service Delivery Advisory Committee (TSDAC) as outlined in SB1140**- Urging care particularly when it comes to implementing new performance measures and criteria under SB1140. Chairman McKay offered input on Operating formulas which don't accurately account for the total number of trips on Virginia's Metrorail system. Noting a fiscal shortfall of \$1.2 million this year alone.
 - a. Implementation of Transitional Performance-Based Operating Formula
 - b. Proposed Overhaul of Capital Cost Calculation – Chairman McKay expressed concerns that the proposal currently under consideration would cost localities \$17.2 million in matching funds over five years and

contradicts statute's aim to reward performance by forcing systems to federalize.

5. NVTC's role as a leading coordinating and planning agency and transit's role in the economic vitality of the region.



Chairman McKay's testimony also included "NVTC Transit by the Numbers," profiling transit highlights.

Media coverage of the CTB hearing included the Washington Post:

<http://www.washingtonpost.com/blogs/dr-gridlock/wp/2013/10/23/fight-over-virginia-transportation-priorities-takes-on-new-importance/>

Northern Virginia Transportation Commission

Comments on Current FY2014- FY2019 Six Year Program and Development of the FY 2015 –FY2020 Six Year Program



**VDOT Northern Virginia District Office
4975 Alliance Drive - Fairfax, VA 22030
October 22, 2013 -- 7:00 pm**

**Northern Virginia Transportation Commission
Comments on Current FY2014- FY2019 Six Year Program and
Development of the FY 2015 –FY2020 Six Year Program**

**VDOT Northern Virginia District Office
4975 Alliance Drive - Fairfax, VA 22030
October 22, 2013 --- 7:00 pm**

Good Evening Secretary Connaughton, Commissioner Whirley, Director Drake and members of the Commonwealth Transportation Board. I am Jeff McKay, Chairman of the Northern Virginia Transportation Commission.

I am here to present the comments of the Commission on behalf of my fellow Commissioners.

For 50 years, NVTC has worked to promote an efficient, innovative transit network in Northern Virginia. That network now includes seven bus systems from Loudoun to Alexandria; Metrorail and the Virginia Railway Express -- the Commonwealth's only commuter rail system; ridesharing -- including a new Van Pool program; and an extensive bicycle and safe pedestrian system provides essential connections to transit.

The transit network in Northern Virginia has been central to the region's economy and the Commonwealth. Each day, 550,000 people ride transit in Northern Virginia to work, entertainment, shopping, schools and doctors' appointments. People throughout the region use transit to get to and from work in Northern Virginia, Maryland, and the District. Demand for bus service and shared rides remains strong even in the face of the slow economic recovery and the federal government shutdown.

Businesses across the region are building successful office, retail and residential developments that depend on reliable transit. It is not just the ride that matters—transit reduces congestion for drivers, helps clean the air, and improves day-to-day life for Virginians of all walks of life.

Stable, predictable funding for capital and operating needs is essential to maintaining our core systems, improving service and giving Virginians cost-effective transportation choices.

HB2313 -- This has been an exciting year. The landmark transportation funding legislation -- HB2313-- provides the first real opportunity in a generation to address the backlog of transportation projects so critical to the economy of the region and the Commonwealth. This will be a game changer. We are eager to see HB2313 fully enacted. We will continue to provide support to the Northern Virginia Transportation Authority and the CTB in their work to realize the promise of HB2313.

WMATA Match -- Thank you for continuing to include the Virginia match to the federal funding for WMATA. Your ongoing commitment reflects our common goal of ensuring that our Metro system operates safely and efficiently.

VRE & Federal Funds for Track Lease -- We appreciate your longstanding support of the Virginia Railway Express. Continued investment in VRE is vital as we look to improve and potentially expand service in the coming years. In particular, we need your help maintaining the VRE track leases from discretionary federal funds. Without this funding, rider costs will increase. These funds are also critical to funding projects that increase capacity on VRE.

Care must be taken that other actions of the CTB support NVTC transit, particularly when it comes to implementing new performance measures and criteria under SB1140.

Implementation of Transitional Performance-Based Operating Formula -- I am pleased that last week the CTB adopted a transitional formula for operating assistance based on performance measures. The Transit Service Delivery Advisory Committee (TSDAC) has selected an approach that bases the operating assistance on an individual system's changes in cost efficiency. I am also encouraged that DRPT has proposed a way to prioritize and incentivize capital investment in those items most important to the entire Commonwealth. I am very concerned that in each instance the way in which the Department proposes to implement what is called for in statute penalizes the taxpayers in the Northern Virginia Transportation Commission district.

The CTB must ensure that the way in which the allocation assistance formula is implemented does not shortchange NVTC jurisdictions. The TSDAC recommended a formula which takes into account the size of systems based half on operating expenses and half on ridership. We believe that ridership for WMATA Metrorail has been improperly calculated because DRPT's approach seriously undercounts ridership that should be attributed to Virginia.

DRPT proposes to use a mathematical calculation that was developed for another purpose rather than using the verified and audited data that is readily available for trips. So rather than actually counting the trips made to and from Virginia on Metrorail DRPT uses a formula based on counting only those trips made by Virginians who live in WMATA jurisdictions.

That means that trips now by Virginians are only partially counted, that trips made to and from Virginia by someone from Maryland or DC or a tourist is not counted at all, and trips made on the Silver Line will not be counted at all for years to come.

As a result this year's operating assistance allocation is underfunded by \$1.2 million. This gap will only grow as Metrorail ridership in Virginia rises with the opening of the Silver Line.

I ask that this calculation be reassessed in the coming months to establish a more accurate method of counting trips attributable to Virginia for Metrorail.

Proposed Overhaul of Capital Cost Calculation Contradicts Statute's Aim to Reward Performance -- In addition to changes in the operating assistance formula, the General Assembly called on DRPT, in coordination with TSDAC, to propose a tiering -- or prioritization --

of capital funding. DRPT has posted a draft proposal for review that includes a new tiering system.

Standing alone the proposal for tiering represents a tremendous step forward for the Commonwealth. It establishes statewide priorities for transit investments across the state. In accordance with the SB1140 direction, I ask the CTB to approve only the tiering portion of this proposal.

DRPT has also called for an overhaul of how the state share of capital is allocated. If this is adopted there is effectively no tiering and it translates to virtually no change for the capital projects that are funded -- except in Northern Virginia. The outcome of the DRPT proposed overhaul is strictly to change the allocation of state funds across the Commonwealth. It may equalize the state's contribution to capital projects across systems -- but it will result in even more disparity in the required local contribution. This change will require NVTC jurisdictions to provide an additional \$17.2 million in local matching funds over five years with a disproportionate amount in the first year. NVTC jurisdictions already contribute far more in local funds than anywhere else in the state.

As earlier discussions with DRPT reveal, this drastic overhaul punishes NVTC jurisdictions for consolidating federal funds at Metrorail where they can be used most efficiently. It places tremendous pressure on NVTC jurisdictions to federalize their systems. This will shift important funds away from Metro AND result in much smaller and costly local transit systems.

In addition, the analysis of how funds will be allocated is based on assumptions that will almost certainly change. Systems that can will shift their federal funds in a way that increases their state funding. This will further reduce state funding to NVTC jurisdictions where ridership demand is the highest. In addition, DRPT assumes federal funding programs will continue at current levels and in a manner that is set out in legislation that expires next August.

In planning for the FY2015-2020 SYIP, I ask that the CTB continue to give top priority to this region's transit funding needs.

The Commonwealth's sustained economic vitality and the demand for transit in this region along with the NVTC jurisdiction's record for providing quality transit service merits your continued support and investment in these systems.

We ask that this testimony be made part of the Draft Six Year Improvement Program public hearing record and that it be taken into consideration in the final FY2014-FY2019 SYIP.

Thank you for your time and for your service to the Commonwealth. We look forward to working with you toward our continued success.

NVTC TRANSIT BY THE NUMBERS

7	Bus Systems
1	Subway
1	Commuter Rail
550K	Commuters a day
164M	Transit Trips a year
22%	Ridership growth in 10 years
81	Transit trips per capita
8	Transit trips per capita Statewide (excluding No Va)
77%	All transit trips statewide

Sources: National Transit Database, , NVTC Annual Transit Performance Update