

MINUTES
NVTC COMMISSION MEETING – JUNE 3, 2004
NVTC CONFERENCE ROOM - ARLINGTON, VIRGINIA

The meeting of the Northern Virginia Transportation Commission was called to order by Vice Chairman Ferguson at 8:12 P.M.

Members Present

David Albo
Sharon Bulova
Gerald Connolly
Adam Ebbin
Paul Ferguson
Jay Fiset
Catherine M. Hudgins
Tanya Husick (DRPT)
Elaine McConnell
Gary A. Reese
Scott Silverthorne
Mick Staton
Mary Margaret Whipple

Members Absent

William D. Euille
Ludwig Gaines
Dana Kauffman
William C. Mims
David F. Snyder
Christopher Zimmerman

Staff Present

Rhonda Gilchrest
Scott Kalkwarf
Jana Lynott
Steve MacIsaac (VRE)
Adam McGavock
Mark Roeber (VRE)
Kala Quintana
Jennifer Straub (VRE)
Richard K. Taube
Dale Zehner (VRE)

Oath of Office for New Commissioner

Vice Chairman Ferguson announced that Speaker Howell has appointed Delegate Adam Ebbin to serve on NVTC. Delegate Tim Hugo also has been appointed to NVTC effective July 1, 2004, as the fourth delegate as a result of HB 1231, passed during the General Assembly session, which increases the number of delegates serving on NVTC to four from three.

Vice Chairman Ferguson administered the oath of office to Mr. Ebbin and commissioners welcomed him to NVTC.

Minutes of NVTC's Meeting of May 6, 2004

Mrs. Whipple moved, with a second by Mr. Connolly, to approve the minutes. The vote in favor was cast by commissioners Albo, Bulova, Connolly, Ebbin, Ferguson, Fisetite, Hudgins, Husick, McConnell, Reese, Staton and Whipple. Mr. Silverthorne abstained.

NVTC By-Laws Amendment

Mr. Taube stated that as a result of HB 1231 the Virginia Code now has several references to NVTC previously contained only in Acts of Assembly. The bill altered NVTC's quorum requirements, redefined the number of votes required to take any action, added another member of the House of Delegates, and allowed electronic participation in NVTC's meetings by General Assembly members during General Assembly sessions. To conform to these legislative changes, NVTC's by-laws must be amended. Mr. Taube explained that discussion is required at one meeting followed by action at a subsequent meeting. Therefore, without objection these changes will be presented for approval at the July 1, 2004 meeting. There were no objections.

NVTC Policy on Prevention of Fraud and Other Improprieties

Mr. Taube stated that the VRE Operations Board has recommended approval of a Fraud Policy in response to comments by VRE's auditors, which will be discussed in a later agenda item. NVTC currently does not have such a policy and it is desirable to take advantage of the extensive legal work that was devoted to crafting the VRE policy. Since NVTC is a small organization, the VRE policy has been modified slightly for application to NVTC.

Mr. Connolly moved, with a second by Mrs. Bulova, to approve the policy. The vote in favor was cast by commissioners Albo, Bulova, Connolly, Ebbin, Ferguson, Fisetite, Hudgins, Husick, McConnell, Reese, Silverthorne, Staton and Whipple.

WMATA Items

WMATA FY 2005 Operating and Capital Budget. Mrs. Hudgins stated that the local jurisdictions support the WMATA FY 2005 operating and capital budget. Mr. Taube stated that a letter commenting on the budget has been drafted and staff recommends that the commission authorize Vice-Chairman Ferguson to send the letter to WMATA in support of the local jurisdictions.

Mrs. Hudgins moved, with a second by Mr. Connolly, to authorize Vice-Chairman Ferguson to sign and send the letter to WMATA. The vote in favor was cast by commissioners Albo, Bulova, Connolly, Ebbin, Ferguson, Fisette, Hudgins, Husick, McConnell, Reese, Silverthorne, Staton and Whipple.

Mr. Connolly observed that NVTC's letter addresses the issue of WMATA's budget schedule, which is incompatible with local budget cycles and NVTC's deadlines to apply for state assistance for WMATA. The letter urges WMATA to start its budget cycle much earlier so that local governments can adopt their own budgets each spring with more certainty and NVTC can seek the full amount of state aid for WMATA to which its jurisdictions are entitled.

Pike Transit Initiative. Mrs. Hudgins reported that a briefing paper was presented to a WMATA Board committee in early May that provides the results of a year-long study by WMATA of alternative bus and rail investments in the Columbia Pike corridor. That corridor currently supports 12,000 daily transit trips and 50,000 vehicle trips. The public involvement schedule calls for briefings of elected officials, community meetings, a design dialogue workshop and a new website. Following evaluation of alternatives in the fall, selection of a locally preferred alternative and completion of a final report would occur this winter. On behalf of Arlington County, Vice Chairman Ferguson thanked Penelope Gross for her help with this initiative.

Railcar Deployment Plan. Mrs. Hudgins stated that with the arrival of 42 new railcars, the WMATA Board debated whether they should all be deployed on the Red Line as originally planned. Discussions at board committee meetings led to a proposal to reallocate railcars to achieve nearly equal average peak passenger loading per car across all lines. However, the policy approved by the Board uses cars from gap trains to provide some modest relief to lines other than the Red Line and the situation will be reexamined in a few months.

Legislative Items

Review of 2004 General Assembly Session and Prospects for 2005. Mr. Reese observed that transportation funding wasn't on the table during this last General Assembly session, but Governor Warner is proposing certain budget amendments that would provide \$70 million for transportation. The governor has also been encouraged to dedicate at least 50 percent of any future surplus funds to the Transportation Trust Fund. Mrs. Whipple stated that Senator Chichester feels strongly that general funds should not be used for transportation and that transportation should have its own designated source of revenue. His proposal would have increased funds going to transportation by \$1.5 billion for a two-year period, but the legislation did not go very far. Mr. Reese stated that he hopes that if there is a surplus which continues to grow; it would be an excellent source of funding for transportation.

Mrs. Whipple reported that her bill to increase Northern Virginia's gas tax from two percent to four percent passed in the Senate but died in a House Finance subcommittee. She was pleased that the subcommittee members heard the reasons for it, although they were unwilling to approve it. Mrs. Hudgins stated that from a regional standpoint, there is opportunity to look again at a dedicated revenue source for transit.

No Bus Fare Buydown Funds in Six-Year Program. Mr. Taube stated that the final compromise budget adopted by the General Assembly hurt NVTC's financial prospects in several ways. Now an administrative decision may also cost NVTC's jurisdictions an additional loss of anticipated future funding. For FY 2005 and beyond, it appears that VDOT programmers have not honored the commonwealth's long-standing commitment to provide over \$800,000 annually to the region for bus fare buydowns. Former Transportation Secretary Martinez wrote on February 14, 1996 that the commonwealth would provide these funds each year to help defray the revenue impact on Metrorail from a decision to relax HOV restrictions on I-66. NVTC staff assisted the region in deciding on the best use of these funds, which through FY 2004 have helped boost bus and rail ridership in areas such as the I-66 corridor, the Dulles Corridor, Franconia/Springfield and the Route 1 corridor.

Mr. Taube stated that staff of the region's transit systems believe the bus fare buydown program is effective and should continue. Local jurisdiction and agency staff is working to develop a new multi-year plan to continue to rotate funds among corridors and areas that will benefit from bus fare reductions. Accordingly, the commission is asked to authorize its vice-chairman to send a letter to Secretary Clement requesting that the commonwealth continue to honor its \$808,000 annual commitment, use funds that would not otherwise be dedicated to the region to live up to the spirit of Secretary Martinez's letter, and program \$808,00 for each year in the commonwealth's six-year program.

Mr. Connolly moved, with a second by Mrs. McConnell, to authorize Vice-Chairman Ferguson to send the letter to Secretary Clement supporting a continuation of \$800,000 annual funding of bus fare buydowns in Northern Virginia. The vote in favor was cast by commissioners Albo, Bulova, Connolly, Ebbin, Ferguson, Fisetto, Hudgins, Husick, McConnell, Reese, Silverthorne, Staton and Whipple.

Federal Legislation. Mr. Connolly reported that there is hope that that the TEA-21 reauthorization bill will be voted on before Congress adjourns its session. The Bush administration has increased the proposed funding levels that it will support to \$275 billion. The Senate has passed its "Jobs Opportunity" bill which includes a retroactive prohibition on leveraged transit leases. NVTC opposes that prohibition.

Additional Funding for Regional SmarTrip Farebox Consulting

Mr. Taube reported that as part of a \$5 million partnership to provide fully compatible SmarTrip fare collection for all of the transit systems in Northern Virginia, IBI Group was originally contracted in January of 2002 to provide technical support services to NVTC. NVTC provided \$200,000 in federal funding with DRPT providing \$50,000 in matching funds. This contract was amended in April of 2002 to include Loudoun County. The amended contract added \$34,000 in state funds for a total of \$284,000.

Mr. Taube explained that NVTC is now seeking an additional \$36,700 in funds from DRPT to cover the costs of extending this contract until September of 2005. The commission is asked to authorize its executive director to amend the contract with IBI Group for that purpose subject to the availability of funds from DRPT. He explained that the original schedule for this contract was to be complete by May of 2003. At this time, current tasks are approximately two years behind schedule. IBI Group did not affect the delay; the loss of schedule was caused by delays related to the WMATA In Service Qualification Testing (ISQT). While NVTC is asking DRPT for some additional funds, the commission staff is making every effort to minimize that request, and get the most out of the funds available.

On a motion by Mrs. Bulova and second by Mrs. Hudgins, the commission unanimously authorized the executive director to amend the contract with IBI Group, subject to the availability of funds from DRPT. The vote in favor was cast by commissioners Albo, Bulova, Connolly, Ebbin, Ferguson, Fisetto, Hudgins, Husick, McConnell, Reese, Silverthorne, Staton and Whipple.

Forecasts of Yields of NVTC's Two Percent Motor Fuels Tax

Mr. Taube stated that in light of the sharp increase in the price of gasoline, the commission asked staff to illustrate the likely increase in revenues from the commission's two percent motor fuels tax if these increases persist. In response to a question from Mr. Connolly, Mr. Taube stated that staff has not in the past forecast yields from this tax, preferring to use historical averages as benchmarks. Varying prices, different driving habits and vehicle fuel efficiency changes can all influence NVTC's gas tax revenues. Forecasting these variables is perilous. However, using the gallons estimated and assumed prices ranging from \$1.50 to \$2.50 per gallon, the yield from NVTC's two percent tax would vary by jurisdiction. For each 10-cent increase in the average price per gallon, NVTC would collect an additional \$1.3 million annually. Thus, if gas prices were to rise to \$2.50 from \$1.50 and hold for a year, NVTC's overall yield would increase by over \$13 million.

Mr. Albo asked if transit ridership goes up when the price of gas increases. Mr. Taube responded that as a general rule it would increase, but probably not immediately. Mr. Connolly observed that the region is at capacity on a lot of the lines and VRE already is at capacity. He asked staff to make inquiries from WMATA and other transit systems if there is evidence of a link between increased gas prices and increased ridership. Mrs. Whipple stated that it is difficult to assess the reasons for increased ridership. She cited other factors including increased tourism and the new World War II memorial. She suggested APTA might have done such a study.

Dedicated Sources of Transit Funding in Other Jurisdictions

Mr. Taube reminded commissioners that at their May 6th meeting they examined information about the yields of various revenue sources that might be used in this region to help fund its transportation systems. Because many of the estimates were derived from 1997 work by a consultant to TPB, the commission requested that MWCOG update the estimates. NVTC received a response from Gerry Miller of TPB staff, who stated that the study could be updated but it would take several months at a cost of approximately \$20,000. COG staff speculated that VDOT might have some funds that could be used for such a study. In response to a question from Vice Chairman Ferguson, Mr. Taube explained that it would come from federal research and planning funds not yet programmed.

Mrs. Bulova stated that updating this information would be useful for the region as well as statewide. Mr. Connolly stated that it is important to focus regionally here on transit, more specifically on Metro. It is time to look at dedicated sources of revenue. He expressed his opinion that each jurisdiction (Maryland, District of Columbia and Virginia) could have different funding sources. Mrs. Bulova expressed her support for the commission to inquire about VDOT funding to update the study.

Mrs. Bulova moved, with a second by Mrs. Hudgins, to request VDOT provide funds to update the study.

In response to a question from Mrs. Whipple, Mr. Taube stated that the study would look at funding for the entire metropolitan region, including Maryland and the District of Columbia. Mrs. Whipple stated that VDOT should not be asked to pay to do it for Maryland and the District of Columbia. Mrs. Bulova explained that the information would be useful for all the jurisdictions. Vice Chairman Ferguson suggested sending a letter to Maryland and the District asking them to share equally. Mr. Connolly agreed that it's not fair to expect VDOT to fund the whole study.

Mrs. Bulova amended her motion to include requesting that Maryland and the District share the cost of the study. The seconder agreed. The vote in favor was cast by commissioners Albo, Bulova, Connolly, Ebbin, Ferguson, Fisette, Hudgins, Husick, McConnell, Reese, Silverthorne, Staton and Whipple.

Regional Transportation Items

Status of Northern Virginia Transportation Plan Update. Mr. Taube stated that NVTC is managing the procurement of consulting services for this plan on behalf of the Northern Virginia Transportation Authority. Responses to the request for proposals were due May 27th. At its July 1 meeting, the commission will be asked to recommend to NVTA the award of a contract.

Highlights of the Virginia Transit Association's Spring Conference. Mr. Taube reported that VTA held its annual conference in Fredericksburg on June 2 and 3, 2004. Mr. Zimmerman was selected to serve as the VTA President. DASH and Loudoun County Transit received awards and ART received an honorable mention.

Public Transit Favorable Ratings Increase. The American Public Transportation Association (APTA) has released the results of polls by Wirthlin Worldwide of over 500 "influentials" in the U.S. and 150 living in the Washington D.C. area. The purpose was to measure the effectiveness of APTA's (PT)² campaign, which has attempted to improve attitudes toward public transit. Favorable opinions have risen in the past two years and in the D.C. area, favorable opinions of transit far exceed those elsewhere.

Transit Investment Worth Its Weight in Real Estate. A Masters degree candidate at Columbia University, Juliette Michaelson, has examined the relationship between housing values and proximity to commuter rail service in New Jersey. In 1996, New Jersey Transit spent \$69 million to create a new direct commuter rail connection to Manhattan from northern New Jersey. From 1993 to 2003, residential properties within a half mile of the stations soared in value by 113 percent. Properties between a half or two miles increased in value

by 82 percent and houses beyond two miles increased by 65 percent. By 2003 an average house near a station cost \$90,000 more than an otherwise comparable house not near a station.

Brookings Institution Discussion on Still Stuck in Traffic. Anthony Downs will autograph his new book at a lunchtime discussion on June 14th. Among the speakers will be Chris Zimmerman

ITS in Transit Wins Thumbs Up. A description of NVTC's study evaluating transit ITS performance appeared in an article in an ITS industry publication.

NVTC's September 2, 2004 Meeting in Alexandria

Mr. Taube announced that to continue NVTC's commemoration of its 40th anniversary, NVTC staff is working with Alexandria staff to coordinate the September 2nd NVTC business meeting in the City Council Chambers in Old Town Alexandria. The meeting would encourage public participation and would also emphasize the 20th anniversary of DASH.

Mrs. Whipple noted that this meeting is prior to Labor Day and commissioners may not be able to attend. Mrs. Bulova suggested staff poll commissioners to make sure there will be a quorum for the September meeting or change the date of the meeting. Mr. Taube stated that staff will do so, but reminded commissioners that it is difficult to find alternate dates acceptable to all. For example, if the meeting is moved back a week, it will conflict with NVTA's regularly scheduled meeting.

NVTC Financial Reports for April, 2004

The financial reports were provided to commissioners. Mr. Taube reported that the gas tax revenue adjustment resulting from an error in reporting by the Department of Taxation is not yet reflected in the report. Next month's report should reflect the correction.

Mr. Taube stated that NVTC responded to the auditor's letter regarding their recommendations to NVTC management as a result of the FY 2003 audit. Representatives of PBGH, LLP met with the NVTC executive committee (serving as the audit committee) during the executive committee meeting. Mrs. Whipple stated that the auditors were satisfied with NVTC's responses. Vice Chairman Ferguson stated that the discussion with the auditors was very good and the committee asked many tough questions.

VRE Items

Report from the VRE Operations Board and from the Chief Executive Officer. Mrs. Bulova announced that Dale Zehner has been selected as VRE's new Chief Executive Officer. The commissioners congratulated Mr. Zehner.

Ceremony for VRE's 25 Millionth Passenger. Mrs. Bulova reported that VRE held its 25 Millionth Rider celebration in Alexandria earlier in the day. Governor Warner participated. Commissioners discussed some of the factors that have helped VRE's ridership grow, including word of mouth advertising, improved on-time performance and the initiation of the Metrochek program.

Prince William County Parking Improvements. Mrs. Bulova reported that the VRE Operations Board recommends approval of Resolution #1019, which would authorize VRE's CEO to enter into an agreement with Prince William County for parking improvements at Manassas and Broad Run in an amount not to exceed \$456,722, including a 15 percent contingency. Funding is provided from the Governor's Congestion Relief Program.

On a motion by Mrs. Bulova and a second by Mrs. McConnell, the commission unanimously approved the resolution (copy attached). The vote in favor was cast by commissioners Albo, Bulova, Connolly, Ebbin, Ferguson, Fisette, Hudgins, Husick, McConnell, Reese, Silverthorne, Staton and Whipple.

Manassas Airport Authority Parking Improvements. Mrs. Bulova stated that Resolution #1020 would authorize VRE's CEO to execute an agreement with the Manassas Regional Airport for a property lease for expanded parking at an annual cost not to exceed \$78,408. The term would be for up to five years. Funding is from the Governor's Congestion Relief Program.

Mrs. Bulova moved, with a second by Mrs. McConnell, to approve Resolution #1020 (copy attached). The vote in favor was cast by commissioners Albo, Bulova, Connolly, Ebbin, Ferguson, Fisette, Hudgins, Husick, McConnell, Reese, Silverthorne, Staton and Whipple.

Lease of Warehouse for Spare Parts at Manassas Airport. Mrs. Bulova stated that the VRE Operations Board recommends approval of Resolution #1021. The resolution would authorize VRE's CEO to execute a three-year lease agreement with KAO Manassas Airpark LLC for warehouse space near the Broad Run VRE yard. The total cost of the lease over three years is \$295,586, plus a 10 percent contingency. It will allow VRE's Gallery railcar spare parts to continue to be stored there when the facility used currently is demolished to make room for expanding VRE parking.

Mrs. Bulova moved, with a second by Mrs. McConnell, to approve Resolution #1021 (copy attached). The vote in favor was cast by commissioners

Albo, Bulova, Connolly, Ebbin, Ferguson, Fisette, Hudgins, Husick, McConnell, Reese, Silverthorne, Staton and Whipple.

Construction Contract for Quantico Creek Bridge. Ms. Bulova stated that the VRE Operations Board recommends approval of Resolution #1022, which would authorize the competitive award of a construction contract for the bridge to Abernathy Construction Corporation of Glen Allen, Virginia, in the amount of \$16,892,541, including a 10 percent contingency. State and federal grant funds are available with no local funds being spent.

On a motion by Mrs. Bulova and a second by Mr. Connolly, the commission unanimously approved the resolution (copy attached). The vote in favor was cast by commissioners Albo, Bulova, Connolly, Ebbin, Ferguson, Fisette, Hudgins, Husick, McConnell, Reese, Silverthorne, Staton and Whipple.

Quantico Bridge Dominion Virginia Power Agreement. Mrs. Bulova reported that the VRE Operations Board recommends approval of Resolution #1023, which would authorize VRE's CEO to execute an agreement with Dominion Virginia Power for access and disposal of dredging spoils during construction of the bridge. The disposal fee for use of a pond at the Possum Point Plant is \$5 per cubic yard up to a maximum of \$315,000. Access is free. State and federal grants will cover the cost with no local funds required.

Mrs. Bulova moved, with a second by Mrs. McConnell, to approve Resolution #1023 (copy attached). The vote in favor was cast by commissioners Albo, Bulova, Connolly, Ebbin, Ferguson, Fisette, Hudgins, Husick, McConnell, Reese, Silverthorne, Staton and Whipple.

Definition of VRE Operating Ratio. Mrs. Bulova stated that the VRE Operations Board recommends approval of Resolution #1024. The resolution would confirm the current practice of providing a complete definition of VRE's ratio of operating revenues to operating costs. VRE's auditors asked for the commissions to approve a more complete definition of this calculation that was initially authorized in 1999. The calculation excludes track leases, other access costs and liability costs paid from the insurance trust. As a result of this required calculation, NVTC is meeting the terms of the Master Agreement by achieving a ratio at the close of FY 2003 of 61.9 percent.

On a motion by Mrs. Bulova and a second by Mrs. McConnell, the commission unanimously approved Resolution #1024 (copy attached). The vote in favor was cast by commissioners Albo, Bulova, Connolly, Ebbin, Ferguson, Fisette, Hudgins, Husick, McConnell, Reese, Silverthorne, Staton and Whipple.

Additional Contract Authority for Sounder Rolling Stock. Mrs. Bulova reported that approval of Resolution #1025 is recommended by the VRE Operations Board. This resolution would increase the current authorization limit for Sounder train set leases by \$1,662,960, above the current limit of \$4.6 million. This would allow three such train sets to be kept here for another year until

additional Gallery railcars can be placed into service. State funds are available with no local funds needed.

Mrs. Bulova moved, with a second by Mrs. McConnell, to approve the resolution (copy attached). The vote in favor was cast by commissioners Albo, Bulova, Connolly, Ebbin, Ferguson, Fiset, Hudgins, Husick, McConnell, Reese, Silverthorne, Staton and Whipple.

Qualification and Repair of Gallery Railcars. Mrs. Bulova explained that the VRE Operations Board recommends approval of Resolution #1026, which would authorize award of a contract for the qualification and repair of newly acquired Metra Gallery railcars. The recommended firm is Kawasaki Rail Car, Inc. and the amount of the contract is \$4,815,452, including a 15 percent contingency. No local funds are required. Mr. Taube explained that the resolution was updated to recognize that a protest has been filed by another bidder. The resolution would authorize that the contract be awarded but notice to proceed would not be given until the protest has been withdrawn or resolved.

In response to a question from Mr. Connolly, Mr. Zehner replied that all the work will be done at Kawasaki's Yonkers, New York facility. He is not sure if Kawasaki Rail Car, Inc. is a Japanese or American company.

On a motion by Mrs. Bulova and a second by Mrs. McConnell, the commission unanimously approved the resolution (copy attached). The vote in favor was cast by commissioners Albo, Bulova, Connolly, Ebbin, Ferguson, Fiset, Hudgins, Husick, McConnell, Reese, Silverthorne, Staton and Whipple.

Phase Two VRE Strategic Plan. Ms. Bulova reported that the VRE Operations Board recommends approval of Resolution #1027, which would approve the latest VRE strategic plan document.

Mrs. Bulova moved, with a second by Mrs. McConnell, to approve Resolution #1027.

Mr. Zehner explained that the document is a strategic look at VRE through 2025. The document was heavily reviewed by commission and jurisdictional staff and also was discussed at a VRE Operations Board workshop in February, 2004. He stated that as capacity increases, demand will be there. It's a demand driven exercise. The plan also looks at potential extensions and how that would impact ridership and the costs associated of extending the rail line.

He stated that the plan looks at three scenarios: 1) deferred growth—centering around 40 trains which VRE is now authorized to run; 2) targeted growth; and 3) aggressive growth.

Mr. Zehner stated that based on the analysis and input from the Board workshop, VRE would pursue the following initiatives approved by the Operations Board:

- 1) Move towards a ridership of 26,000 – 30,000 by 2025 (which would double current ridership). To do this VRE would need to improve the core network (expand parking, extend platforms, some rail work, construction of storage and maintenance facilities, improve station access);
- 2) Pursue extensions to Gainesville/Haymarket and Spotsylvania; and
- 3) Explore partnerships with transit-oriented development, especially in southern counties).

Mr. Zehner stated that for the FY 2006 budget, the Operations Board will look at guidelines at its next meeting and formulate a six-year financial plan as required by the Master Agreement. The Board will start to lay the groundwork for where VRE can go within the funding anticipated for the next six years.

Vice Chairman Ferguson stated that this is an ambitious plan. Mr. Albo asked if VRE's budget supports expansion. Mr. Zehner stated that additional revenues would be needed to expand VRE service. He stated that VRE has submitted a funding package for TEA-21 reauthorization funds in the amount of \$191 million, but that has not been approved yet. The vote on this legislation may be deferred until after the election. He agreed that heavy capital investments would be needed for expansion. Delegate Albo observed that federal grants usually require a local match. Mr. Zehner replied that it could be matched by state, local or potential private funding. It is an assumed 80/20 percent federal match.

In response to a question from Mrs. Whipple, Mr. Taube stated that the capacity of a single lane of freeway is about 2,500 cars per hour, with an average occupancy of slightly over one.

The commission then voted on the motion and it was unanimously passed. The vote in favor was cast by commissioners Albo, Bulova, Connolly, Ebbin, Ferguson, Fiset, Hudgins, Husick, McConnell, Reese, Silverthorne, Staton and Whipple.

Contract Amendments for Overhaul of Additional Head-End Power Units. Mrs. Bulova stated that the VRE Operations Board recommends approval of Resolution #1028, which would amend the existing contract with Transportation Technology, Inc. to provide for the overhaul of three additional HEP units and increase funding by \$166,298 for a total of \$885,329. Legal counsel has approved the contract amendment providing for this order.

Mrs. Bulova moved with a second by Mrs. McConnell, to approve the resolution. The vote in favor was cast by commissioners Albo, Bulova, Connolly, Ebbin, Ferguson, Fiset, Hudgins, Husick, McConnell, Reese, Silverthorne, Staton and Whipple. (A copy of the resolution is attached.)

Contract for Marketing, Advertising and Public Relations. Mrs. Bulova reported that the VRE Operations Board recommends approval of Resolution #1029. The resolution would approve a competitive contract with Williams Whittle Associates of Alexandria. The term is three years with options of two additional two-year extensions, which is the same structure as the previous contract. The first year cost would not exceed \$450,000. Three firms submitted proposals, including the incumbent (LM&O).

On a motion by Mrs. Bulova and a second by Mrs. McConnell, the commission unanimously approved the resolution. The vote in favor was cast by commissioners Albo, Bulova, Connolly, Ebbin, Ferguson, Fiset, Hudgins, Husick, McConnell, Reese, Silverthorne, Staton and Whipple. (A copy of the resolution is attached.)

VRE's 2003 Annual Report. Commissioners received a copy of VRE's attractive annual report, designed in a playbill format. Commissioners were impressed with the new format. Mr. Zehner explained that this report is very useful to hand out to legislators and other agency representatives to provide them with information about VRE. In response to a question from Mr. Albo, Mr. Zehner stated that this report is meant to hand out to contacts and not passengers on the trains.

VRE Fraud Policy. Mrs. Bulova explained that in response to concerns expressed by VRE's auditors, VRE's Operations Board has recommended a new policy for VRE that will become part of PRTC's personnel policies, since VRE employees are PRTC employees. In acting on the Operations Board recommendation, PRTC is expected to make its approval contingent on any concerns that NVTC may have. NVTC commissioners had no objections.

Commuter Weekly Feature on NVTC. Mrs. Bulova reported that NVTC was featured in VRE's Commuter Weekly, a publication provided to VRE riders.

Extension of Operating Agreement with CSXT. Mrs. Bulova reported that the VRE Operations Board recommends approval of Resolution #1030, which would extend the existing operating agreement with CSXT to January 31, 2005. The current extension is due to expire on June 30, 2004. In response to a question from Mr. Connolly, Mr. Zehner stated that progress in negotiations for a new agreement has been very limited, due primarily to divergent positions on insurance. He will brief commissioners in further detail during the closed session.

Mrs. Bulova moved, with a second by Mrs. McConnell, to approve Resolution #1030 (copy attached). The vote in favor was cast by commissioners Albo, Bulova, Connolly, Ebbin, Ferguson, Fisetite, Hudgins, Husick, McConnell, Reese, Silverthorne, Staton and Whipple.

Closed Session. Vice Chairman Ferguson made, with a second by Mrs. McConnell, the following motion to enter into closed session:

Pursuant to the Virginia Freedom of Information Act (Section 2.2-3711A.7 of the Code of Virginia), the Northern Virginia Transportation Commission authorizes a closed session for the purpose of discussion concerning matters relating to the negotiation of a new access agreement with CSXT.

The vote in favor was cast by commissioners Albo, Bulova, Connolly, Ebbin, Ferguson, Fisetite, Hudgins, Husick, McConnell, Reese, Silverthorne, Staton and Whipple. .

The commission entered into closed session at 9:10 P.M. and returned to open session at 9:32 P.M. Vice Chairman Ferguson moved, with a second by Mr. Connolly, to approve the following certification:

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

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

The vote in favor was cast by commissioners Albo, Bulova, Connolly, Ebbin, Ferguson, Fisetite, Hudgins, Husick, McConnell, Reese, Silverthorne, Staton and Whipple.

Adjournment

On behalf of the commission, Mr. Connolly congratulated Mr. Staton on recently getting married and Mrs. Whipple for her 44th wedding anniversary. Mrs. McConnell thanked Mr. Silverthorne for getting out of his sick bed to come to the meeting so there would be a quorum.

Without objection, Vice Chairman Ferguson adjourned the meeting at 9:33 P.M.

Approved this first day of July, 2004.

William D. Euille
Chairman

Gerald Connolly
Secretary-Treasurer