

MINUTES
NVTC COMMISSION MEETING – SEPTEMBER 6, 2013
NVTC CONFERENCE ROOM – ARLINGTON, VIRGINIA

The meeting of the Northern Virginia Transportation Commission was called to order by Vice-Chairman Smedberg at 1:09 P.M.

Members Present

Sharon Bulova
Barbara Comstock
John Cook
Phil Duncan (alternate, Falls Church)
James Dyke
Jay Fisette
Jeffrey Greenfield
Catherine Hudgins
Mary Hynes
Joe May
Thomas Rust
Paul Smedberg
Christopher Zimmerman

Members Absent

Richard Black
William D. Euille
John Foust
Mark R. Herring
Jeffrey McKay
David Ramadan
Ken Reid
David F. Snyder

Staff Present

Doug Allen (VRE)
Kelley Coyner
Mariela Garcia-Colberg
Rhonda Gilchrest
Claire Gron
Scott Kalkwarf
Steve MacIsaac (VRE)
Colethia Quarles

Minutes of the July 11, 2013 NVTC Meeting

On a motion by Mrs. Bulova and a second by Mr. Dyke, the Commission unanimously approved the minutes. The vote in favor was cast by Commissioners Bulova, Comstock, Cook, Duncan, Dyke, Fisette, Greenfield, Hudgins, Hynes, Rust, Smedberg and Zimmerman.

Transit Service Delivery Advisory Committee (TSDAC)

Ms. Coyner reported that the Transit Service Delivery Advisory Committee (TSDAC) has made a recommendation on the performance-based operating assistance allocation. The public comment period is open until October 1, 2013, which includes a public hearing on September 18th at VDOT in Richmond. TSDAC is also working on the capital allocation, which would cover old and new funding. TSDAC has agreed to a recommendation of a three-tier approach for operating assistance. Ms. Coyner explained that the TSDAC recommendation for operating calls for a formula that uses three performance metrics to assess a transit system against itself. The relative size of the system is accounted for by a sizing or weighting factor based on 50 percent on operating expenses and 50 percent on ridership.

Delegate May arrived at 1:14 P.M.

Ms. Coyner stated that NVTC and jurisdictional staff have significant concerns about the recommendation, including how the sizing factor is calculated for WMATA. She reported that NVTC, DRPT and WMATA staff met to discuss this issue but have not reached agreement. NVTC and WMATA staff recommended an approach to count trips that begin and end in Virginia, taking into account any double counted trips. DRPT objects to this approach, primarily because if a similar formula is used for Maryland, the District of Columbia, and Virginia then the total trips add up to more trips than the total system trips. NVTC and WMATA staff agree that it does add up to more trips than the system total, but it reflects the total utilization of Virginia trips. It is not suppose to be a measure of total trips of the system. At DRPT's request, NVTC and WMATA staff have done calculations of other approaches that would add up to 100 percent. DRPT selected a measure that counts trips by residents who reside in one of the Virginia Compact jurisdictions irrespective of where the trips take place.

Mr. Zimmerman observed that under the Virginia-only scenario Maryland or D.C. residents who ride the Metrorail system in Virginia will not be counted for the allocation. Mr. Fisette and Mr. Cook observed that tourists as well as those people coming to and from the airports would also not be counted. Mr. Zimmerman then asked who would be paying for these trips and concluded that it would fall to the jurisdictions. Ms. Coyner stated that there are significant implications when the Silver Line Phase II Project begins. Residency surveys are only done every 3-5 years as part of the Metro subsidy allocation process. That means that Virginia riders on Phase II of the Silver Line will not be counted before 2021 (at least three years after the 2018 opening of service). She

also stated another issue with the recommendation is that it would only be applied to Northern Virginia and not be consistently applied to other areas of the Commonwealth.

Ms. Coyner clarified that Virginia's share of Metro costs does not change because the WMATA Compact governs how much the Virginia share is. Mr. Zimmerman stated that the recommended new allocation method would just shift the funding burden to Northern Virginia's local jurisdictions. Mr. Fisette stated that it is irrelevant that the trips add up to more than the entire Metro system totals. It is not dividing costs between Virginia, Maryland and DC; the allocation method is for dividing funding between the Commonwealth and the localities.

In response to a question by Mr. Cook, Ms. Gron replied that utilizing FY 2014 data the proposed subsidy formula would reduce the operating allocation to NVTC WMATA jurisdictions between \$1.0 - 1.2 million annually. Mr. Cook stated that this gap would need to be filled by the jurisdictions. Mr. Fisette clarified that the \$1.0 – 1.2 million is for the new money which is a small portion and does not apply to the existing funds. However, over time as it is applied, it will be a much larger amount that will be lost to Northern Virginia.

Ms. Coyner reviewed the capital allocation component. There seems to be a general agreement for the need to restructure the capital tiers. TSDAC approved a new three-tier structure for the allocation of capital funds. NVTC submitted staff comments on August 21st. She explained that a number of issues remain unresolved including how major projects would be treated under the proposed tiering structure and if the state share will continue to be based on costs net of federal funding or gross costs without taking into account federal participation. Utilizing FY 2014 data, NVTC staff estimates that the impact of calculating assistance on gross costs versus the present net cost basis, without regard to the tiering of assets, would result in an increase in local contributions for the NVTC WMATA jurisdictions of \$6 million.

Vice-Chairman Smedberg asked about the deadline for the jurisdictions and NVTC to comment on the capital allocation recommendation. Ms. Coyner responded that there is not a proposal to comment from a NVTC perspective at this time, although staff is asking for the authority to submit comments if TSDAC moves forward with a recommendation on capital.

Mrs. Hynes stated that when the Northern Virginia region agreed to tax itself more and invest more in transportation, the Commonwealth gave assurances that they would continue to be a reliable funding partner. She stated that this recommended operating (assistance allocation) approach is an example of them not being a reliable partner in the way they are approaching both operating and capital. At Northern Virginia's expense, the funding burden of much of the rest of the state to put any local money on the table is diminished.

Mrs. Hudgins stated that the state is not taking into account the economic development that is driven in Northern Virginia for this region and the entire state. It's not highlighting residents being counted as they are also paying for Metro service through their fares.

Mrs. Bulova moved to direct the Executive Director to draft a letter to TSDAC capturing comments and concerns that were expressed at this meeting, as well as comments to the overall recommendation with respect to operating and capital. Ms. Coyner stated that it is her intent to send the letter today so that it will be considered at Monday's TSDAC meeting. Mr. Fisette seconded the motion.

Mr. Cook gave a friendly amendment to give the Executive Director leeway for her to refine the letter. He also suggested that the letter be copied to the Northern Virginia delegation and that the jurisdictions be reminded to also send letters. Mr. Zimmerman agreed that it is important that the Northern Virginia delegation is aware of these issues. He also suggested staff prepare a one-page Information Alert. Mrs. Hynes stated that authorization should also be given for NVTC's Chairman or his designee to provide testimony at the hearing on September 18th. Mrs. Bulova and Mr. Fisette agreed to incorporate these friendly amendments into the main motion.

The commission then voted on the motion and it passed. The vote in favor was cast by Commissioners Bulova, Comstock, Cook, Duncan, Fisette, Greenfield, Hudgins, Hynes, May, Rust, Smedberg and Zimmerman. Mr. Dyke abstained.

VRE

Report from the VRE CEO. Mr. Allen reported that VRE on-time performance (OTP) was at an all time year-end high of 96 percent at the end of FY 2013. On-time performance for the month of August also continued that trend at 97 percent. There were 10 days in August where ridership exceeded 19,000 daily trips. Mr. Allen also noted that he has been doing outreach at the General Assembly level, congressional level and to several members of the Commonwealth Transportation Board (CTB). He reported that he will be giving a presentation to the CTB at its September 17th meeting. It is hoped that CTB members will be able to tour and ride a VRE train after the meeting.

Mr. Allen reported that in July VRE was approved for NVTa funding for railcar procurement, the King Street Pedestrian Tunnel at the Alexandria Station, Second platform at Lorton Station, and the Gainesville-Haymarket Extension Study.

Mr. Allen stated that VRE service expansion into Spotsylvania County continues. All agreements should be in place this month and construction of the station should begin in October. Vice-Chairman Smedberg stated that as the VRE Operations Board Chairman, he appreciates all the time and effort staff has put into this project.

Response to the Draft Report of the Auditor of Public Accounts. Mr. Allen reported that last year Governor McDonnell asked for an audit of VRE by the Auditor of Public Accounts (APA). VRE has received the draft report for comment. However, since comments are due on September 17th, which is before the next meeting of the Operations Board, NVTC and PRTC have drafted a joint letter to the APA. APA plans to publish its final report on September 19, 2013.

Commissioners were provided with a copy of the draft letter and comments. Mr. Allen stated that PRTC approved the letter at its meeting on September 5, 2013. Ms. Coyner explained that Chairman McKay has reviewed most of these documents. Mr. Allen explained that NVTC, PRTC and VRE have five areas of concerns, including that APA's deadline for comments is short and does not allow the VRE governance process to work by allowing the VRE Operations Board to take action first. The general tone of the APA report is based on the premise that VRE did something wrong. There were also two models of oversight recommended in the report but VRE questions whether they are appropriate for a government entity like VRE. The report states VRE does not have a strategic plan, but in fact the one done in 2004 is still relevant. Also, VRE has started a new System Plan, which included a Work Shop in July.

Ms. Coyner explained that the draft letter focuses on the inaccurate conclusions reached by APA, including that VRE is an organization in "limbo." She stated that even though the Commissions and VRE take objection to parts of the APA report, there is still value to recognizing some of the recommendations made by the APA that should be taken under consideration.

Delegate Rust left the meeting at 1:45 P.M. and did not return.

Mr. Cook stated that in his opinion the APA report is badly written and VRE should look into filing a public complaint with an audit standards organization. Even though the Commissions and VRE take objection to parts of the report, there are still some good recommendations made that should be considered, including improving new orientation for Board Members and having the Commissions conduct a periodic management audit of VRE.

Vice-Chairman Smedberg agreed that there are several recommendations in the draft report that could be valid and valuable to helping VRE as an organization. Mr. Zimmerman agreed with Mr. Cook and stated that the draft letter should address the omissions, factual errors and procedural problems of the report but should also identify the good recommendations. However, the philosophical argument of the nature of governance included in the APA report needs to be challenged. APA's premise is that VRE should have a governing body of people that don't have a stake in the outcome of the system. Also, the report makes an argument that funding comes from the federal and state governments and therefore they should be involved in the operations of VRE. Mr. Zimmerman stated that if that argument is indeed true then the Governor should be involved in the operations of each of the School Boards across the Commonwealth. A funding entity does not mean that it should be involved in the day-to-day operations of VRE. It takes away from those who actually have a stake in the outcome, and ultimately from the owners of the system—the public. Beyond sending the letter, Mr. Zimmerman stated that he hopes a more deliberate strategy is being developed to respond to the APA.

Delegate Comstock left the meeting at 1:55 P.M. and did not return.

Mrs. Bulova moved, with a second by Mrs. Hynes, to authorize NVTC's Chairman to sign and send the joint NVTC/PRTC letter to the Auditor of Public Accounts. She explained that the letter should be sent "as is" since PRTC approved that version but noted that further comments and concerns can be included in the supplemental documents.

Mrs. Bulova stated that VRE is owned by the two Commissions and that is not a bad thing. VRE service captures a large geographic area (from D.C. to Spotsylvania and Manassas). It's not unreasonable and in fact, it is beneficial to have the two parent organization play a role in VRE. She expressed her opinion that to call VRE an entity in organizational "limbo" is insulting. VRE is an efficient operation and its customers are very satisfied with VRE's service. She stated that it is important that the Commissions weigh in heavily on this issue.

Mr. Cook observed that the recommendation for VRE to have outside Board members may be a good practice for private corporations to avoid shareholder abuse, but it doesn't apply to VRE. It is an "apples to oranges" comparison. Mrs. Hynes noted that the definition of "Board of Directors" in the APA report does not capture the work VRE's Board does, which sets the vision, sets the budget, and hold people accountable.

Delegate May stated that this APA audit reminds him of an International Standards Organization (ISO) quality audit. He suggested VRE invite the APA to come and meet with VRE, NVTC and PRTC staff to discuss these issues. Mrs. Bulova stated that there have been some discussions that have already occurred, but agreed that further discussions between APA, VRE, NVTC and PRTC would be a good idea. Ms. Coyner reported that a meeting is currently being scheduled to review the Commissions' concerns and to try to get corrections made to the report before it is released on September 19th. She also reminded the Commissioners that this is a draft report and the final report will be issued on September 19th, so there will be another opportunity to respond. Delegate May suggested having the meeting prior to sending the comments. Mr. Zimmerman expressed his opinion that getting both Commissions on record is important.

The Commission then voted on the motion and it passed. The vote in favor was cast by Commissioners Bulova, Cook, Duncan, Fisette, Greenfield, Hudgins, Hynes, May, Smedberg and Zimmerman. Mr. Dyke abstained.

Report on the VRE System Plan Work Shop. Mrs. Bulova reported that VRE held a System Plan Work Shop on July 19th in which the Operations Board discussed short, medium and long-term planning for VRE. Short-term planning would involve increasing capacity with new railcars and locomotives, increasing lengths of platforms, increasing parking and storage capacity. Mr. Allen stated that the Work Shop was beneficial in indentifying VRE's vision for the future.

Award of Contract for Ticket Sales at the Quantico VRE Station. Mrs. Bulova reported that NVTC is being asked to authorize the VRE CEO to execute a contract with Nose to Nose Winery, LLC doing business as Ricks Roasters Coffee Company of Stafford, Virginia for ticket sales and vendor space at the VRE Quantico Station. The

contract would be for a base year with four additional one-year options, with the VRE CEO exercising the option years at his discretion. The authorization allows work to begin upon the expiration of the previous contract on September 9, 2013. VRE will receive a monthly fee for the use of the space in the amount of \$300. Resolution #2222 would accomplish this.

Mrs. Bulova moved, with a second by Mr. Zimmerman, to approve Resolution #2222. The vote in favor was cast by Commissioners Bulova, Cook, Duncan, Dyke, Fisette, Greenfield, Hudgins, Hynes, May, Smedberg and Zimmerman.

Update on Caroline County Petition to Join PRTC and VRE. Vice-Chairman Smedberg stated that NVTC will be briefed on this at its October meeting.

NVTC Financial Reports for June and July 2013

The financial reports were provided to commissioners. Mr. Kalkwarf stated that the reports include some supplemental materials, including a one-page report on motor vehicle fuels sales tax adjustments, NVTC's G&A Budget Variance Report, and DRPT's compliance audit report, which resulted in no findings. Vice-Chairman Smedberg announced that the auditors will be at NVTC's offices for several days next week conducting the NVTC audit. Mr. Cook asked that the financial reports be provided prior to the meetings.

Follow-Up on NVTC's Work Plan

Vice-Chairman Smedberg reminded the Commission that at the July meeting, Commissioners reviewed and provided guidance on the priority activities under NVTC's Work Plan for the balance of calendar year 2013. At that meeting the Commission confirmed the Work Plan and established four priority areas and identified several specific actions. Ms. Coyner gave an overview of the four priorities:

- Financial management – maintains competence and identifies requirements for additional controls or resources.
- Development and implementation of an outreach plan with state and federal officials (elected and appointed) and business and community organizations.
- Regional support and leadership of regional planning efforts – including Route 1, Route 7, and Super NoVa, Regional Forward, WMATA Momentum implementation.
- NVTC transition and implementation of HB 2313.

Mrs. Hynes moved to confirm the changes to the Work Plan. Mrs. Bulova seconded.

Ms. Coyner announced that the focus for the discussion at NVTC's October 3rd meeting will be on regional planning. She also conveyed that Chairman McKay, as well as herself, have been appointed to the Super NoVa Consortium. Commissioners Bulova, Euille and Fisette are also members of the Consortium representing both NVTa and NVTC.

Vice-Chairman Smedberg stated that Chairman McKay communicated that it would be a good idea to get consensus from Commissioners to direct staff to begin drafting a legislative agenda for 2014. Ms. Coyner noted that the intent would be for NVTC to adopt the legislative agenda and priorities at the November meeting with a legislative briefing for Northern Virginia General Assembly members at the December meeting.

Mr. Zimmerman stated that he likes the format of the timeline report staff provided to Commissioners. He asked where the Transportation Planning Board (TPB) activities fit into the timeline. Ms. Coyner replied that NVTC staff comments regarding TPB's Regional Transportation Priorities Plan have been submitted. Ms. Gron stated that there will also be a second opportunity to submit comments to TPB in the future.

Mrs. Hynes announced that the Metropolitan Washington Council of Government (MWCOG) is conducting an Economy Forward Meeting on September 27th, which will include two presentations on the Strategic Activities Center work and TPB's Regional Transportation Priorities Plan.

Vice-Chairman Smedberg reported that the Commission is starting its legislative process and Chairman McKay plans to convene the Legislative Committee in September to start that work. There were no objections. Ms. Coyner thanked the Commission for their involvement and asked for it to continue because it is important to make it a sustainable effort. She stated that there have been some initial indications that it will be a long 2014 General Assembly Session.

Vice-Chairman Smedberg suggested taking Agenda Item #8 and #10 out of order since several members need to leave early. There were no objections.

Northern Virginia Transportation Authority (NVTa)

Vice-Chairman Smedberg reported that NVTC's Executive Committee met with NVTa Chairman Marty Nohe and NVTa's Project Implementation Working Group Chairman, Chris Zimmerman on August 27th. The meeting highlighted the importance and significance of transit and how NVTC plays an important and possibly expanded role in this effort.

Ms. Coyner stated that the NVTa bond validation suit has been filed and the preliminary hearing is scheduled for September 10th and the hearing before the Fairfax Circuit Court is scheduled for September 30th. Mr. Zimmerman noted that there are

three interveners including Delegate Robert Marshall. Mrs. Bulova stated that Fairfax County and Falls Church are considered friendly interveners.

Mr. Zimmerman reported that it has been a busy summer. The FY 2014 projects have been approved by NVTA and are vetted into the bond validation process. NVTA is now working on the process for FY 2015 and the Six-Year Plan.

Mrs. Bulova stated that she serves as co-chair of the NVTA Operations Working Group and she announced that NVTA has hired John Mason to serve as Interim Executive Director. Mr. Mason is not intending to be a candidate for the permanent position. Currently, NVTA is sharing office space with the Northern Virginia Regional Commission.

Executive Director's Performance Objectives

Vice-Chairman Smedberg explained that due to the lateness of the hour, NVTC will not hold a Closed Session to discuss Ms. Coyner's performance objectives. He explained that Chairman McKay wanted the rest of the Commission to know that the Executive Committee reviewed the performance objectives and they have been approved by both the Executive Committee and Ms. Coyner. Vice-Chairman Smedberg stated that a confidential e-mail will be sent to each Commissioner with these documents. Any questions or concerns can be directed to Chairman McKay and can be discussed at a future meeting.

Mrs. Bulova and Mr. Greenfield left the meeting at 2:37 P.M.

WMATA

Mr. Dyke reported that the WMATA Board of Directors did not meet in August; the next Board meeting is scheduled for September 12th. Mrs. Hynes noted that the WMATA budget process will begin in October.

Department of Rail and Public Transportation

Commissioners were provided with a written DRPT report, which included updates on the SuperNoVa Transit and TDM Action Plan, Route 1 Multimodal Alternatives Analysis, I-66 Tier 1 DEIS, TSDAC, and the State Rail Funding Agreement with Amtrak.

Information Items

Route 1 Multimodal Alternatives Analysis. The study, initiated by DRPT this summer, will consider alternative strategies for the 14-mile corridor from the Beltway to

Route 123, which will include bus rapid transit (PRT), light rail transit (LRT), extended Metrorail service, roadway widening, and restructured pedestrian/bicycle pathways and facilities. Amy Inman from DRPT will brief NVTC at its October 3, 2013 meeting on this project.

Route 7 Study to Present Preliminary Transit Alternatives. NVTC will hold the next public meeting on September 18th to discuss the preliminary transit alternatives. NVTC staff and the consultant briefed the Falls Church City Council on September 3, 2013. The Technical Advisory Committee is scheduled to meet on September 10th to discuss latest reports and next steps.

Vanpool Incentive Program. The Vanpool Incentive Program requires bridge funding in estimated amounts of \$85,000 for FY 2015 and \$1,350,000 for FY 2016. NVTC's Management Advisory Committee (MAC) will confirm the source of the FY 2015 funds and recommend action by the Commission at a future meeting.

MWCOG Economy Forward: One Year of Progress Event. Key stakeholders from government, business and philanthropy will meet on September 27th to discuss Economy Forward, an action plan built on Region Forward focused on projects that strengthen the region's economic competitiveness.

Adjournment

Mr. Dyke moved to adjourn and Mr. Cook seconded. There were no objections and Vice-Chairman Smedberg adjourned the meeting at 2:39 P.M.

Approved this 3rd day of October, 2013.

Jeff McKay
Chairman

David F. Snyder
Secretary-Treasurer