

**NVTC COMMISSION MEETING
THURSDAY, MAY 6, 2004
8:00 P.M.**

NVTC CONFERENCE ROOM

AGENDA

1. Minutes of the April 1, 2004 NVTC Meeting.

Recommended Action: Approval.

2. Sources of Regional Funding for Metro Matters and VRE Capital Needs.

Staff has prepared estimates of revenue yields from various regional transportation taxes, in response to a request from commissioners.

Discussion Item.

3. Status of FY 2005 State Grant Requests.

Staff will report on the outcome of the General Assembly's budget deliberations and the effect on NVTC's state grants for FY 2005.

Information Item.

4. Updated Northern Virginia Transit System Performance Measures.

Tables containing information through FY 2003 are now available and are being posted on NVTC's website. Overall levels of transit performance remain strong.

Information Item.

5. Legislative Items.

Staff and commissioners will provide a review of state and federal legislation of interest to the commission.

Discussion Item.

6. WMATA Items.

- A. Metro Board Digest For April, 2004.
- B. SmarTrip Bus Fare Collection Status.
- C. Board Actions on Dulles Corridor Rail Project.
- D. Metrobus Public Hearing on GEORGE Service and Fare Changes.

Information Item.

7. Regional Transportation Items.

- A. Traffic: Why Its Getting Worse, What Government Can Do.
- B. Americans Support Public Transportation Growth and Investment.
- C. Census 2000 Journey to Work Analysis.
- D. Bike to Work Day May 7th.
- E. StreetSmart Pedestrian and Bike Safety Campaign.
- F. APTA Report on Aging Americans: Stranded Without Options.
- G. APTA 2004 Public Transportation Fact Book.
- H. Comprehensive Evaluation of Rail Transit Benefits.

Information Item.

8. NVTC Financial Reports for March, 2004.

Information Item.

9. VRE Items.

- A. Reports from the VRE Operations Board (including minutes of the meeting of April 16, 2004) -- Information Item.
- B. FY 2003 Auditors' Management Letters -- Discussion Item.
- C. VRE Fare Restructuring -- Action Item/Resolution #1013.
- D. Sale and Procurement of VRE Railcars -- Action Item/Resolution # 1014.
- E. Facilities Maintenance Contract and Procurement -- Action Item/Resolution #1015.
- F. Contract Award for Mechanical Engineering -- Action Item/Resolution #1016.
- G. Diesel Fuel Supply Contract --Action Item/Resolution #1017.
- H. Closed Session (Section 2.2.-3711 A.(1) of the Code of Virginia) to discuss a personnel matter.
- I. Selection of VRE Chief Executive Officer -- Action Item/Resolution #1018.

Pictures from NVTC's 40th Anniversary Celebration will be shown after the meeting. Also, NVTC's "Moving Memories" (movies and slides from the early days of the commission and WMATA) will be presented.

MINUTES
NVTC COMMISSION MEETING – APRIL 1, 2004
OLD TOWN HALL - FAIRFAX, VIRGINIA

The meeting of the Northern Virginia Transportation Commission was called to order by Chairman Euille at 7:38 P.M.

Members Present

David Albo
Sharon Bulova
Gerald Connolly
William D. Euille
Paul Ferguson
Jay Fiset
Ludwig Gaines
Catherine M. Hudgins
Dana Kauffman
Karen Rae (DRPT)
Scott Silverthorne
David F. Snyder
Mary Margaret Whipple

Members Absent

Elaine McConnell
William C. Mims
Gary A. Reese
Mick Staton
Christopher Zimmerman

Staff Present

Joanne Barr
Rhonda Gilchrest
Scott Kalkwarf
Jana Lynott
Adam McGavock
Mark Roeber (VRE)
Kala Quintana
Richard K. Taube
Colethia Turner
Dale Zehner (VRE)

Minutes of NVTC's Meeting of March 4, 2004

On a motion by Mr. Connolly and a second by Ms. Hudgins, the commission unanimously approved the minutes. The vote in favor was cast by commissioners Albo, Bulova, Connolly, Euille, Gaines, Hudgins, Kauffman, Rae, Silverthorne and Snyder.

GEORGE Bus Operating Agreement

Mr. Taube stated that the GEORGE bus service operated by WMATA began in Falls Church in December, 2002. NVTC obtained the four buses and is paying the operating costs during the demonstration period using grant funds. The discussions about the operating agreement between NVTC, WMATA and Falls Church have been protracted but all parties now agree that the agreement should be approved for execution. Under the terms of the agreement, NVTC would continue to pay the operating costs until grant funds for that purpose are exhausted (anticipated by the end of this calendar year). Then NVTC would no longer be responsible for paying WMATA, even though the agreement with Falls Church and WMATA would automatically renew for four years. If WMATA no longer operates the service, the buses would be returned to NVTC.

Mr. Snyder moved, with a second by Mr. Gaines, to authorize NVTC's executive director to execute the agreement on behalf of the commission.

Mr. Snyder thanked the commission for its support for this project, which is an innovative project for the public. He reported that there were several minor changes to the agreement made today with WMATA staff, which don't change the substance of the agreement. He stated that his motion would include these changes.

The commission then voted on the motion and it unanimously passed. The vote in favor was cast by commissioners Albo, Bulova, Connolly, Euille, Gaines, Hudgins, Kauffman, Rae, Silverthorne and Snyder.

Legislative Items

Mr. Taube reported that HB 1231 was amended in the House/Senate Rules Committee conference to add one member of the House of Delegates to NVTC. The bill in this form has passed both the House and Senate. As a result, NVTC's quorum would increase from 10 to 11. However, when the General Assembly is in session, NVTC need not count General Assembly members in determining a quorum. Accordingly, during General Assembly sessions, NVTC's quorum requirement would drop to eight. Mr. Taube also announced that during the General Assembly session, General Assembly members who are members

of transportation district commissions can participate in the meetings electronically.

Mr. Taube stated that HB 1231 also includes language that establishes a minimum number of votes required to take any action. For a commission to take an action, in addition to a quorum, it now needs a vote from those present of at least “a majority of the members necessary to constitute a quorum of all the members appointed to the commission.” For NVTC, this means a majority of 11, or six votes. The existing requirement remains that a majority of jurisdictions present must vote affirmatively.

Commissioners Fiset and Whipple joined the discussion at 7:42 P.M.

In response to a question from Mr. Connolly, Delegate Albo stated that there is no new transportation money included in the House continuing legislation and there may be less.

Mr. Ferguson arrived at 7:44 P.M.

WMATA Items

Historic Metrorail Station Counts by Jurisdiction. Mr. Taube reported that the information shows the progression of Metrorail station openings since 1976. Virginia now has 23 percent of the 86 stations, Maryland has 33 percent and the District of Columbia has 44 percent. In terms of mileage, Virginia has 29.5 of the 104 completed miles, Maryland has 36.3 and the District has 38.3. Staff will update the table to reflect that the Van Dorn station is equally paid for by both Fairfax County and the city of Alexandria.

Mr. Connolly stated that it is his understanding that at today’s WMATA Board meeting, the general manager gave a dire presentation about Metro’s future if there is not a new source of revenue for operating and maintenance. Mr. Connolly stated that it’s time for NVTC to look at options for dedicated revenue sources for the region. He estimated that if the region could impose a ¼-cent sales tax, it would generate \$100 million annually. Chairman Euille stated that the region cannot continue to rely on the federal government to come through with funds for the Metro system. Mr. Ferguson asked that staff also look at other revenue sources. Mr. Kauffman stated that the discussion at Metro was intense. Without federal funds, Metro is lost and the public doesn’t understand its multitude of needs. Mr. Snyder stated that there are also unmet safety and security issues that will need to be funded. Without objection, staff was directed to return with information about the projected yields of various regional revenue sources for transit.

Parking Policies. The WMATA Board has approved a resolution that will eliminate the use of cashiers at parking lots, expand hours of collection of parking lot fees and leverage the use of SmarTrip cards for parking.

NVTC Financial Reports for February, 2004

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

VRE Items

Report from the VRE Operations Board. Ms. Bulova commended to commissioners the minutes of the March 19th VRE Operations Board meeting.

Status of VRE Chief Executive Officer Recruitment. Ms. Bulova reported that the deadline for applications was March 1, 2004. Screening by the Search Team of 250 expressions of interest has occurred and interviews of the top candidates have been held. The VRE Operations Board will interview the best of these candidates and a ranking of these candidates will be provided to the commissions as early as the May 6th commission meetings.

FY 2003 Auditors' Management Letters. Ms. Bulova stated that given the limited time available for discussion of this item at this meeting, staff recommends deferring this discussion until the May 6th commission meeting. There were no objections.

Agreement with Manassas for VRE Parking and Access Improvements. Ms. Bulova reported that Resolution #1010 would authorize VRE's Acting Chief Operating Officer to execute an agreement with the city of Manassas for parking and access improvements. The authorized amount of funding from state grants (Governor Warner's Congestion Relief Program) and local matching funds for this project included in VRE's approved CIP is not to exceed \$271,073, which includes a 10 percent contingency.

On a motion by Ms. 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, Euille, Ferguson, Fisette, Gaines, Hudgins, Kauffman, Rae, Silverthorne, Snyder and Whipple.

Task Order to RailPlan International for Gallery Railcar Re-Qualification. Ms. Bulova reported that the VRE Operations Board recommends approval of Resolution #1011, which would authorize VRE's Acting Chief Operating Officer to issue a task order under VRE's existing Mechanical Engineering Contract (MEC II) to RailPlan International for project management services, contractor oversight

and warranty administration related to re-qualifying up to 30 VRE Gallery railcars. The amount is not to exceed \$618,000 of funding from the Virginia Transportation Act of 2000. This project is in VRE's approved CIP.

Ms. Bulova moved with a second by Mr. Connolly, to approve Resolution #1011. The vote in favor was cast by commissioners Albo, Bulova, Connolly, Euille, Ferguson, Fisette, Gaines, Hudgins, Kauffman, Rae, Silverthorne, Snyder and Whipple. (A copy of the resolution is attached.)

Contract Award for Wayside Power and Drip Pans in VRE Yards. Ms. Bulova reported that the VRE Operations Board recommends approval of Resolution #1012. This resolution would authorize the VRE Acting Chief Operating Officer to award a contract to NV Enterprises, Inc. for the installation of additional wayside power and a drip pan system at the Broad Run and Crossroads Yards. NV Enterprises was selected in a competitive procurement. The contract value is not to exceed \$690,920, which includes a 10 percent contingency. Federal grant funds will be used and the project is included in VRE's approved CIP.

On a motion by Ms. 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, Euille, Ferguson, Fisette, Gaines, Hudgins, Kauffman, Rae, Silverthorne, Snyder and Whipple.

Adjournment

Chairman Euille invited everyone to stay for NVTTC's 40th anniversary celebration. He adjourned the meeting at 7:50 P.M. There were no objections.

Approved this sixth day of May, 2004.

William D. Euille
Chairman

Gerald Connolly
Secretary-Treasurer

MEMORANDUM

TO: Chairman Euille and NVTC Commissioners
FROM: Rick Taube, Scott Kalkwarf and Adam McGavock
DATE: April 29, 2004
SUBJECT: Regional Sources of Funding for Metro Matters and VRE Capital Needs

At its April 1, 2004 meeting, commissioners asked staff to assemble information about the revenue yield of various sources of funding that might be available to support WMATA's Metro Matters needs as well as those of the other transit systems in the region. The attached tables list such estimates for many current and proposed regional and local revenue sources. Some of the sources are shown only for context (e.g. local property taxes) and virtually all of the potential realistic regional sources would require the action of the Virginia General Assembly.

The tables of data are assembled into the following categories:

1. Estimates of Various Tax Yields
2. Demographic Data
3. Income Taxes
4. Sales Taxes
5. Taxes on Motor Fuel
6. Taxes Related to Automobiles
7. Fares and Other Sources
8. Taxes and Fees Related to Real and Personal Property

This information will allow NVTC staff to compute yields of various combinations of taxes in response to guidance from commissioners.

Staff will discuss these materials with the commission.

1. ESTIMATES OF VARIOUS TAX YIELDS

PROJECTED ANNUAL YIELD OF TRANSPORTATION
FUNDING OPTIONS

<u>Tax</u>	<u>Northern Virginia Yield (\$ millions)</u>	<u>Washington D.C. Area Yield (\$ millions)</u>
Gasoline		
1-cent per gallon	\$12	\$20
10-cents per gallon	\$120	\$200
Sales		
1 percent	\$280	\$400
Income		
1 percent	\$400	\$900

Source: NVT A Website (www.nvta.org)

Figure 10

**Washington Metro Region
Sources of \$100 Million Annually
(1996\$)**

<u>Tax</u>	<u>Proposed Additional Tax</u>	<u>Current Rate</u>
Gas	4¢ per gallon	D.C.=20¢; MD=23.5¢; VA=17.5¢
Parking	\$60 per non-resident space	None
Payroll	\$33 per employee per month	None
Sales	¼ ¢	D.C.=5.75-13%; MD=5%; VA=4.5%
Road pricing	6.8¢ per mile	None
Vehicles	\$36 per vehicle	Varies

Source: Price Waterhouse LLP for MWCOG (November, 1997)

**Washington D.C. Region Estimated Annual
Yield of Potential Revenue Sources by Jurisdiction
(1996\$)**

<u>Tax</u>	<u>Yield by Jurisdiction (\$ millions)</u>				<u>Total</u>
	<u>DC</u>	<u>Suburban MD</u>	<u>Northern VA</u>		
Gas tax 1-cent per gallon	\$2	\$12	\$12		\$26
Parking Tax \$5 per space per month	\$32	\$32	\$36		\$100
Payroll Tax \$10 per employee	\$8	\$11	\$12		\$31
Sales Tax 1 percent	\$84	\$142	\$181		\$408
Tolls 10-cents per mile for SOV's	--	--	--		\$149
Vehicle Registration Fee	\$1	\$6	\$6		\$14

Source: Price Waterhouse LLP for MWCOG (November, 1997)

Figure 16

MWCOG Washington Metro Region Revenue Yields

<u>Tax</u>	<u>Rate</u>	<u>Annual Yield</u>
Gas Tax	5-cents per gallon	\$100 million
Tolls on New Highway Facilities	\$1 per trip	\$20-40 million per facility
Sales Tax	1 percent	\$400 million
Income Tax	1 percent	\$900 million
Payroll Tax	\$6 per employee per month	\$200 million

Source: A System in Crisis MWCOG (February, 2001). All of the above taxes/fees would be required to generate \$1.74 billion more each year, which is the region's unfunded needs to achieve its Vision Plan. It is estimated that about 43 percent of the total yields above would come from Northern Virginia.

Projected Annual Yields From Various Proposed Regional Taxes and Fees

<u>Tax</u>	<u>Yield</u>
1. Commuter income tax on MD and VA in DC up to 9.3%	\$1.4 billion
Capped at 2.0%	\$540 million
2. Parking surcharge of \$1 per space per day in DC	\$333 million
3. Priced freeway and arterial lanes at 10 to 30 cents per mile	\$700 million
4. Priced freeway lanes on 200 miles	\$600 million
5. Priced single occupant driving at 20-cents per mile on HOV lanes	\$34 million
6. Raise (about six percent) average regional property tax by 7-cents	\$140 million

- Sources:
1. Washington Post (7/15/03) at B-4.
 2. MWCOG/TPB.
 3. Resources for the Future Issue Brief 02-35 (October, 2002) at p. 7.
 4. FHWA in Transportation Quarterly (see www.valuepricing.org)
 5. Resources for the Future, Are HOT Lanes a HOT Deal?
 6. Same as #3.

Figure 15

Board of Trade Washington Metro Region Revenue Yields

<u>Tax</u>	<u>Increase</u>	<u>Yield</u>
Gas	1¢ per gallon	\$ 19.4 million per year
	10¢ per gallon	\$194.2 million per year
	25¢ per gallon	\$485.5 million per year
Sales	¼%	\$ 93.6 million per year
	1%	\$374.4 million per year
	2%	\$748.8 million per year
Income	¼%	\$223.2 million per year
	1%	\$892.8 million per year
	2%	\$1,785.6 million per year
Property	2.5¢ per \$100 assessed valuation	\$ 51.8 million per year
	10¢ per \$100 assessed valuation	\$207.1 million per year
	20¢ per \$100 assessed valuation	\$414.2 million per year

Source: Greater Washington Board of Trade (1997)

Figure 14

Northern Virginia Revenue Yields

<u>Tax</u>	<u>Increase</u>	<u>Yield</u>
Gas	1¢/gallon	\$9.2-9.4 million per year
	5¢/gallon	\$46-47 million per year
	20¢/gallon	\$184-188 million per year
Sales	¼%	\$57-60 million per year
	1%	\$228-240 million per year
Income	¼%	\$107-114 million per year
	½%	\$215-228 million per year
	1%	\$429-456 million per year

Source: Dulles Corridor Task Force

2. DEMOGRAPHIC DATA

**Greater Washington Area
Economic and Demographic Data
(2002)**

Population	5,673,388
Gross Regional Product	\$271.6 billion
Media Household Income	\$73,866
Median Housing Price	\$258,700
Federal Government Employment	11%
Federal Spending in Area (FY 2001)	\$79.2 billion

Source: Greater Washington Board of Trade 2003 Regional Report.
The boundary for "Greater Washington" includes Spotsylvania and Fauquier Counties in Virginia and Frederick, Howard, Anne Arundel, Calvert, Charles and St. Mary's Counties in MD.

**Washington D.C. Area Employment Estimates
(2001)**

<u>Name</u>	<u>Jobs</u>
Arlington County	159,448
Fairfax County	543,415
Fauquier County	19,172
Loudoun County	96,953
Prince William County	83,034
Spotsylvania County	27,733
Stafford County	25,278
Alexandria city	91,892
Fairfax city	17,177
Falls Church city	14,227
Fredericksburg city	23,316
Manassas city	19,503
Manassas Park city	3,840
Montgomery County, Maryland*	446,760
Prince George's County, Maryland*	246,457
District of Columbia*	404,372

Source: Virginia Employment Commission
*1999 Census Data

Washington D.C. Region Population Estimates

<u>Name</u>	<u>2002 Pop. Est.</u>	<u>2001 Pop. Est.</u>	<u>2000 Pop. Est.</u>
Virginia	7,293,542	7,196,750	7,078,515
Arlington County	189,927	190,092	189,453
Fairfax County	997,580	988,714	969,749
Fauquier County	59,245	57,350	55,139
Loudoun County	204,054	190,180	169,599
Prince William County	311,892	298,271	280,813
Spotsylvania County	102,570	96,770	90,395
Stafford County	104,823	98,703	92,446
Alexandria city	130,804	130,828	128,283
Fairfax city	22,055	21,896	21,498
Falls Church city	10,659	10,589	10,377
Fredericksburg city	20,076	19,798	19,279
Manassas city	37,288	36,070	35,135
Manassas Park city	10,909	10,766	10,290
Maryland	5,458,137	5,386,079	5,296,486
Montgomery County	910,156	895,021	873,341
Prince George's County	833,084	819,796	801,515
District of Columbia	570,898	573,822	572,059

Source: U.S. Census

3. INCOME TAXES

**Washington D.C. Area
State Income Tax Rates
(2004)**

<u>Jurisdiction</u>	<u>Rate</u>
D.C.	5% on first \$10,000 7.5% on \$10-\$30,000 9.3% above \$30,000
Maryland	4.75% on income above \$3,000
Virginia	2% on first \$3,000 3% from \$3,001 - \$5,000 5% from \$5,001 - \$17,000 5.75% above \$17,000

Source: Washington Post (April 22, 2004)

**Washington D.C. Area
Local Income Tax Rates
(2004)**

<u>Jurisdiction</u>	<u>Rate</u>
D.C.	None
Maryland	
Montgomery	3.2%
Prince George's	3.1%

Source: Washington Post (April 22, 2004)

**Washington D.C. Area
Median Income
(2000)**

<u>Jurisdiction</u>	<u>Amount</u>
D.C.	\$40,127
Maryland Suburbs	
Montgomery	71,551
Prince George's	55,256
Virginia Suburbs	
Alexandria	56,054
Arlington	63,001
Fairfax (Co.)	81,050
Fairfax (city)	67,642
Falls Church	74,924
Fauquier	61,999
Loudoun	80,648
Manassas	60,409
Manassas Park	60,794
Prince William	65,960

Source: 2000 Census in Washington Post (April 22, 2004)

Figure 12

**Northern Virginia Local Income
Tax Revenue Estimates
(1996-99)**

<u>Locality</u>	<u>Rate</u>	<u>Yield</u>
Arlington	1/4%	\$ 9.7 million
	1%	\$ 39.0 million
Fairfax County	1/4%	\$ 48.5 million
	1%	\$194.0 million
Loudoun County	1/4%	\$ 6.0 million
	1%	\$ 24.1 million
Prince William County	1/4%	\$ 8.0 million
	1%	\$ 32.0 million
Alexandria	1/4%	\$ 5.9 million
	1%	\$ 23.5 million
City of Fairfax	1/4%	\$ 0.8 million
	1%	\$ 3.1 million
Manassas	1/4%	\$ 1.1 million
	1%	\$ 4.4 million
Manassas Park	1/4%	\$ 0.2 million
	1%	\$ 0.8 million
Total (1996)	1/4%	\$ 80.2 million
	1%	\$320.8 million
Projected Total (1999)	1/4%	\$107.4 million
	1%	\$429.6 million

Source: VDOT (2/17/99)

4. SALES TAXES

**Washington D.C. Area
Sales Tax Rates
(2004)**

<u>Jurisdiction</u>	<u>Rate</u>
D.C.	5.75%
Maryland	5.0%
Virginia	4.5% (of which 1.0% is for municipalities)

Source: Washington Post (April 22, 2004)

**Budgeted Annual Yield From One Percent
Sales Tax in Northern Virginia Jurisdictions
(FY 2005)**

<u>Jurisdiction</u>	<u>Yield (\$ millions)</u>
Alexandria	\$23.0
Arlington	\$29.3
Fairfax (Co.)	\$134.5
Fairfax (city)	\$10.9
Falls Church	\$3.6
Fauquier	--
Loudoun	--
Manassas	\$6.2
Manassas Park	\$1.7
Prince William	\$40.1
Stafford	\$9.2
Fredericksburg	\$11.1

Source: NVTC Survey

5. TAXES ON MOTOR FUEL

WASHINGTON D.C. AREA MOTOR FUELS TAX
RATES

<u>Jurisdiction</u>	<u>Tax Rate</u>
D.C.	20-cents per gallon
Maryland	23.5-cents per gallon
Virginia suburbs	17-cents per gallon plus two percent of pump price

Figure 9

**Gross Gas Tax Received During Fiscal Year 2003 by the Northern Virginia
and Potomac and Rappahannock Transportation Commissions as
Reported by the Virginia Department of Taxation**

NVTC

Arlington County	\$2,033,800
Fairfax County	12,321,100
Loudoun County	3,663,400
Alexandria	1,773,500
City of Fairfax	759,400
Falls Church	<u>474,200</u>

Total NVTC

\$21,025,400

PRTC

Prince William County	5,791,600
Stafford County	1,836,500
City of Manassas	861,000
City of Manassas Park	447,800
City of Fredericksburg	<u>985,300</u>

Total PRTC

\$9,922,200

Total NOVA

\$30,947,600

ESTIMATED ANNUAL GALLONS OF MOTOR FUEL SOLD
IN NVTC JURISDICTIONS AND
YIELD OF TWO PERCENT AND
ONE-CENT TAXES
(2003)

<u>Jurisdiction</u>	<u>Gallons (millions)</u>	<u>2% Tax Yield (\$millions)</u>	<u>1-cent per Gallon Yield (\$millions)</u>
Alexandria	51.2	\$1.7	\$0.5
Arlington	66.6	\$2.2	\$0.7
Fairfax (Co.)	390.5	\$12.7	\$3.9
Fairfax (City)	23.8	\$0.8	\$0.2
Falls Church	12.5	\$0.4	\$0.1
Loudoun	120.1	\$3.9	\$1.2
Total	664.7	\$21.6	\$6.6

Source: NVTC Estimates

6. TAXES RELATED TO AUTOMOBILES

Washington D.C. Area Registered Automobiles (2003)

NAME	Automobiles
Arlington County	140,499
Fairfax County	795,871
Fauquier County	71,347
Loudoun County	209,244
Prince William County	277,648
Spotsylvania County	110,405
Stafford County	99,151
Alexandria city	129,536
Fairfax city	23,702
Falls Church city	16,921
Fredericksburg city	18,960
Manassas city	35,534
Manassas Park city	11,122
Montgomery County, Maryland*	645,792
Prince George's County, Maryland*	548,535
District of Columbia*	243,390

Source: Virginia Department of Motor Vehicles, 2003

* 1999 Census data

WASHINGTON D.C. AREA ANNUAL
AUTO REGISTRATION FEES
(2004)

<u>JURISDICTION</u>	<u>FEES</u>
D.C.	\$97 under 3500 lbs. \$140 for 3500 lbs and up Both include inspection fee
Maryland	\$128 for two years up to 3,700 lbs. \$180 for three years 3,700 lbs. and up
Virginia	\$29.50 for 4,000 lbs. or less \$34.50 for 4001 lbs. and up PLUS local decal fee of \$24 or \$25. PLUS fees of \$15 for Annual safety inspection and \$2 for Bi-annual emissions inspection.

Source: Washington Post (April 22, 2004)

WASHINGTON D.C. AREA
DRIVERS LICENSE RENEWAL FEES
(2004)

<u>JURISDICTION</u>	<u>FEES</u>
D.C.	\$39 for 4 years
Maryland	\$30 for 5 years
Virginia	\$12 for 3 years \$20 for 5 years

Source: Washington Post (April 22, 2004)

WASHINGTON D.C. AREA ESTIMATED ANNUAL
AUTO INSURANCE COSTS
(2001)

<u>JURISDICTION</u>	<u>COSTS</u>
D.C.	\$1,012
Maryland	\$784
Virginia	\$610

Source: National Association of Insurance Commissioners
in Washington Post (April 22, 2004)

7. FARES AND OTHER SOURCES

ESTIMATED WASHINGTON METROPOLITAN
AREA TRANSIT AUTHORITY ANNUAL
REVENUES FROM FARE INCREASES
(2004)

<u>Fare Type</u>	<u>Fare Increase</u>	<u>Revenue (\$millions)</u>
Bus	10 cents	\$4.0
Rail	10 cents	\$11.6
Park	10 cents	\$1.2

Source: WMATA

WASHINGTON D.C. AREA MEALS TAX RATES
(2004)

<u>Jurisdiction</u>	<u>Rate</u>
D.C.	10%
Maryland	5%
Virginia	
Alexandria	3%
Arlington	4%
Fairfax (Co.)	0
Fairfax (City)	2%
Falls Church	4%
Fauquier	4% (Warrenton only)
Loudoun	3.5% (Leesburg only)
Manassas	4%
Manassas Park	4%
Prince William	0%

Source: Washington Post (April 22, 2004)

8. TAXES AND FEES RELATED TO
REAL AND PERSONAL
PROPERTY

WASHINGTON D.C. AREA ANNUAL REAL PROPERTY TAX RATES PER \$100
 ASSESSED VALUATION
 (FY 2004)

<u>Jurisdiction</u>	<u>Rate</u>
D.C.	\$0.96
Maryland Suburbs	
Montgomery	\$0.883 - \$1.808 depending on municipality
Prince George's	\$1.092 - \$1.733 depending on municipality
Virginia	
Alexandria	\$1.035
Arlington	\$0.978
Fairfax (Co.)	\$1.16
Fairfax (City)	\$0.92
Falls Church	\$1.13
Fauquier	\$0.99
Loudoun	\$1.11
Manassas	\$1.20
Manassas Park	\$1.33
Prince William	\$1.16

Source: Washington Post (April 22, 2004)

**Northern Virginia Advertised Budget Real Property
Tax Rates Per \$100 Assessed Valuation and Yields
(FY 2005)**

<u>Jurisdiction</u>	<u>Rate</u>	<u>Yield (\$ millions)</u>
Alexandria	\$1.005	\$231.0
Arlington	\$0.978	\$351.3
Fairfax (Co.)	\$1.16	\$1,664.3
Fairfax (city)	\$0.92	\$36.1
Falls Church	\$1.09	\$27.0
Fauquier	--	--
Loudoun	--	--
Manassas	--	\$42.2
Manassas Park	\$1.33	\$13.8
Prince William	\$1.16	\$355.0
Stafford	\$1.04	\$103.0
Fredericksburg	\$0.92	\$16.7

Source: NVTC Survey

**Northern Virginia Budgeted
Recordation/Conveyance Fees Annual Yield
(FY 2005)**

<u>Jurisdiction</u>	<u>Yield (\$ millions)</u>
Alexandria	\$2.6
Arlington	\$2.3
Fairfax (Co.)	\$17.0
Fairfax (city)	--
Falls Church	\$0.1
Fauquier	--
Loudoun	--
Manassas	\$0.6
Manassas Park	\$0.1
Prince William	\$5.0
Stafford	\$1.2
Fredericksburg	\$0.2

Source: NVTC Survey

**Washington D.C. Region and
Northern Virginia Personal Property and
Car Tax Rates Per \$100 Assessed Valuation and
Projected Tax Yield
(FY 2005)**

<u>Jurisdiction</u>	<u>Tax Rate</u>	<u>Car Tax Yield (\$ millions)</u>	<u>Personal Property Tax Yield (\$ millions)</u>
D.C.	None (except for businesses)		
Maryland	None (except for businesses)		
Virginia ¹			
Alexandria	\$4.75	23.9	\$32.2
Arlington	4.40	29.3	\$86.9
Fairfax (Co.)	4.57	134.5	\$469.5
Fairfax (city)	3.29	10.9	\$7.8
Falls Church	4.71	3.6	\$2.5
Fauquier	4.65	--	--
Loudoun	4.20	--	--
Manassas	3.05	6.2	\$8.2
Manassas Park	3.50	1.7	\$2.4
Prince William	3.70	40.1	\$101.5
Stafford	--	9.2	\$30.3
Fredericksburg	--	11.1	\$5.1

¹ Owner pays 30% of first \$20,000 value, \$100% on remainder.

Source: Washington Post (April 22 2004)
NVTC Survey

Figure 17

Northern Virginia Property Tax Revenues

<u>Jurisdiction</u>	Property Tax Revenues <u>(\$ Millions)</u>	Property Tax As % of Total <u>Budget</u>
Alexandria	\$ 177	48%
Arlington	280	45
Fairfax County	1,400	59
Loudoun County	320	43
Prince William County	276	60
Spotsylvania County	69	24
Stafford County	77	23

Source: Washington Post (2/23/03) at A26. Revenue is for FY 2003, except data for Loudoun, Spotsylvania and Stafford counties are for FY 2004.

MEMORANDUM

TO: Chairman Euille and NVTC Commissioners
FROM: Rick Taube and Scott Kalkwarf
DATE: April 29, 2004
SUBJECT: Status of NVTC FY 2005 State Grant Requests

The General Assembly has reached agreement on a FY 2005 budget. As a result, DRPT has revised the projected FY 2005 state assistance from the draft six-year plan to account for the impact of the recently agreed upon budget. Less funds are now projected to be available in the Mass Transit Trust fund as a result of FRAN debt service not being paid out of the general fund as was previously thought. In addition, the approved budget does not provide any additional revenue sources for transit purposes as hoped for. As a result, operating assistance is expected to be 1.7% less than previously projected, while the capital matching ratio and special projects assistance will not be affected.

The capital matching ratio for FY 2005 is expected to be 36% compared to 40% in the previous fiscal year. Operating assistance for NVTC is projected to be not less than \$50.5 million, up from \$49.4 million in FY 04. It is expected that NVTC will also receive \$114,000 from the Demonstration Assistance Program for the Meeting Mobility Needs of Older NOVA Residents project, and \$24,700 from the State Training and Intern Assistance Program for an NVTC intern.

Operating assistance for VRE is expected to be not less than \$5.6 million, down from \$5.8 million in FY 2004. VRE also applied for and is expected to receive an intern grant in the amount of \$24,000. Also of serious concern is the reduced ability of the commonwealth to provide funding to VRE to match potential federal earmarks in the reauthorization of TEA-21.

MEMORANDUM

TO: Chairman Euille and NVTC Commissioners
FROM: Rick Taube and Adam McGavock
DATE: April 29, 2004
SUBJECT: Updated Northern Virginia Transit System Performance Measures

The attached tables provide a very favorable picture of the performance of transit systems serving Northern Virginia. These tables have been updated by NVTC staff to include FY 2003 data as reported to FTA for the National Transit Database. Despite lingering effects of the economic downturn and severe funding shortages, ridership growth here remains well above the national average.

These tables have been reviewed by local staff and are available on NVTC's website (www.thinkoutsidethecar.org).

MEMORANDUM

TO: Chairman Euille and NVTC Commissioners
FROM: Rick Taube
DATE: April 29, 2004
SUBJECT: Legislative Items

Now that the 2004 Virginia General Assembly has adopted a FY 2005 budget, commissioners will have an opportunity to review the results of the session and perhaps share observations about appropriate next steps.

Attached for your information is a copy of a guest column by Secretary Whitt Clement in the Richmond Times Dispatch in which he promotes the importance of transit investments.

Regarding federal legislative items, a conference will be needed to reconcile the House version of TEA-21 reauthorization (known as TEA-LU) at \$275 billion over six years (\$51.5 billion for transit), with the Senate version at \$318 billion (\$56.5 billion for transit). Of course, the Bush Administration favors \$256 billion (\$45.8 billion for transit) and has threatened a veto. In the meantime, a two-month extension is needed since the current extension expires April 30th.

Legislation in the House and Senate to outlaw leveraged transit leases has stalled, but in the meantime FTA is not processing such requests.

Regarding transit security, an APTA survey revealed \$6 billion of industry needs, with \$1.7 billion of transit funds spent for this purpose so far. APTA is seeking a FY 2005 line-item appropriation with funding to by-pass the states and go directly to transit systems. At least \$2 billion is desired, with \$1.2 billion for capital and \$800,000 for related operating expenses.

APTA is seeking an additional \$8.6 billion for FY 2005 regular FTA programs (the same level included in the Senate's TEA-21 reauthorization proposal).

11. MORE THAN ROADS: VIRGINIANS WANT TRANSIT HELP

Whitt Clement
Richmond Times Dispatch Guest Columnist

From the outset of his administration, Governor Mark Warner has emphasized the importance of a multi-modal, broad-based approach to transportation planning. That emphasis, shared by the Governor's appointees to the Commonwealth Transportation Board, underscores the recognition that improving Virginia's transportation network requires far more than simply "building more roads."

On the one hand, the Governor's directive has been difficult because of the lack of resources; on the other hand, the exigencies of the times have helped encourage us to examine ways in which we can do business better.

The Commonwealth's road-building and maintenance organization, VDOT, receives most of the attention among the six state transportation agencies because of its predominant place in our transportation program. Nevertheless, under Governor Warner, its sister agency, the Department of Rail and Public Transportation (DRPT), is exercising a much greater role in the development of our transportation system's future.

A Broader Mission

The broad mission of the Department of Rail and Public Transportation is to improve and promote Virginia's public-transportation services and passenger and rail transportation systems. The Department works as a partner with local governments to use public transit, ridesharing, and rail transportation to reduce congestion, improve mobility, and support economic development. DRPT pursues solutions tailored to serve the local market in a timely, efficient, and cost-effective manner.

To help enhance the role of public transportation in Virginia's transportation network, during the Warner administration 13 positions have been transferred from VDOT to DRPT - increasing the department's human resources by 40 percent without expanding the size of state government. This transfer of positions reflects our conviction that rail and public transportation must be integrated more completely in Virginia's overall planning processes.

With more than 25 years of rail and public transportation operations and policy experience, Karen Rae has brought new vigor and higher expectations in the 18 months she has served as executive director of DRPT. In addition to her responsibilities running the agency, as a member of the Commonwealth Transportation Board and the Governor's executive team for transportation, Ms. Rae helps guide the policy-development process for Virginia's long-range 2025 transportation plan and the Virginia Transportation Six-Year Improvement Program.

In congested areas of the state, DRPT uses state-of-the-art consumer research to design programs to reduce congestion by making the existing transportation system more efficient. The Department promotes carpooling, vanpooling, teleworking, and other transportation-demand

management programs. In rural areas, the DRPT works with local governments to provide mobility choices that would not otherwise exist.

More Transit Choices

Last year Virginians used rural transportation systems for more than 450,000 trips to work, doctor's appointments, and the supermarket. In Northern Virginia 143,500 commuters ride Metrorail to work each day. According to the 2000 Census, nearly 700,000 Virginians commute to work by means other than driving alone.

These commuters save both time and money, but they aren't the only beneficiaries. When the number of cars on the road is reduced, congestion and pollution also lessen. In fact, the support of DRPT helps to spare Virginians and Virginia's environment 2.5 million pounds of hydrocarbons and 3.1 million pounds of nitrous oxides each year.

Under legislation enacted by the General Assembly in the 1986 special session, 14.7 percent of the revenues from the Transportation Trust Fund are dedicated to support DRPT. That statutory share results in an annual appropriation of \$115 million. The Department also serves as Virginia's conduit for federal mass-transit and rail-assistance funds (almost \$61 million annually) that are distributed to more than 40 public-transportation providers, 50 human-service providers, and 15 commuter-assistance programs throughout the state. Virginia's investment in public transportation - without which many rail and public transportation services would be unable to function - is leveraged with federal funds, user fees, and local subsidies to generate a return of 400 percent.

Demand Keeps Growing

Public transportation demand grows each year with Virginia's population. As transit entities work to expand their reach and ridership, it is clear that the Commonwealth's current revenue base cannot keep pace with the need to support the growing capital and operating demands of Virginia's public-transportation system. If this trend continues, public-transportation systems will begin to lose market share, resulting in an even greater burden on our highways, our workforce, and social-service agencies.

Though some object to the subsidy of public transportation, this criticism is often misguided. Reducing congestion and pollution are clearly in the public's interest and cannot be achieved by the private sector alone. There is no transit system in the world, even in Western Europe, that operates without public assistance. Asphalt alone cannot meet the growing demand on our transportation network. DRPT helps make the roads we have more efficient and provides Virginians with alternative transportation options so that our communities and economy can continue to prosper.

The Department also represents the Commonwealth's interest in rail transportation, another critical component in our transportation network. Increased integration of this mode offers unique challenges and opportunities that will be the focus in this column next month.

TOTAL P.04

Whitt Clement, Secretary of Transportation and chairman of the Commonwealth Transportation Board, is a 2004 Commentary Columnist.

American Public Transportation Association
Passenger Rail Legislative Update
April 8, 2004

TEA 21 Moves on to Conference:

On April 2, in the face of veto threat from the White House, the U.S. House of Representatives voted 357-65 in support of its version of a TEA 21 reauthorization bill. Titled the Transportation Equity Act for Users, or TEA LU (H.R. 3550), this bill would authorize \$275 billion in funding for transit and highway programs through FY 2009, including \$51.5 billion for public transportation. Transit funding would grow about seven percent a year to a level exceeding \$10 billion in FY 2009. Significantly, all funding is "guaranteed" in a similar manner as funds in the original TEA 21 bill.

The House action clears the way for a conference committee, wherein the House bill will be considered along with the \$318 billion Senate bill which passed the Senate 76-21 on February 12. Transit funding in the Senate bill is \$56.5 billion over six years. The conference committee is expected to take up its work in June.

Based on input from APTA's commuter rail membership, staff helped clarify that provisions to specifically exclude "intercity passenger rail" from the definition of public transportation would have no adverse affect on commuter rail; assured that new criteria and procedures for "small starts" projects are fair and balanced for commuter rail, as well as streetcar, and BRT projects; helped assure the continuation of a free-standing fixed guideway modernization program.

Senate Commerce Committee Reports Rail Security Act:

On April 8 the Senate Commerce Committee reported out of Committee the Rail Security Act of 2004 (S. 2273). Provisions in the legislation include:

- Directs the Department of Homeland Security (DHS) to complete a vulnerability assessment of the rail transportation system and make recommendations for addressing security weaknesses within 180 days of enactment. This will apply to all rail carriers as defined in section 20102(1) of Title 49.
- authorizes appropriations to meet immediate security needs for intercity and freight rail transportation, including funding to address the longstanding fire and life safety needs of several Amtrak tunnels along the Northeast Corridor.
- Requires DHS to sign a memorandum of agreement with the Department of Transportation to make clear each department's roles and responsibilities with respect to rail security.
- Directs that a study be conducted to analyze the cost and feasibility of requiring security screening for passengers, baggage, and mail on passenger trains, with recommendations for a "screening program." In one year, a pilot program will be set up to include random security screening of passengers and baggage at 5 passenger rail stations served by Amtrak.

Amendments offered at markup would enlarge the size of the general grant program from \$250 million to \$350 million, with modifications to provide that funds be allocated "equitably" throughout the country. A study was requested on the impact of blocked railroad grade crossings on security. An amendment was offered to prohibit railroads from discharging or discriminating against an employee for bringing to the railroad's attention a perceived threat to security, or for testifying before Congress or at any federal or state proceeding on a perceived threat to security.

The rail security bill reported by the Commerce Committee did not include any form of "user fee". Privately, the Committee had considered user fees to pay for rail security programs. Sources of funding considered include rail ticket taxes and freight ton-miles fees. User fees were a significant feature of the Port Security bill (S. 2279), also reported by the Commerce Committee on April 8.

The grant program in S. 2273 was written so that only Amtrak and freight railroads can apply for funding. Commuter railroads can benefit if they are part of a project applied for by Amtrak or freight. The exclusion of commuter rail is reportedly due to the fact that funding for transit security will be covered by a separate transit security bill to be put forward by the Senate Banking Committee. When asked at the markup about commuter rail, Commerce Committee Chair John McCain indicated that the Commerce and Banking Committee bills would be merged on the Senate floor.

APTA President Bill Millar testified before the Commerce Committee on March 25. Millar talked about the \$1.7 billion in non-federal resources that the transit industry had invested in rail security since September 11, 2001. Millar indicated that the transit industry currently faces \$6 billion in security investment needs, and that a stronger federal funding role is necessary. APTA staff has also discussed railroad security and the extensive efforts of the transit industry with staff of the House Railroads Subcommittee. House actions are uncertain at this time.

Separately, Senate Majority Leader Bill Frist has offered an amendment to pending tax legislation which would provide for a "railroad revitalization and security investment credit" which includes a transferability provision that could benefit public sector providers.

Legislation Affecting Transit Leasing Transactions Stalls:

Provisions to end the use of sale-leaseback transactions by tax-exempt entities remain in the corporate tax package known as the Jumpstart Our Business Strength Act (JOBS Act), S. 1637. On March 23, the Senate approved an amendment offered by Finance Committee Chairman Charles Grassley (R-IA) to make the effective dates of the provisions retroactive to November 18, 2003. A cloture vote failed on March 24, but amendments proposed by Senate Majority Bill Frist (R-TN) to attract Democratic support included amendments to clarify the economic substance doctrine and foreign leases.

In the House, Ways and Means Committee Chair Bill Thomas (R-CA) has drafted a measure that closely resembles the Senate version, except for a provision that would grandfather the fifteen tax-advantaged leasing proposals now pending before the Federal Transit Administration.

Intercity Rail Developments:

- The House TEA LU bill (H.R. 3550) would reauthorize the Swift High Speed Rail Act at \$100 million a year, and make project implementation as well as project planning costs eligible for use of the funds. Amendments by Congressman Quinn to authorize funds for specific rail corridors were not included in the bill. Both the House and Senate bills include contract authority for maglev projects.
- The Senate SAFETEA bill includes a placeholder for Amtrak reauthorization. Several attempts were made to attach an amendment to establish a Railroad Infrastructure Finance Corporation (RIFCO), but such amendments fell short. APTA monitored such efforts with a particular eye of labor language and the proposed "speed" threshold.
- Amtrak's budget proposal for FY 2005 is \$1.8 billion. The Administration has proposed \$900 million, which Amtrak President David Gunn has indicated would bring about an Amtrak shutdown.
- The FY 2004 Omnibus Appropriations bill includes language that provides that \$59.6 million in Amtrak appropriations be available to continue commuter rail services should there be any disruption in Amtrak services. Such funds would be available to the Surface Transportation Board to support directed services. Such funds would become available to Amtrak if unused by the fourth quarter.
- The FY 2004 Omnibus bill also directs FRA to develop and implement a fair competitive bid procedure to assist states in introducing carefully managed competition to demonstrate whether this could provide higher quality rail service at reasonable prices. FRA intends to solicit public input on how it could best proceed.
- An April 22 hearing on the "economics of intercity rail" to be held by the House Transportation Appropriation Subcommittee has been postponed to a future date. The Subcommittee will also hold hearings on FTA's New Starts process (April 28), and on the economics of rail freight.

GAO Reports Released on Rail Access, Northeast Corridor Capital Improvements;

The U.S. Government Accounting Office released a report in January, 2004 titled *Information and Guidance Could Help Facilitate Commuter and Freight Rail Access Negotiations*. The report clarified that the \$200 million liability cap on passenger rail accidents applies to commuter rail operations (an APTA amendment to the 1997 Amtrak Reform Act) and recommends that information on best practices in access negotiations be provided to help guide commuter and freight railroads.

A report released in February criticized Amtrak and FRA for their management of the Northeast High-Speed Rail Improvement Project undertaken in the 1990s, stating that travel times on the Northeast Corridor did not improve significantly, and that the interests of commuter railroads and states were not integrated into the project. The report was titled *Amtrak's Management of Northeast Corridor Improvements Demonstrates Need for Applying Best Practices*.

MEMORANDUM

TO: Chairman Euille and NVTC Commissioners
FROM: Rick Taube and Adam McGavock
DATE: April 29, 2004
SUBJECT: WMATA Items

A. Metro Board Digest for April, 2004.

The digest is attached for your information.

B. SmarTrip Bus Fare Collection Status

The attached report summarizes the status of installation of fareboxes in the Metrobus fleet. NVTC staff will respond to questions.

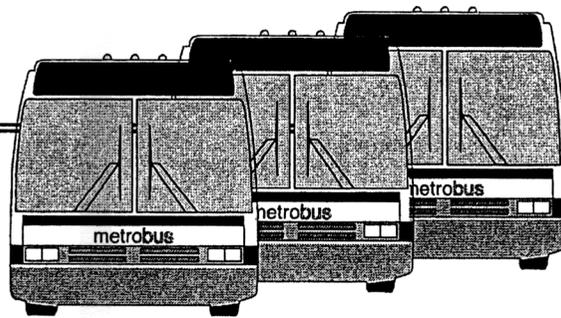
C. Rail to Dulles

The WMATA Board approved DRPT's request to continue WMATA's role in the public-private consortium seeking to extend Metrorail in the Dulles Corridor. A letter to the editor from Ed Tennyson is attached for your information.

D. Metrobus Public Hearings on GEORGE Service and Fare Changes.

The attachment describes the proposed changes to be presented at a public hearing on May 5, 2004.

(D)



Notice of Metrobus Public Hearing No. 510

**Restructuring of
GEORGE Bus Routes
26A, 26E, and 26W
and Fare Increase
in Falls Church, Virginia**

Docket No. B04-4



**Washington Metropolitan Area Transit Authority
600 Fifth Street N.W. Washington, DC 20001**

Notice is hereby given that a public hearing will be held by the Washington Metropolitan Area Transit Authority (WMATA) and the City of Falls Church, on the proposed restructuring of routes 26A, 26E and 26W in the Falls Church, Virginia.

**Metrobus Public
Hearing Number**

Date and Time

Location

510

Wednesday, May 5, 2004
7:00 P.M.

Harry Wells Municipal Building
Training Room, Ground Floor,
300 Park Avenue
Falls Church, Virginia

The hearing is being conducted in a location accessible to persons with disabilities. Any individuals with a disability who require special assistance, such as a sign language interpreter, to participate in the public hearing should contact Mrs. Leen'da Chambliss at (202) 962-2595 or TDD (202) 638-3780 no later than five days before the hearing date.

PURPOSE OF PUBLIC HEARING

The City of Falls Church has requested WMATA to hold a public hearing on proposed service and fare changes to GEORGE Routes 26A, 26E and 26W. To improve productivity and reduce costs, the City has requested that the following service options be presented for public comment.

Option 1:

Route 26A: Discontinue all service (weekday off-peak, Saturday, Sunday and holiday service)

Routes 26E, 26W: Retain weekday peak service as presently operated.

Option 2:

Route 26A: Restructure route to concentrate service on the major arterials (Broad and Washington Streets). From East Falls Church Station, service would operate via Sycamore and Roosevelt Streets, Roosevelt Boulevard, Wilson Boulevard, East and West Broad Streets, and Haycock Road to West Falls Church-VT/UVA Station. The return route to East Falls Church Station would operate via Haycock Road, West Broad Street, North Washington Street, Lee Highway, Washington Boulevard, and Sycamore Street to East Falls Church Station. Operate midday service only on Route 26A; discontinue weekday evening, Saturday, Sunday, and holiday service.

Routes 26E, 26W: Retain weekday peak service, as presently operated.

Fares:

Public comment will also be heard on a proposed fare increase to 50 cents, from the current 25 cents for the 26A, 26E, and 26W routes.

HOW TO REGISTER TO SPEAK AT THE PUBLIC HEARING

All organizations or individuals desiring to be heard with respect to the proposed changes and fare increases on the 26A, 26E and 26W routes will be afforded the opportunity to present their views, make supporting statements and offer alternative proposals. In order to establish a witness list, individuals and representatives of organizations who wish to be heard at this public hearing are requested to furnish in writing their name, address, telephone number and organization affiliation, if any, to Mr. Harold M. Bartlett, Secretary, Washington Metropolitan Area Transit Authority, 600 Fifth Street, N.W., Washington, D.C. 20001. Alternatively, you may fax this information to Mr. Bartlett at (202) 962-1133. Please submit only one speaker's name per letter. Lists of individual speakers will not be accepted. Others present at the hearing may be heard after those persons on the witness list have been called and heard. Public officials will be heard first and will be allowed ten minutes each to make their presentations. Others who register in advance will be allowed five minutes each and will be heard in order of registration. Those who do not register in advance will be allowed three minutes each. Relinquishing of time by one speaker to another will not be permitted.

HOW TO SUBMIT WRITTEN STATEMENTS

Written statements and exhibits may be submitted until close of business on Monday, May 10, 2004 to Mr. Harold M. Bartlett, Secretary, Washington Metropolitan Area Transit Authority, 600 Fifth Street, NW, Washington, DC 20001. Alternatively, you may submit an e-mail to public-hearing-testimony@wmata.com. Please reference the Hearing and/or Docket Number shown on the front of this document in your submission.

MEMORANDUM

TO: Chairman Euille and NVTC Commissioners
FROM: Rick Taube
DATE: April 29, 2004
SUBJECT: Regional Transportation Items

A. Traffic: Why Its Getting Worse, What Government Can Do.

In a Policy Brief #128 (January, 2004) the Brookings Institution has published a monograph by Anthony Downs. His premise is that traffic congestion is an “inescapable condition in large and growing metropolitan areas across the world.” It is an “inherent result of the way modern societies operate.”

He states that congestion is not actually a problem, but is instead a solution to the real problem: Too many people want to move at the same time each day. The four best ways to cope with the problem are:

- 1) Charge peak hour tolls (so far only effective in crowded downtowns in Singapore, Norway and London);
- 2) Greatly extend road capacity (unaffordable and wasteful during the off-peak);
- 3) Greatly expand public transit capacity (works best with density);
and
- 4) Living with congestion

Any road capacity improvements without appropriate pricing will soon be clogged because of drivers shifting their times, modes and routes. Congestion is growing in the U.S. because vehicle miles traveled has grown three times as fast as population over the past two decades, in part a response to declining real gas prices (which fell 54 percent 1980-2000).

The author's list of strategies that will help to slow the future rate of increase of traffic congestion:

- Create HOT lanes
- Clear accidents and incidents quicker
- Build more roads in growing areas
- Install ramp metering
- Use ITS to speed traffic flow
- Create more HOV lanes
- Adopt parking "cash out" programs
- Restrict low density peripheral development
- Cluster high density housing around transit stops
- Give regional transportation authorities more power and resources
- Raise gasoline prices

Copies of this policy brief are available at www.brookings.edu.

B. Americans Support Public Transportation Growth and Investment.

The American Public Transportation Association (APTA) has released the results of a study conducted by Wirthlin Worldwide on February 20-23, 2004. One thousand adults were interviewed and the results are said to be accurate with ± 3.1 percentage points at a 95 percent confidence level.

Key findings are:

- 80% see quality of life benefits from transit
- 92% want federal transportation reauthorization immediately
- 76% favor public funding for transit improvements (22% oppose)
- A majority thinks transportation investment is preferable to tax cuts to stimulate the economy.

For copies of the full survey and results see www.apta.com.

C. Census 2000 Journey to Work Analysis.

In March of 2004, the Census issued a "Census 2000 Brief" that re-examines the results of the 2000 Census "Journey to Work" data from the 2000 Census Demographic Profile. The Census Demographic Profile data are estimates created from the Census Long Form, sent to one in six US households.

The transit-related information in the recently released brief is little more than a re-hashing of the same 2000 Census data that were released two years ago. As you may recall, the 2000 Census estimates proclaimed that public transit's share of work trips had declined slightly from 1990 to 2000, falling to 4.73 percent nationwide. This information contradicts the Census's own 2000 Supplementary Survey Data (C2SS) which reported an 8.6 percent increase in persons commuting on public transit since 1990. The 2000 Census "Journey to Work" data are also contradicted by APTA transit ridership data, which show an increase of 6.4 percent in transit passenger trips between 1990 and 2000 (the APTA data include all passenger trips, and not just work trips). One possible reason for these discrepancies is that the Census questionnaire is simply not an accurate measure of transit trips nationwide, whether work trips or other. The relevant Census questions ask only about the work trips for the week before the survey was completed, and make no provision for multi-modal trips.

The good news is that the Census estimates show that transit work trips in Northern Virginia increased by 5.5 percent from 1990 to 2000. Although this number is far lower than the actual 25 percent increase in transit ridership in Northern Virginia from 1990 to 2000, it is encouraging to see that the Census does show an increase in transit trips in Northern Virginia. The June, 2002 NVTC press release detailing the pertinent 2000 Census transit data is included here for your information.

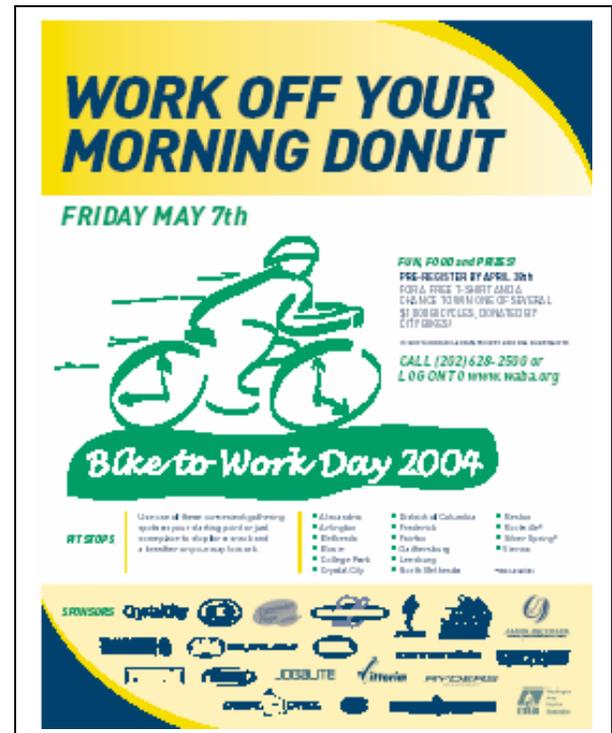
D. Bike to Work Day on May 7th.

On March 17, 2004, National Capital Region Transportation Planning Board Chair Christopher Zimmerman signed a proclamation declaring Friday, May 7, 2004 to be Bike To Work Day for the National Capital Region. The event, coordinated by [Commuter Connections](#) and the [Washington Area Bicyclists Association](#) promotes biking as a clean, healthy, and affordable transportation alternative.

Join NVTC's Jana Lynott and Scott Kalkwarf and an estimated 4000 other bicycle commuters for this special event. Celebrations will take place at 18 different locations around the region, with the main celebration occurring at Freedom Plaza in downtown DC. Each "pit stop" will offer breakfast and chances to win bicycles and other prizes. Registered riders will receive a FREE Bike to Work Day T-shirt (while supplies last). And, each registration will be entered into a drawing for one of three bikes courtesy of City Bikes of Adams Morgan!

If you're not sure how to get there by bike, you may want to ride with one of WABA's "commuter friendly convoys" that will converge on Freedom Plaza from across the region. Each convoy will be led by an experienced bike commuter and many of the routes will pass through the suburban pit stops.

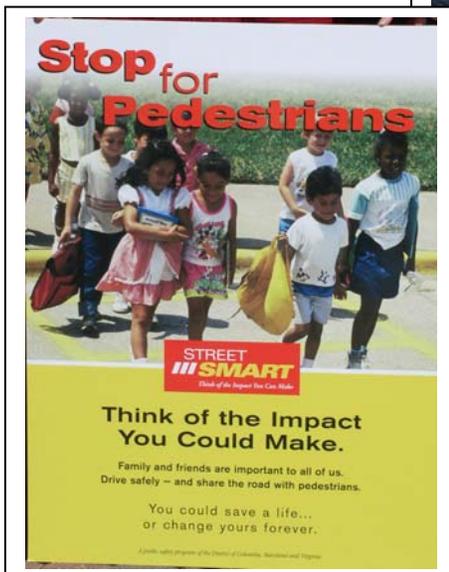
For more information, link to the Washington Area Bicyclist Association at <http://www.waba.org>.



E. StreetSmart Pedestrian and Bike Safety Campaign.

NVTC Board members Chris Zimmerman, Paul Ferguson, Ludwig Gaines, and Gerald Connolly joined other regional leaders and bicycle/pedestrian advocates at a press conference for the Street Smart Pedestrian and Bicycle Safety Campaign. The conference took place on a breezy April afternoon in front of Ballston Commons Mall in Arlington and showcased Arlington's lighted pedestrian crossing on Wilson Boulevard that uses a laser-detection system to warn drivers of pedestrians entering the crosswalk. According to the Metropolitan Washington Council of Governments, the sponsor of the initiative, each year an average of 85 pedestrians are killed and 2,600 are hurt in the metro area. The \$375,000 campaign, which took place during the month of April, included radio advertising, posters on buses, transit shelters, bus cards, bus backs, and Metro stations encouraging drivers, pedestrians, and bicyclists to watch out for one another.

The press conference coincided with the 6th Annual Virginia Bike Walk Conference that featured sessions on community design for active living, the link between community design and health, and the safe routes to school initiative.



F. APTA Report on Aging Americans: Stranded Without Options.

Transportation professionals are beginning to give increased focus on the mobility needs of our aging population. In July 2003, the Brookings Institution published a monograph entitled *The Mobility Needs of Older Americans: Implications for Transportation Reauthorization*. In April 2004, the Surface Transportation Policy Project (STPP), in cooperation with APTA and AARP, followed with the release of a publication entitled, *Aging Americans: Stranded Without Options*. This spring, NVTC submitted a state grant application to the Department of Rail and Public Transportation-Virginia, to do an in-depth study of Northern Virginia's changing demographics as they relate to an aging population and an exploration of how Northern Virginia transit systems need to prepare to meet our population's mobility needs in the future.

Among the findings published by the Brookings Institution and the STPP are:

- By the year 2025, one in five people living in the United States will be 65 or older.
- Because of a lack of transportation options, most Americans rely on driving to get where they need to go. Physical limitations from aging force many older Americans to stop driving, which often leaves them isolated and without a means of transportation.
- Only one-half of Americans 65 or older have access to public transportation to meet their daily needs.
- Over half of non-drivers aged 65 and over stay home on any given day. This isolation among older people affects 3.6 million older non-drivers. In contrast, 17 percent of older drivers, or about a third the rate of non-drivers, stay home on a given day (NHTS, 2001).
- A comparison of trip patterns among drivers and non-drivers is also revealing. While non-drivers make 15 percent fewer trips to the doctor than drivers, they make 65 percent fewer trips for social, family and religious purposes. This means in effect that while drivers go out for these social purposes about 8 times per week, on average, non-drivers only go out about 3 times a week (NHTS 2001).
- 61% of older non-drivers stay home on a given day in more spread-out areas, as compared to 43% in denser areas.
- The number of older people in suburbs is increasing due to the aging-in-place phenomenon, as most seniors do not move after retirement.
- Clearly linked to suburban living is the growth in the number of trips and the mileage traveled by private car. This is true regardless of age. Planners may underestimate the level of driving by seniors. In 2030, if all older drivers only drove as much as did comparable

individuals in 1995, the total number of vehicle miles among the elderly would more than double, simply because the population of older drivers would have increased substantially. If, however, as current trends suggest, older people increase the miles they drive to resemble the travel patterns of the cohort just 10 years younger in 1995, the total number of miles driven annually would more than triple in the next three decades.

- Older drivers typically make shorter trips of less than 10 miles. These cold-start trips release high levels of emissions compared with the portion of a trip once the vehicle engine is warm.
- Lack of contact with others has been shown to be detrimental to the emotional well being of older people (Findlay, 2003).
- Not being able to get around also reduces older adults' ability to participate in the economy. Non-drivers 65 and over make less than half as many shopping trips as drivers do. They also make less than half the number of trips to restaurants and other places to eat (NHTS 2001).
- While the Washington DC area has one of the nation's best public transportation systems, a large percentage (66%) of non-drivers stay home on any given day. Using this benchmark, the DC area's older population is more isolated than its counterparts in New York (48%), Milwaukee (52%), Honolulu (53%), Los Angeles (53%), and Chicago (57%).

In the coming year, with the receipt of an anticipated grant from DRPT, NVTC will conduct a one-year applied research project using census data analysis, ArcView mapping tools, survey and focus group research, and emissions analysis to analyze the implications of a rapidly aging population for Northern Virginia transit service. The research will document the trends specific to Northern Virginia and propose solutions that will guide transit systems in their strategic planning as they mobilize to serve transit markets of the future.

G. APTA 2004 Public Transportation Fact Book.

The American Public Transportation Association has just released its annual compilation of transit data. Among the highlights:

- 9.6 billion transit trips in FY 2002 (over one percent in Northern Virginia)
- 14 million Americans ride transit each weekday
- 374,000 persons are employed at those systems
- 6,000 public transit systems operate in the U.S. and Canada
- Of these, 20 operate commuter rail service and 14 operate “heavy rail” like Metrorail
- Ranked by passenger miles, WMATA (at 1.9 billion annually) is the fourth largest (behind the New York MTA, Chicago RTA and New Jersey Transit networks).
- The 20 commuter rail systems provide a fifth of the total passenger miles with only 4.3 percent of the passenger trips, and 6.6 percent of the vehicle miles. This is because the average trip length of commuter rail is 22.9 miles versus the 5.0 mile industry average.
- The Washington D.C./VA/MD urbanized area has the third greatest percentage in the U.S. workers using transit to commute to work (at 13.4 percent) and the second largest percentage commuting to jobs in the central city (at 33.2 percent).
- The FY 2002 national average shares of capital funding are 40.6 percent federal, 11.6 percent state, 20.1 percent local and 27.7 percent directly generated (fares).
- The FY 2002 national average for transit system operating funding shares are 4.9 percent federal, 25.2 percent state, 20.1 percent local and 49.8 percent directly generated.
- As of FY 2002, VRE provided about one percent of total U.S. commuter rail passenger miles and ranked as the eleventh largest.
- Comparing reported fare revenue to operating expenses, the national average for FY 2002 was 48.3 percent, while VRE’s average (operating ratio) was 55.2 percent.
- VRE had the third best commuter rail cost recovery ratio, trailing only New Jersey Transit and MTA Metro North.

H. Comprehensive Evaluation of Rail Transit Benefits.

A study just released by the Victoria Transport Policy Institute finds that cities with large rail transit systems have less traffic congestion; 36 percent fewer per capita traffic fatalities; 14 percent lower consumer expenditures per capita; and 21 percent less per capita motor vehicle mileage. As a result, there are economic savings to governments, business and consumers from reduced street and parking expenditures, vehicle costs, traffic accidents and congestion.

The executive summary is available at www.vtpi.org/railben.htm and the full report at www.vtpi.org/railben.pdf.

MEMORANDUM

TO: Chairman Euille and NVTC Commissioners

FROM: Scott Kalkwarf and Colethia Turner

DATE: April 29, 2004

SUBJECT: NVTC Financial Reports for March, 2004

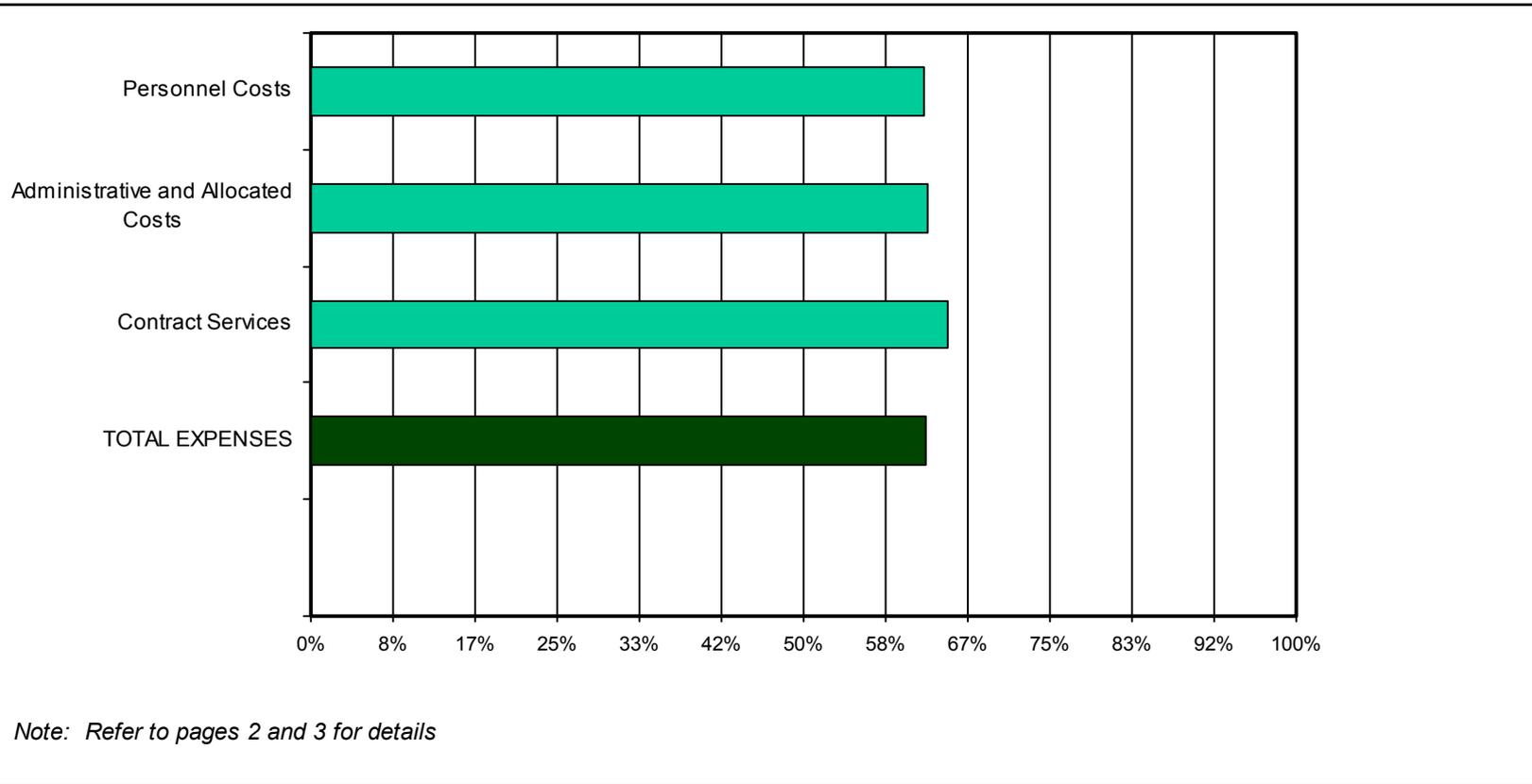
The March, 2004 financial reports are attached for your information.

Northern Virginia Transportation Commission

Financial Reports

March, 2004

Percentage of FY 2004 NVTC Administrative Budget Used
March, 2004
(Target 75% or less)



NORTHERN VIRGINIA TRANSPORTATION COMMISSION
G&A BUDGET VARIANCE REPORT
March, 2004

	<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	\$ 41,960.74	\$ 398,069.68	\$ 636,400.00	\$ 238,330.32	37.4%
Temporary Employee Services	-	-	1,000.00	1,000.00	100.0%
Total Personnel Costs	41,960.74	398,069.68	637,400.00	239,330.32	37.5%
<u>Benefits</u>					
Employer's Contributions:					
FICA	3,007.94	26,347.29	45,700.00	19,352.71	42.3%
Group Health Insurance	3,848.50	37,835.49	69,000.00	31,164.51	45.2%
Retirement	4,298.00	39,907.00	57,000.00	17,093.00	30.0%
Workmans & Unemployment Compensation	125.98	2,031.06	2,000.00	(31.06)	-1.6%
Life Insurance	291.31	2,797.73	3,300.00	502.27	15.2%
Long Term Disability Insurance	227.11	2,047.35	3,450.00	1,402.65	40.7%
Total Benefit Costs	11,798.84	110,965.92	180,450.00	69,484.08	38.5%
<u>Administrative Costs</u>					
Commissioners Per Diem	1,050.00	9,150.00	15,500.00	6,350.00	41.0%
<i>Rents:</i>					
Office Rent	12,566.21	112,595.32	157,300.00	44,704.68	28.4%
Parking	480.00	6,886.35	12,000.00	5,113.65	42.6%
<i>Insurance:</i>					
Public Official Bonds	-	1,413.00	2,000.00	587.00	29.4%
Liability and Property	25.70	1,302.30	1,700.00	397.70	23.4%
<i>Travel:</i>					
Conference Registration	-	250.00	3,000.00	2,750.00	91.7%
Conference Travel	-	1,399.10	7,000.00	5,600.90	80.0%
Local Meetings & Related Expenses	813.60	7,658.23	12,000.00	4,341.77	36.2%
Training & Professional Development	-	910.44	4,500.00	3,589.56	79.8%
<i>Communication:</i>					
Postage	1,075.34	6,965.63	13,950.00	6,984.37	50.1%
Telephone	674.98	3,426.00	7,000.00	3,574.00	51.1%
Telephone - LD	78.47	581.04	1,950.00	1,368.96	70.2%
Telephone - Local	321.89	2,958.59	5,000.00	2,041.41	40.8%
<i>Publications & Supplies</i>					
Office Supplies	993.12	13,448.14	24,500.00	11,051.86	45.1%
Duplication	-	2,292.63	5,300.00	3,007.37	56.7%
Public Information	993.12	9,637.11	13,200.00	3,562.89	27.0%
Public Information	-	1,518.40	6,000.00	4,481.60	74.7%

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
G&A BUDGET VARIANCE REPORT
March, 2004

	<u>Current Month</u>	<u>Year To Date</u>	<u>Annual Budget</u>	<u>Balance Available</u>	<u>Balance %</u>
<i>Operations:</i>	740.02	8,016.01	23,150.00	15,133.99	65.4%
Furniture and Equipment	-	2,828.75	8,250.00	5,421.25	65.7%
Repairs and Maintenance	-	214.70	1,000.00	785.30	78.5%
Computers	740.02	4,972.56	13,900.00	8,927.44	64.2%
<i>Other General and Administrative</i>	2,384.52	6,676.20	6,350.00	3,013.14	47.5%
Subscriptions	-	48.00	750.00	702.00	93.6%
Memberships	300.00	974.00	1,100.00	126.00	11.5%
Fees and Miscellaneous	201.76	2,208.86	2,000.00	(208.86)	-10.4%
Advertising (Personnel/Procurement)	-	106.00	2,500.00	2,394.00	95.8%
40th Anniversary	1,882.76	3,339.34	-	-	0
Total Administrative Costs	19,648.51	169,784.37	270,950.00	104,504.97	38.6%
<u>Contracting Services</u>					
Auditing	-	10,345.00	14,000.00	3,655.00	26.1%
Consultants - Technical	-	-	1,000.00	1,000.00	100.0%
Legal	-	-	1,000.00	1,000.00	100.0%
Total Contract Services	-	10,345.00	16,000.00	5,655.00	35.3%
 Total Gross G&A Expenses	<u>\$ 73,408.09</u>	<u>\$ 689,164.97</u>	<u>\$ 1,104,800.00</u>	<u>\$ 418,974.37</u>	<u>37.9%</u>

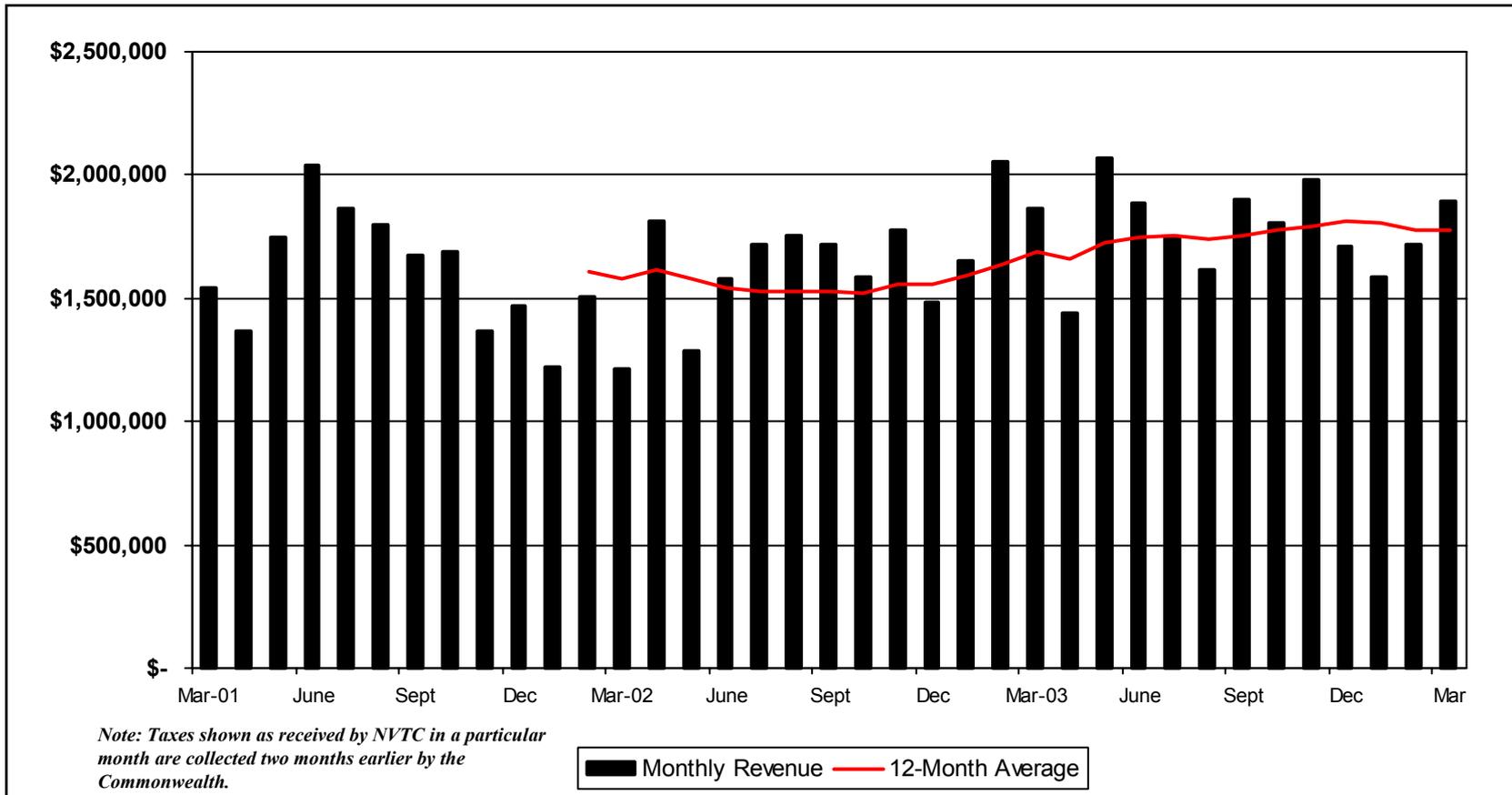
**NVTC
RECEIPTS and DISBURSEMENTS
March 2004**

<u>Date</u>	<u>Payer/ Payee</u>	<u>Purpose</u>	<u>Wachovia (Checking)</u>	<u>Wachovia (Savings)</u>	<u>VA LGIP</u>	<u>VA SNAP</u>
RECEIPTS						
12	Dept. of Taxation	Motor vehicle fules sales tax receipt			\$ 1,894,730.00	
15	Qwest	DSL service refund		89.83		
15	Staff	Expense reimbursement		11.61		
16	FTA	SmarTrip grant receipt			2,286.00	
17	DRPT	FTM/Admin grant receipt			4,267,394.00	
25	VRE	Reimbursement for staff support		7,980.02		
25	City of Alexandria	G&A contribution		12,900.00		
29	DRPT	Capital grant receipt			173,242.00	
29	DRPT	SmarTrip grant receipt			543.00	
31	Banks	March interest income		50.94	49,612.21	
			<u>-</u>	<u>21,032.40</u>	<u>6,387,807.21</u>	<u>-</u>
DISBURSEMENTS						
1-31	Various	NVTC project and administration	(71,659.39)			
15	G. Hoyt Associates	Bus data collection	(11,805.82)			
15	IBI	SmarTrip consulting	(2,857.18)			
25	BMI	Code Red consulting	(419.73)			
23	City of Fairfax	Other capital			(82,133.88)	
31	Banks	March service fees	(71.18)			
			<u>(86,813.30)</u>	<u>-</u>	<u>(82,133.88)</u>	<u>-</u>
TRANSFERS and Adjustments						
1	Transfer	From savings to checking	15,000.00	(15,000.00)		
5	Transfer	From LGIP to checking	20,000.00		(20,000.00)	
12	Transfer	From LGIP to checking	19,000.00		(19,000.00)	
19	Transfer	From LGIP to checking	33,000.00		(33,000.00)	
			<u>87,000.00</u>	<u>(15,000.00)</u>	<u>(72,000.00)</u>	<u>-</u>
NET INCREASE (DECREASE) FOR MONTH			<u>\$ 186.70</u>	<u>\$ 6,032.40</u>	<u>\$ 6,233,673.33</u>	<u>\$ -</u>

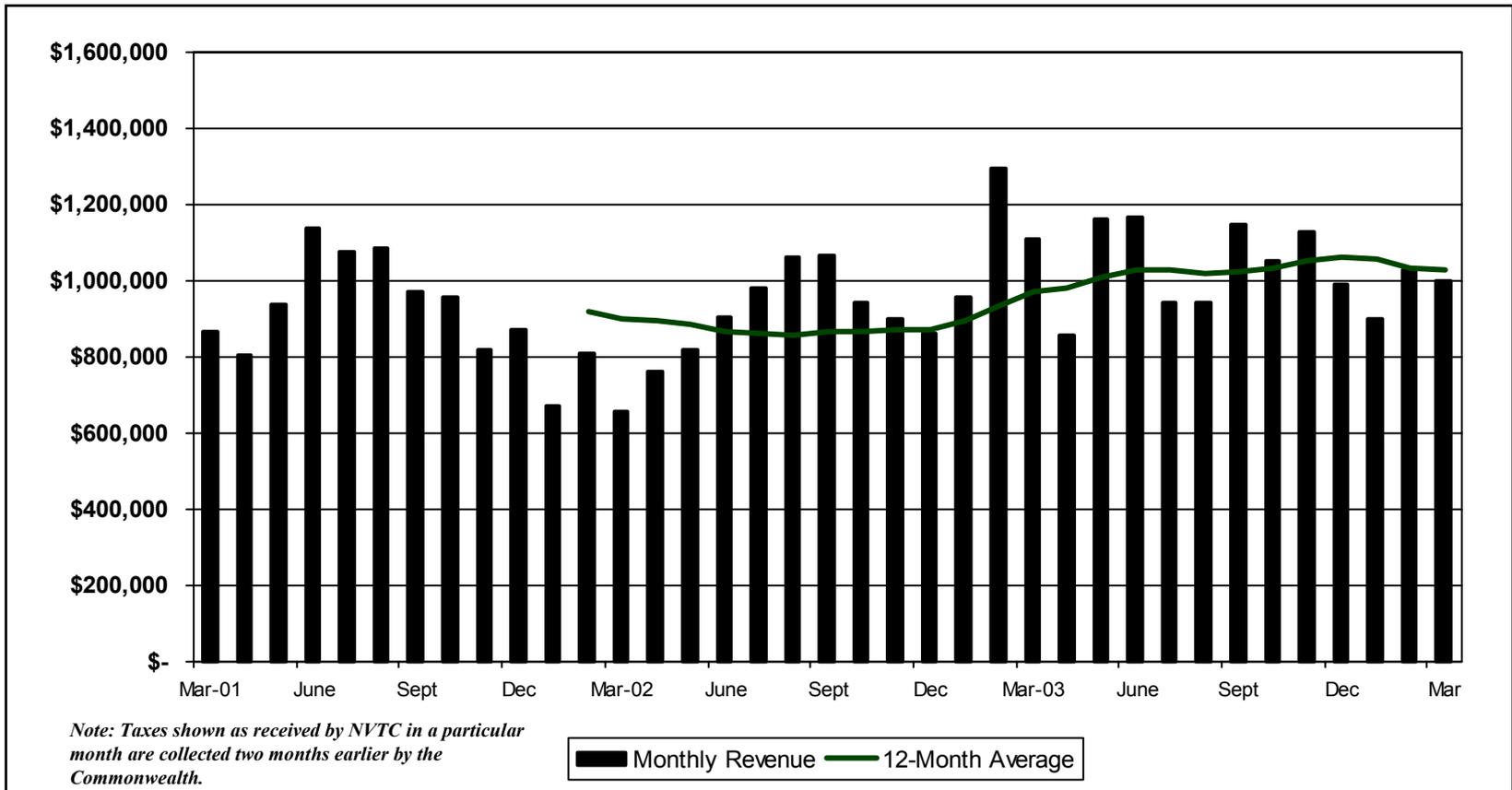
**NVTC
INVESTMENT REPORT
March 2004**

<u>Type</u>	<u>Rate</u>	<u>Balance 2/28/04</u>	<u>Increase (Decrease)</u>	<u>Balance 3/31/04</u>	<u>NVTC G & A</u>	<u>Jurisdictions Trust Fund</u>	<u>Loudoun County</u>
<u>Cash Deposits</u>							
1st Union: NVTC Checking	N/A	\$ 5,868.54	\$ 186.70	\$ 6,055.24	\$ 6,055.24	\$ -	\$ -
1st Union: NVTC Savings	0.28%	211,995.44	6,032.40	218,027.84	218,027.84	-	-
<u>Investments - State Pool</u>							
Nations Bank - LGIP	1.08%	51,143,712.82	6,233,673.33	57,377,386.15	272,845.26	40,509,821.13	16,594,719.76
		<u>\$ 51,361,576.80</u>	<u>\$ 6,239,892.43</u>	<u>\$ 57,601,469.23</u>	<u>\$ 496,928.34</u>	<u>\$ 40,509,821.13</u>	<u>\$ 16,594,719.76</u>

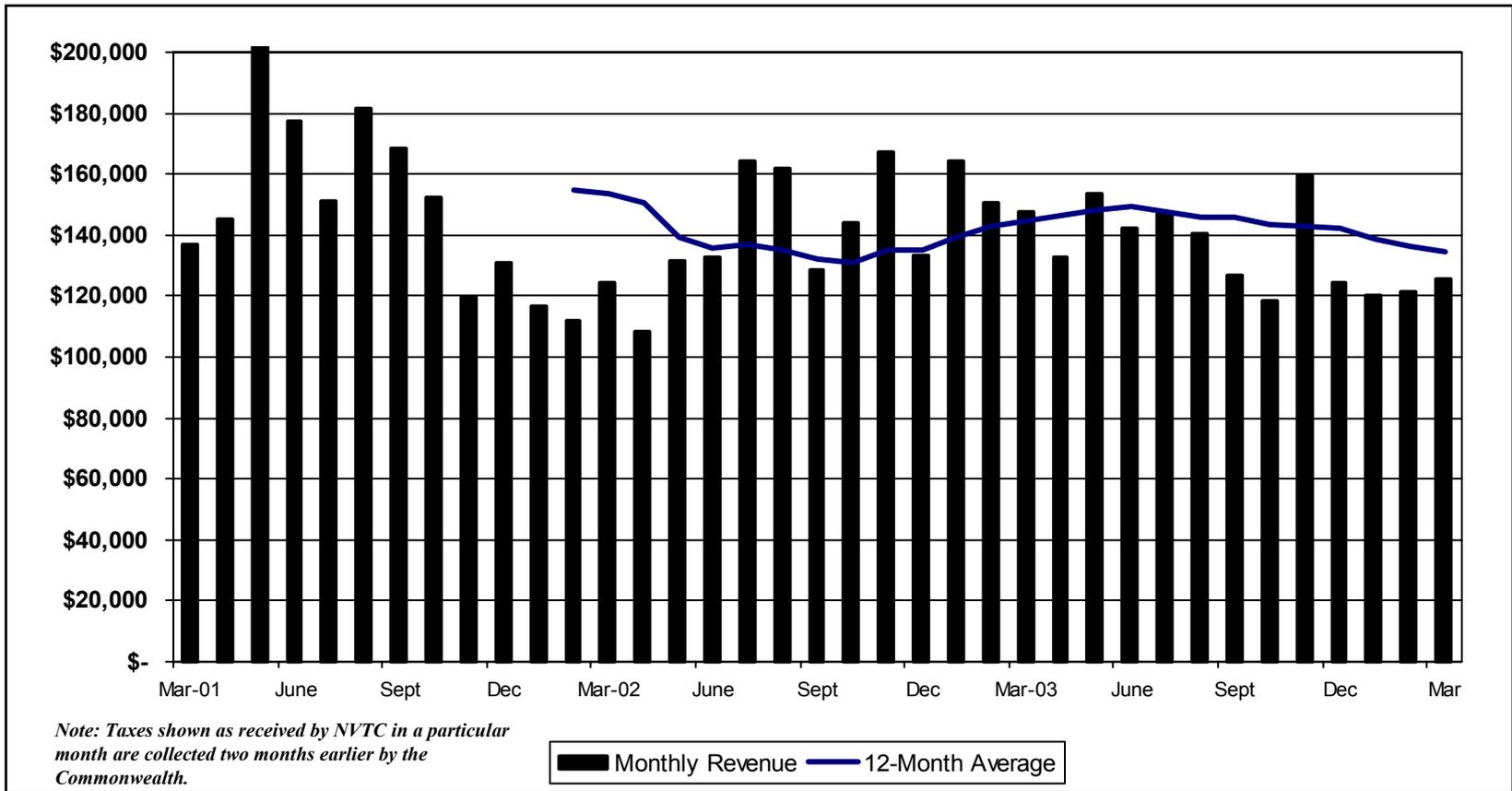
NVTC MONTHLY GAS TAX REVENUE ALL JURISDICTIONS FISCAL YEARS 2001-2004



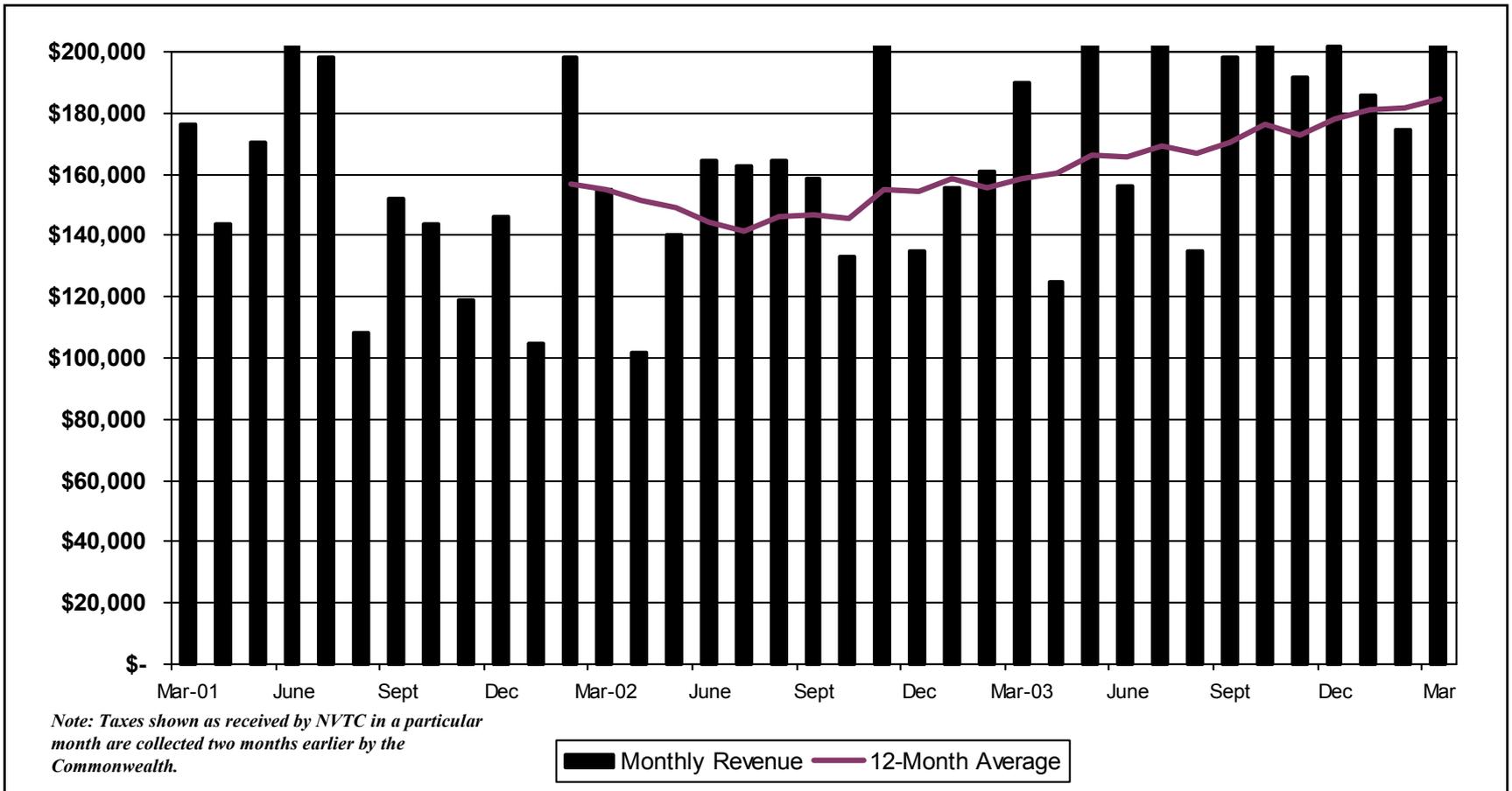
NVTC MONTHLY GAS TAX REVENUE FAIRFAX COUNTY FISCAL YEARS 2001-2004



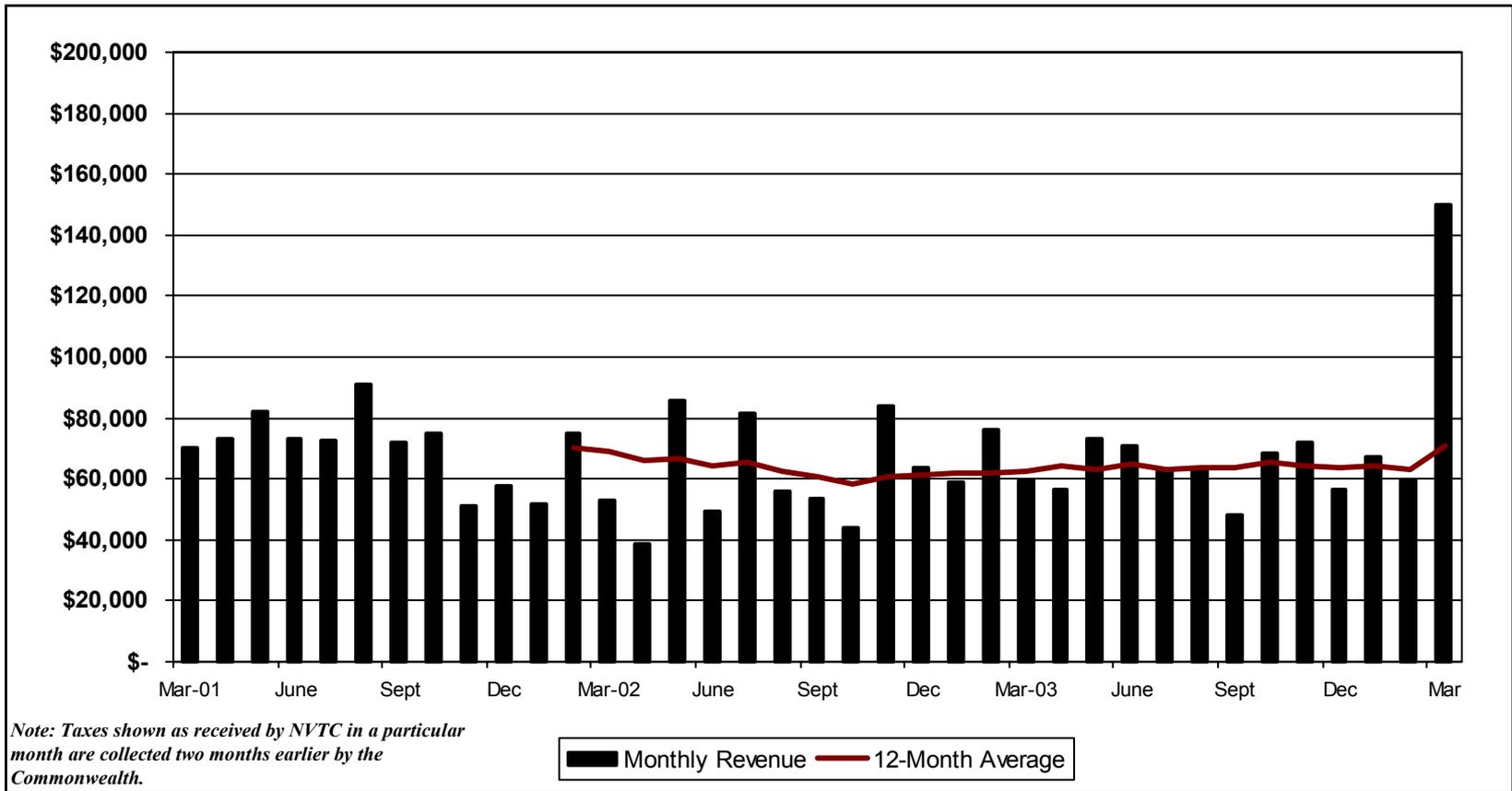
NVTC MONTHLY GAS TAX REVENUE CITY OF ALEXANDRIA FISCAL YEARS 2001-2004



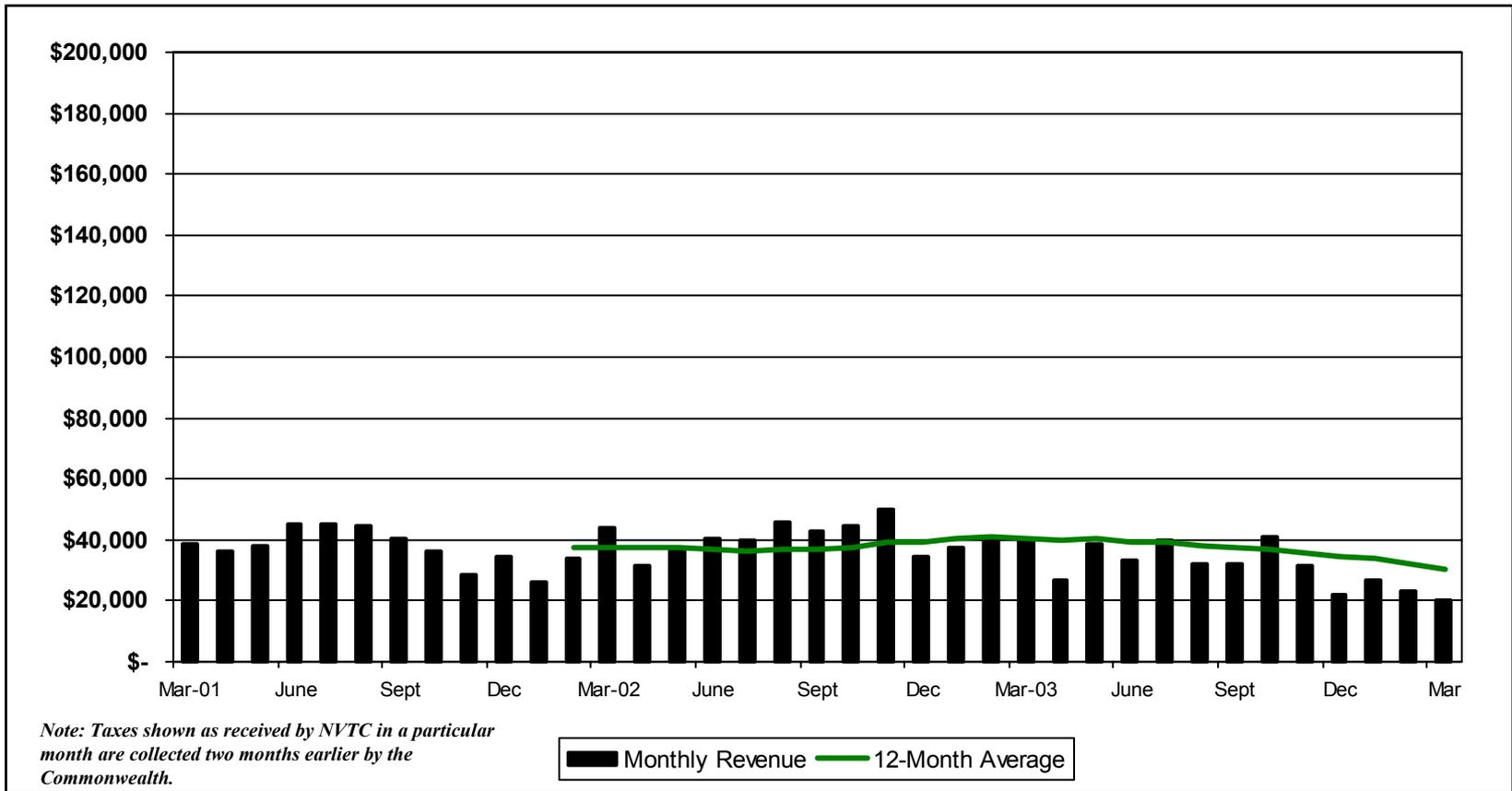
NVTC MONTHLY GAS TAX REVENUE ARLINGTON COUNTY FISCAL YEARS 2001-2004



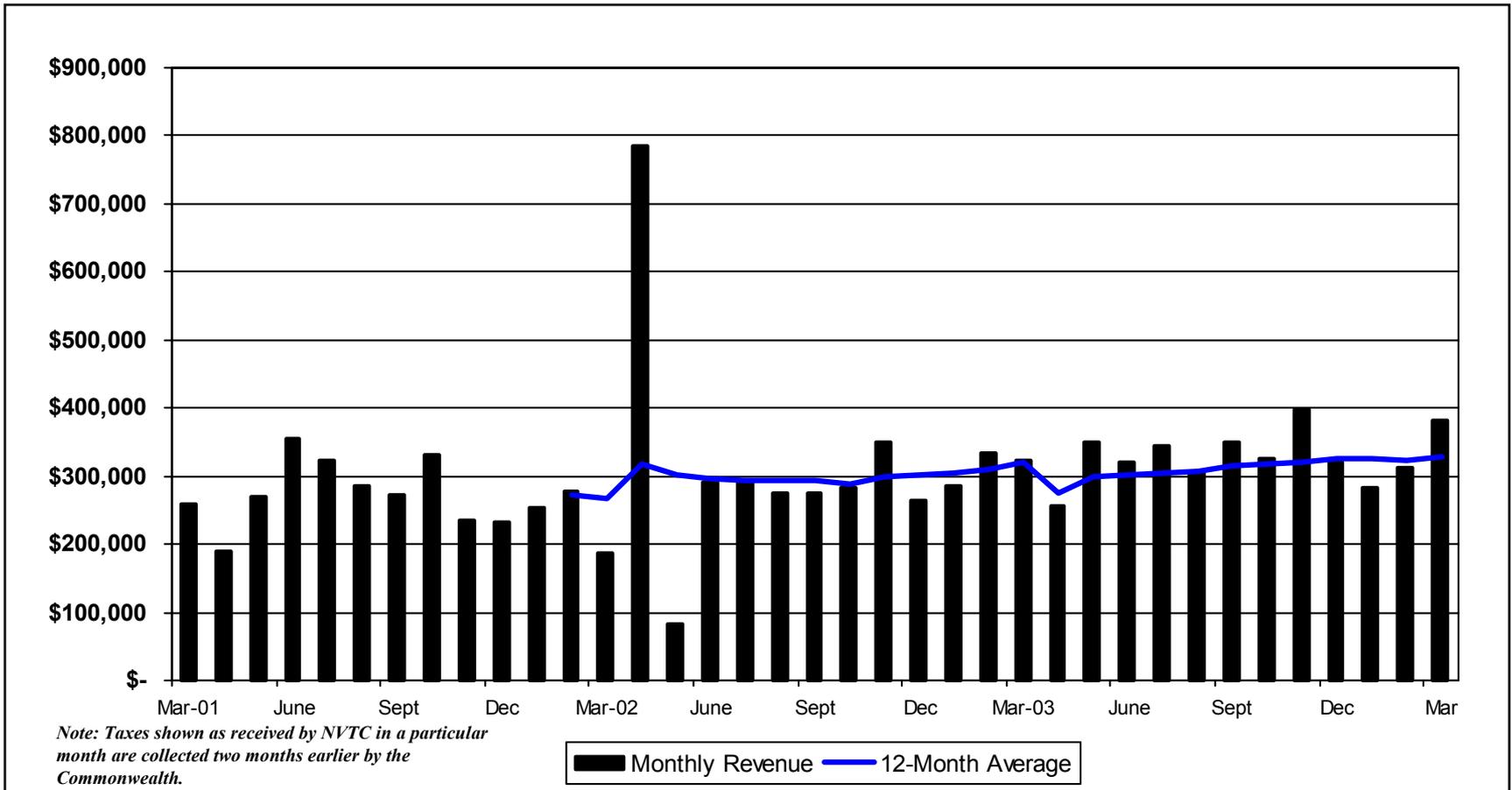
NVTC MONTHLY GAS TAX REVENUE CITY OF FAIRFAX FISCAL YEARS 2001-2004



NVTC MONTHLY GAS TAX REVENUE CITY OF FALLS CHURCH FISCAL YEARS 2001-2004



NVTC MONTHLY GAS TAX REVENUE LOUDOUN COUNTY FISCAL YEARS 2001-2004



MEMORANDUM

TO: Chairman Euille and NVTC Commissioners
FROM: Rick Taube
DATE: April 29, 2004
SUBJECT: VRE Items

- A. Report from the VRE Operations Board (including minutes of the meeting of April 16, 2004) and from the Acting VRE Chief Operating Officer -- Information Item.
- B. FY 2003 Auditors' Management Letters -- Discussion Item.
- C. VRE Fare Restructuring -- Action Item/Resolution #1013.
- D. Sale and Procurement of VRE Railcars -- Action Item/Resolution # 1014.
- E. Facilities Maintenance Contract and Procurement -- Action Item/Resolution #1015.
- F. Contract Award for Mechanical Engineering -- Action Item/Resolution #1016.
- G. Diesel Fuel Supply Contract -- Action Item/Resolution #1017.
- H. Closed Session (Section 2.2.-3711 A.(1) of the Code of Virginia) to discuss a personnel matter.
- I. Selection of VRE Chief Executive Officer -- Action Item/Resolution #1018.

ITEM #9A

Report from the VRE Operations Board and Acting VRE Chief Operating Officer.

Minutes are attached from the April 16th board meeting together with excerpts from the report of the Acting Chief Operating Officer.



**VIRGINIA RAILWAY
EXPRESS**

**OPERATIONS BOARD
MEMBERS**

JOHN D. JENKINS
CHAIRMAN

ELAINE MCCONNELL
VICE CHAIRMAN

JOHN GRZEJKA
SECRETARY

DANA KAUFFMAN
TREASURER

HILDA BARG

SHARON BULOVA

**MAUREEN S.
CADDIGAN**

WALLY COVINGTON

ROBERT GIBBONS

WILLIAM GREENUP

KAREN RAE

**CHRISTOPHER
ZIMMERMAN**

DALE ZEHNER
ACTING CHIEF
OPERATING OFFICER

MINUTES

VRE OPERATIONS BOARD MEETING PRTC HEADQUARTERS – ALEXANDRIA, VIRGINIA

April 16, 2004

MEMBERS PRESENT	JURISDICTION
Sharon Bulova (NVTC)	Fairfax County
Robert Gibbons (PRTC)	Stafford County
John Grzejka (PRTC)	City of Manassas
John D. Jenkins (PRTC)	Prince William County
Dana Kauffman (NVTC)**	Fairfax County
Elaine McConnell (NVTC)	Fairfax County
Karen Rae	VDRPT

ALTERNATES PRESENT	JURISDICTION
Hilda Barg (PRTC)	Prince William County
Maureen Caddigan (PRTC)	Prince William County
Wally Covington (PRTC)**	Prince William County
William Greenup (PRTC)**	City of Fredericksburg/VHSRDC

ALTERNATES ABSENT	JURISDICTION
Christopher Zimmerman (NVTC)**	Arlington County

STAFF AND GENERAL PUBLIC	
Tamara Ashby – VRE	Wendy Lemieux – VRE
George Billmyer – citizen	Steve Maclsaac – Attorney for Arlington County and VRE
Raynetta Cross – VRE	Betsy Massie – PRTC staff
E.B. Easter - VRE	Sirel Mouchantaf - VRE
Daniel Foth - citizen	Dick Peacock - citizen
Anna Gotthardt – VRE	Mark Roeber - VRE
Eddie Gross – Free Lance Star	Dave Snyder – VRE
Alfred Harf – PRTC staff	Jennifer Straub – VRE
Yogi Kanda – Sumitomo Corp.	Rick Taube – NVTC staff
Ken Kuriyama – Nippon Sharyo	John Tuohy – VRE
Ann King - VRE	Dale Zehner – VRE
Dennis Larson - VRE	
Bob Liebbrandt – Prince William County	

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

Chairman Jenkins called the meeting to order at 9:30 A.M. Following the Pledge of Allegiance, roll call was taken.

Agenda

On a motion by Ms. Barg, and a second by Ms. Bulova, the Board unanimously approved the agenda. The vote in favor was cast by Board Members Bulova, Gibbons, Grzejka, Jenkins, McConnell and Rae.

Minutes of the March 19, 2004, VRE Operations Board Meeting

Ms. Caddigan moved, with a second by Ms. Barg, to approve the minutes. The vote in favor was cast by Board Members Bulova, Gibbons, Grzejka, Jenkins, McConnell and Rae.

Chairman's Report

Chairman Jenkins stated that the VRE Operations Board is currently interviewing candidates for the Chief Executive Officer position and expects the interviews to be concluded in the next week. An announcement will be made by the beginning of June or earlier.

Acting Chief Operating Officer's Report – 6

Mr. Zehner reported that VRE ridership averaged 15,100 daily passengers during the month of March and on-time performance was 92 percent. CSXT is making an effort to dispatch freight trains to keep VRE on schedule. Meet the Management events began last week at the L'Enfant Station and Bill Schafer of Norfolk Southern participated. The Manassas Line Train Master, Bob Logan, also participated and answered questions from passengers.

Mr. Zehner stated that the final draft of the Strategic Plan has been distributed to jurisdictional and commission staff for comment. After incorporating changes and comments, the final version is expected to be presented to the Board at its next meeting.

A series of posters from the "Tell Me Why" campaign were shown to Board members. Mr. Zehner also reported that VRE's schedule change will go into effect on April 26, 2004. The changes are a result of Amtrak changes to its schedule. With VRE's expanding ridership, it takes longer to load passengers at the platforms and the new schedule will address this issue.

[Mr. Covington arrived at 9:31 A.M.]

Mr. Gibbons commented that he recently rode VRE and observed that the interiors were spotless, but the exteriors were dirty. He observed that there have been complaints about the difficulty in loading passengers, especially at the Crystal City and L'Enfant stations. Mr. Zehner stated that Amtrak's train car washer was down for a number of months. Also, railcars cannot be washed during cold weather. VRE is going to begin to have its own contractor wash the railcars (one consist a week) at both yards. Amtrak has also agreed to wash VRE railcars more often. Mr. Zehner stated that even he is surprised at the sheer volume of passengers that board at the L'Enfant station. He is convinced that the platform is not large enough for the current passenger loads. He stated that VRE is faced with a number of issues because it is above capacity. It's not only seats and parking, but also platforms and canopies.

Mr. Gibbons stated that it would be helpful to have a sign on the railcars stating what doors will be opened. This would be especially helpful for tourists. He asked staff to look into this. Ms. Lemieux stated that it is a requirement of the conductor to make an announcement if all doors aren't being opened.

VRE Riders' Comments – 7

George Billmyer stated that he supports the increased discount on the ten-trip ticket included in the proposed fare increase, but commented that the outer zones are getting a higher increase than the inner zones. He expressed his opinion that this should be reversed. VRE may have some problems with the Amtrak step-up ticket and stated that VRE shouldn't be surprised that more riders will get on VRE trains at Fredericksburg and the other outlying stations and the trains could be full before getting to Woodbridge. He suggested that VRE continue to allow the ten-ride ticket to be utilized on the weekend Amtrak trains so that people who work on the weekends could ride Amtrak trains rather than having to drive.

Dick Peacock stated that he is against the fare increase. He stated that the local subsidy should be increased instead. The price of gasoline is going up, which will mean more gas tax revenues to the region. VRE should be rewarded for its outstanding service. Ms. Bulova replied that not all of the jurisdictions use gas tax revenues to fund VRE service. In Fairfax County, for example, it comes out of the general fund. Gas tax revenues can be increasing, but it doesn't mean that there are additional funds for VRE.

Ms. McConnell asked how the fare increase is expected to affect VRE ridership. Mr. Billmyer observed that VRE is in a good position even if it loses riders, since others will come in and fill the spot. He suggested postponing the Amtrak step-up fee and see if Spotsylvania County will join VRE, which would bring in more subsidy dollars.

[Mr. Kauffman arrived at 9:47 A.M.]

Authorization to Modify the VRE Fare Structure – 8A

Mr. Zehner stated that the VRE Operations Board is being asked to recommend that the Commissions authorize the Acting Chief Operating Officer to institute the following changes to the VRE fare structure effective June 28, 2004:

1. Increase the base fare and the zone increment six percent
2. Change the ticket discount structure
3. Institute a five-day pass
4. Create a \$1 step-up ticket for VRE passengers using Amtrak trains
5. Eliminate Amtrak cross-honor for weekend service
6. Increase ticket expiration dates to one year
7. Keep the grace period for monthly tickets at a full day

Mr. Zehner reported that public hearings were conducted from March 8 through April 9, 2004. More than 1,000 e-mails, faxes, and letters were received during the process and over 90 people attended the public hearings. Overall the opinions on the proposals were mixed and heavily influenced by commuting distance, availability of Amtrak cross honoring service, whether they were a government or non-government employee, and the overall cost of their commute. Several changes were made as a result of comments made by the public. Mr. Zehner then gave a more detailed overview of the changes to the fare structure.

[Mr. Greenup arrived at 9:53 A.M.]

Ms. Bulova reminded Board members that the Board initially looked at a four percent increase but because VRE needed additional revenues to match federal funds for security measures, a six percent increase was proposed. Mr. Zehner explained that the additional \$1 million VRE needs in its budget includes \$800,000 to continue to meet VRE's operating costs for the year and approximately \$200,000 to match a \$800,000 security grant from Homeland Security.

Ms. Barg moved, with a second by Ms. Bulova, to approve Resolution #8A-04-2004, which would seek approval from the Commissions to implement these changes to the VRE Tariff effective June 28, 2004.

Mr. Gibbons stated that the e-mails he received from passengers were not favorable to the changes to the fare structure. He expressed his concern that VRE may become arrogant in thinking that riders will always be there. With the proposed HOT lanes, VRE could lose ridership in the future. VRE has been successful because of its good relationship with its riders.

Ms. Bulova stated that she attended the public hearing at Burke Centre and she was impressed that it wasn't just a hearing but a constructive discussion. Most of the speakers were accepting of the rate increase but they were concerned that it be fairly implemented. She is pleased to see that changes were made to the recommendations

as a result of the comments received. She expressed her support for the increase so that VRE can continue to provide good service and to take advantage of the matching funds to enhance security.

Ms. McConnell stated that at some point VRE may have to ask the contributing jurisdictions to step up and increase subsidies to keep the burden off the passengers. Mr. Kauffman expressed his astonishment about the positive responses VRE received about the fare increase compared to the responses Metro received about its fare increase. This tells him that staff has done a good job informing riders why an increase is necessary and that passengers have absorbed that message and understand it. Ms. McConnell stated that the General Assembly needs to step up to the plate and provide more funding.

Chairman Jenkins thanked staff for their efforts to communicate to the riders about why there needs to be a fare increase. Most of the comments he received from riders were positive and provided good suggestions.

The Board then voted on the motion and it passed. The vote in favor was cast by Board members Bulova, Gibbons, Grzejka, Jenkins, Kauffman, McConnell and Rae.

Authorization to Execute the Sale of 38 Mafersa Railcars and Authorization to Issue an RFP for the Procurement of Bi-Level Cars – 8B

Mr. Zehner reported that the Connecticut Department of Transportation (ConnDOT) has expressed an interest in purchasing all of the Mafersa railcars, including cab cars for \$15.2 million. VRE would continue to keep seven cab cars for a two-year period at a lease-back cost of \$1 per car through June 30, 2006. By selling these cars, VRE would need to purchase 11 bi-level cab cars. He recommends including an option in the procurement for 50 additional bi-level railcars, which would create the opportunity to purchase bi-level railcars for delivery starting in the 2008 timeframe. Exercising this option is contingent on legal approval as well as the development of a viable financing plan.

Mr. Zehner also reported that the Commonwealth of Virginia has indicated an interest in purchasing five trailers. The final sales agreement with ConnDOT would be drafted with the option for five Mafersa trailers to be sold to the Commonwealth if payment is provided by October 1, 2004. If this option is not exercised, the cars would be released to ConnDOT for purchase. Resolution #8B-04-2004 would recommend that the Commissions authorize the execution of the agreement with ConnDOT and to authorize a RFP for the procurement of 11 bi-level cab cars with an option for an additional 50 railcars.

Mr. Gibbons stated he is torn between knowing VRE could really use the \$15 million from the sale of the railcars but also knowing that the Bristow-Charlottesville area wants to start commuter rail service and VRE has available railcars. He asked if Connecticut

only needs them for a short period of time, is there a way that the Commonwealth could get them back at a reasonable price. Ms. Rae suggested adding a “right of first refusal” clause when Connecticut no longer needs them.

Chairman Jenkins stated that the Finance Committee looked at this proposal very closely and the committee was concerned that the Commonwealth be in agreement with VRE’s action.

Mr. Gibbons moved, with a second by Ms. McConnell, to approve the resolution, with the provision that the Commonwealth be given the “right of first refusal” if Connecticut ever sells the railcars. The vote in favor was cast by Board members Bulova, Gibbons, Grzejka, Jenkins, Kauffman, McConnell and Rae.

[After the vote, Mr. Kauffman and Mr. Grzejka stepped out of the room at 10:19 A.M. and 10:22 A.M., respectively.]

Authorization to Increase the Funding Level of the FY 2004 Facilities Maintenance Contract and Issue a Procurement for Facilities Maintenance Services – 8C

Mr. Zehner explained that in September 2003, VRE exercised the second year task order option for the facilities maintenance contract with D&L Contractors, Inc., in an amount not to exceed \$466,598. Since that time, task order work for several security related issues, such as the installation of razor wire at Crossroads, installation of security gates at both yards as well as the unusually icy winter have absorbed much of the task order budget previously authorized. Several tasks, such as the installation of emergency phones and painting at several stations are desired over the next several months. Staff is recommending that the contract be increased by \$192,500. Also, this contract option year is due to expire at the end of July 2004. Therefore, the Board is also being asked to authorize solicitation of facilities maintenance services so that a new contract can be executed prior to the current contract expiring. Resolution #8C-04-2004 would approve the increased funding level of the existing contract and also issue a procurement for future facilities maintenance services.

Ms. Barg moved to approve the resolution. Ms. Bulova seconded. The vote in favor was cast by Board members Barg, Bulova, Gibbons, Jenkins, McConnell and Rae.

[After the vote, Mr. Kauffman returned at 10:23 A.M. and Mr. Grzejka came back into the room at 10:24 A.M.]

Authorization to Extend Personnel Service Contract for VRE Contract Employee – 8D

Mr. Zehner explained that Resolution #8D-04-2003 would authorize the Acting Chief Operating Officer to extend a personnel service contract with Terri Anomnachi, who is

currently retained by VRE to support the Fare Collection II project. The contract value would be increased by \$33,731, for a total amount not to exceed \$62,731.

Mr. Zehner stated that it was originally anticipated that the contract would be substantially completed by April 2004. However the project schedule has been extended due to the execution of a change order requiring software changes and troubleshooting remaining system issues. In addition, the contractor would be retained to support staff on an as needed basis should any other issues arise regarding the Scheidt and Bachmann fare collection equipment after system acceptance. Ms. Anomnachi would also help with the changes that need to be made before the fare changes in June. Mr. Gibbons wondered if it would be better to make it a long-term contract.

Mr. Gibbons moved to approve the resolution. Ms. Caddigan seconded. The vote in favor was cast by Board members Bulova, Gibbons, Grzejka, Jenkins, Kauffman, McConnell and Rae.

Authorization to Enter into an Agreement with MCI WorldCom to Relocate Fiber Optic Cables Prior to Construction of the Quantico Creek Bridge – 8E

Mr. Zehner explained that Board action is required at this time to receive approval to enter into an agreement with a fiber optic utility (MCI WorldCom) to relocate fiber optic cables. This relocation must occur prior to the start of bridge construction scheduled for July 2004. The cost for this work (not to exceed \$76,308) is included in the Quantico Creek Bridge project budget. Resolution #8E-04-2003 would accomplish this.

Ms. Caddigan moved, with a second by Ms. McConnell, to approve Resolution #8E-04-2004.

Ms. Rae expressed concerns that this has not been approved by VDRPT staff as an addition to the contract amount. She has an issue with the state and federal investing \$25-\$30 million for this project and CSXT not putting any money into the project. Ms. Caddigan asked whether this action could be deferred until the next meeting. Mr. Zehner stated that it was not worth holding up construction for \$76,308. Ms. Rae stated that the state had not signed off on this yet and it is important to have a better paper trail for change orders or modifications to protect VRE and the Commonwealth.

Ms. Straub stated that, in an effort to keep the project moving forward, staff could work with VDRPT staff and even use the federal grant to fund this project element rather than using state funds. Ms. Rae stated that this issue can probably be resolved with the understanding that the Commonwealth may not fund this small portion of the project.

Ms. McConnell put forth a friendly amendment that would recognize that the Commonwealth is trying to work out a settlement with CSXT concerning this issue. Ms. Caddigan accepted the amendment. The Board then voted on the amended motion

and it passed. The vote in favor was cast by Board members Bulova, Gibbons, Grzejka, Jenkins, Kauffman, McConnell and Rae.

Authorization to Award Contract for Mechanical Engineering Consulting (MEC) Services – 8F

Mr. Zehner explained that Resolution #8F-03-2004 would recommend that the Commissions authorize the Acting Chief Operating Officer to enter into a contract with STV, Inc., for the MEC services for a period of five years, not to exceed \$5 million. Board approval would be sought for any task order over \$30,000.

Mr. Zehner stated that after competitive proposals were evaluated, VRE staff recommends STV, Inc., based upon their extensive experience and the capacity to perform the demanding tasks VRE requires. STV will lead a team of subcontractors including Jas-Tec (DBE), Virginkar and Associates (DBE) and RailPlan International.

Ms. McConnell moved, with a second by Mr. Grzejka, to approve the resolution. The vote in favor was cast by Board members Bulova, Gibbons, Grzejka, Jenkins, Kauffman, McConnell and Rae.

Recommendation to Commissions for the Authority to Award a Contract for Locomotive Fuel Supply – 8G

Mr. Zehner reported that VRE consumes approximately 1.2 million gallons of diesel fuel a year. VRE is currently purchasing its fuel on the spot market, meaning that the price can change daily. In order for VRE to purchase fuel at a wholesale rate, there must be a contract in place that establishes a fixed margin agreement with a fuel vendor and pins that vendor's price to a wholesale delivery point, removing the volatility and randomness from the pricing to the maximum extent that the world oil market permits. An Invitation for Bids was published on March 25th and closes on April 19, 2004. VRE will then be able to make a recommendation for contract award to the Commissions on May 6th. Resolution #8G-04-2004 would recommend that the Commissions authorize the Acting Chief Operating Officer to award a contract to the vendor recommended by staff.

On a motion by Mr. Kauffman, and a second by Ms. Caddigan, the Board voted unanimously to approve the resolution. The vote in favor was cast by Board members Bulova, Gibbons, Grzejka, Jenkins, Kauffman, McConnell and Rae.

Security Issues – 9

Chairman Jenkins thanked all the jurisdictions for their quick response to VRE's request for enhanced security at VRE stations. Mr. Zehner provided an overview to the Board on how VRE has increased security. Ms. Barg expressed her concern regarding the bridges. Mr. Snyder stated that Homeland Security is looking at bridges closer in to Washington, D.C. but there is no uniformed and regular presence at the bridges. VRE is looking into how to better patrol the bridges. Mr. Gibbons suggested that the National Guard fly over the rails. In response to a question from Mr. Kauffman, Chairman Jenkins reported that if passengers find unattended briefcases, bags, or packages, they should contact "911" first and then VRE.

Adjournment

Ms. Barg moved, with a second by Ms. Caddigan, to adjourn the meeting. The vote in favor was cast by Board Members Bulova, Gibbons, Grzejka, Jenkins, Kauffman, McConnell and Rae. Chairman Jenkins adjourned the meeting at 10:38 A.M.

Approved this 21st day of May, 2004.

John Jenkins
Chairman

John Grzejka
Secretary

CERTIFICATION

This certification hereby acknowledges that the minutes for the April 16, 2004, Virginia Railway Express Operations Board Meeting have been recorded to the best of my ability.

Rhonda Gilchrest

Rhonda Gilchrest

AGENDA ITEM 8-B
ACTION ITEM

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: APRIL 16, 2004

**RE: AUTHORIZATION TO EXECUTE THE SALE OF 38 MAFERSA
RAILCARS AND AUTHORIZATION TO ISSUE AN RFP FOR THE
PROCUREMENT OF BI-LEVEL CARS**

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Acting Chief Operating Officer to execute an agreement with the Connecticut Department of Transportation for the sale of 38 railcars and to issue a request for proposals (RFP) for the procurement of 11 bi-level cab cars with an option for an additional 50 bi-level railcars.

BACKGROUND:

The VRE Operations Board previously tasked staff with instituting a program to maximize the seating capacity of the VRE fleet to address the growing ridership demand. Pursuit of 35 Metra Gallery railcars was initiated to increase VRE's maximum carrying load by replacing single level Mafersa railcars with bi-level railcars. In doing so, a conscious decision was made to operate a bi-level high capacity fleet.

VRE currently owns a total of 38 Mafersa railcars (28 standard trailers and 10 cab cars). Following the successful acquisition of high capacity railcars from Metra, VRE has begun removing Mafersa cars from service and replacing them with the Metra railcars. However, we must still operate Mafersa cab cars with Gallery consists since we currently have no Gallery cab cars.

Since VRE is no longer in a position to utilize the Mafersa trailers, VRE must pursue storage or their sale/lease. Subsequently, at the January 2004 VRE Operations Board meeting, authorization was provided to the Acting Chief Operating Officer to solicit potential offers for the sale or lease of the Mafersa railcars and present any reasonable offers to the Operations Board for consideration.

On March 8, 2004, the Connecticut Department of Transportation (ConnDOT) presented an interest in purchasing all of the Mafersa railcars, including cab cars. After negotiations, the following proposal was made.

Sales Price:

Thirty-eight Mafersa railcars (10 cab cars and 28 trailers)	\$15,000,000
Spare parts inventory	\$200,000
Total price	\$15,200,000

Delivery Schedule:

Date	Item	Number
July 1, 2004	Trailer	15
July 1, 2004	Cab Car	3
September 1, 2004	Trailer	8
October 1, 2004	Trailer	5
October 1, 2004	Spare Parts Inventory	
July 1, 2006	Cab Car	7
Total		38

Other Factors:

- VRE will transfer all equipment in “as is” condition effective with a sales agreement.
- VRE shall lease back, pursuant to a lease agreement, seven (7) cab cars for a two-year period at the cost of \$1 per car beginning on July 1, 2004 and concluding on June 30, 2006. If one or more of the cab cars are required beyond June 30, 2006, a fee of \$200 per car, per calendar day will be charged up to June 30, 2007.
- ConnDOT will be responsible for the transportation of each vehicle from Washington, DC.

The Commonwealth of Virginia has indicated an interest in purchasing a portion of the Mafersa fleet. After discussions with the Commonwealth and ConnDOT, consensus was reached in which 5 Mafersa trailers could be sold to the Commonwealth. The final sales agreement with ConnDOT will be drafted with the option for five Mafersa trailers to be

sold to the Commonwealth if payment is provided by October 1, 2004. If this option is not exercised, the cars will be released to ConnDOT for purchase.

Purchase of 11 bi-level cab cars with option to procure 50 additional bi-level railcars

VRE currently requires eleven cab cars to operate its existing service. The completion of the CSX MOU projects will allow the addition of two trains in the next several years. This additional service, coupled with the return of the Sounder fleet, will result in the need for a total of 13 cab cars. Therefore, to execute the sale of all Mafersa railcars, VRE requires authorization to initiate the procurement of 11 bi-level cab cars in order to have them available for revenue service by July 1, 2006 when the Mafersa cab cars must be returned to ConnDOT.

Informal discussions with equipment builders indicate that at least three builders would bid on a RFP with a delivery date in the Winter/Spring of 2006. VRE staff is pursuing financing which includes options such as a sales/lease agreement, bank loan, self-financing or manufacturer financing or some hybrid arrangement. Debt service is estimated at \$2.2 million per year for 20 years.

With the required purchase of 11 cab cars, VRE also has the opportunity to include an option in the procurement for 50 additional bi-level railcars. By including this option, VRE creates the opportunity to purchase bi-level railcars for delivery starting in the 2008 timeframe. This schedule will allow for the orderly replacement of Gallery railcars as they reach the end of their service life. Exercising this option is contingent on legal approval as well as the development of a viable financing plan.

Summary

With the authorization and execution of the Mafersa sale and purchase of 11 bi-level cab cars, VRE attains an all bi-level fleet and maximizes ridership capacity. In addition, the sale would provide funding for the acquisition of critical mid-day train storage in the Washington, DC area. The completion of this project is essential to providing additional fleet storage. With the added option of 50 additional bi-level railcars, VRE would achieve an orderly transition from the older Gallery railcars to a new bi-level fleet.

FISCAL IMPACT:

VRE gains \$15.2 million for the sale of the Mafersa railcars and spare parts inventory.

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD
FROM: DALE ZEHNER
DATE: APRIL 16, 2004
RE: AUTHORIZATION TO EXECUTE THE SALE OF 38 MAFERSA RAILCARS AND PROCUREMENT OF 11 BI-LEVEL CAB CARS

RESOLUTION
8B-04-2004
OF THE
VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD

WHEREAS, VRE has successfully negotiated with Metra for the acquisition of 35 high capacity railcars; and,

WHEREAS, these Gallery bi-level units will replace the Mafersa railcars adding to VRE's seating capacity; and,

WHEREAS, the storage and upkeep of the Mafersa railcars, after they are no longer in revenue service, will add an additional cost to VRE; and,

WHEREAS, the Virginia Railway Express currently owns 38 Mafersa railcars (28 trailers and 10 cab cars); and,

WHEREAS, VRE has received a sales proposal from the Connecticut Department of Transportation (ConnDOT) for the purchase of all 38 Mafersa railcars as soon as July 2004, and;

WHEREAS, ConnDOT agrees to lease back to VRE seven cab cars for two years.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board recommends that the Commissions authorize the Acting Chief Operating Officer to execute an agreement with the Connecticut Department of Transportation for the sale of 38 railcars in an amount not less than \$15,200,000.

BE IT FURTHER RESOLVED THAT, that an option be provided to the Commonwealth of Virginia for the purchase of five Mafersa trailers by October 1, 2004.

BE IT FURTHER RESOLVED THAT, the Commonwealth of Virginia also reserves the "Right of First Refusal" for the acquisition of the Mafersa railcars if and when Connecticut were to resell the railcars.

BE IT FURTHER RESOLVED THAT, the VRE Operations Board recommends that the Commissions authorize the Acting Chief Operating Officer to issue a request for proposals (RFP) for the procurement of 11 bi-level cab cars with an option for the procurement of an additional 50 bi-level railcars.

FY 2003 Auditors' Management Letters

The commission has previously reviewed the FY 2003 VRE financial report. It received a clean opinion from the NVTC/VRE independent auditors, PBGH LLP. However, the auditors did provide three management letters setting forth some concerns. They are attached, together with materials describing the responses of VRE staff and the ongoing monitoring by VRE's Audit and Finance Committee. NVTC staff will highlight some of these materials.

VRE Fare Restructuring

The VRE Operations Board recommends approval of Resolution #1013. This resolution authorizes VRE staff to implement several changes to VRE's fare structure, including changes to the base fare and zone charges sufficient to yield the six percent increase in fare revenue included in VRE's approved FY 2005 budget. The attached memorandum describes the changes in detail, together with the results of the public comment period.

RESOLUTION #1013

SUBJECT: VRE Fare Restructuring.

WHEREAS: During the FY 2005 VRE budget review by the CAO Task Force, as well as the staff review and investigation into SmarTrip integration, a number of changes were recommended to the current VRE fare structure that could afford savings or provide operational efficiencies;

WHEREAS: At the January 16, 2004 meeting of the Operations Board, the Acting Chief Operating Officer was given the authority to examine several areas related to fare collection and fare structure;

WHEREAS: Based on research and public comment, staff has developed a set of recommendations that when implemented would increase fare revenue by 6% as required for the FY 2005 VRE Operating and Capital Budget.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes the VRE Acting Chief Operating Officer to make the following changes effective in June, 2004 to the VRE tariff according to the proposal recommended by the VRE Operations Board:

1. Increase the base fare and the zone increment by 6%
2. Change the ticket discount structure
3. Institute a five-day pass
4. Create a \$1 step-up ticket for VRE passengers using Amtrak trains
5. Eliminate Amtrak cross-honor for weekend service
6. Increase ticket expiration dates to one year
7. Keep the grace period for monthly tickets at a full day.

Approved this 6th day of May, 2004.

William Euille
Chairman

Gerry Connolly
Secretary-Treasurer

AGENDA ITEM 8-A
ACTION ITEM

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: APRIL 16, 2004

RE: AUTHORIZATION TO MODIFY THE VRE FARE STRUCTURE

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Acting Chief Operating Officer to institute the following changes to the VRE fare structure effective June 28, 2004:

1. Increase the base fare and the zone increment 6%
2. Change the ticket discount structure
3. Institute a five-day pass
4. Create a \$1 step-up ticket for VRE passengers using Amtrak trains
5. Eliminate Amtrak cross-honor for weekend service
6. Increase ticket expiration dates to one year
7. Keep the grace period for monthly tickets at a full day

BACKGROUND:

As part of the VRE budget for FY 2005, VRE must increase fare revenue nearly \$1 million dollars or 6% from FY 2004 to cover increased operating expenses and provide match for the capital improvement program. A public comment period commenced on March 8 and ended on April 9, 2004. Passengers and interested parties commented via e-mail, letter, fax, or in person at any of six public hearings. More than 1,000 e-mails, faxes, and letters were received during the process and over 90 people attended the public hearings. Overall the opinions on the proposals were mixed and heavily influenced by commuting distance, availability of Amtrak cross honoring service, whether they were a government or non-government employee, and the overall cost of

their commute. A summary of the 1076 individual written and oral comments received prior to the deadline for the comment period is shown below. Based upon the number of comments received and arguments made by the riders, we modified the original proposal.

Issue	Type of Comment	Number of Comments
Raising the fares	Positive	216
Raising the fares	Negative	302
Reducing the discount on the ten-trip ticket from 15% to 5%	Positive	9
Reducing the discount on the ten-trip ticket from 15% to 5%	Negative	496
Proposed addition of a five-day pass.	Positive	65
Proposed addition of a five-day pass.	Negative	391
Adding a step-up fare for utilization of Amtrak	Positive	101
Adding a step-up fare for utilization of Amtrak	Negative	78
Elimination of weekend Amtrak service for VRE riders	Positive	42
Elimination of weekend Amtrak service for VRE riders	Negative	62
Extension of the current expiration date of VRE tickets	Positive	31
Extension of the current expiration date of VRE tickets	Negative	43
Proposed reduction of the grace period on the VRE monthly ticket	Positive	16
Proposed reduction of the grace period on the VRE monthly ticket	Negative	72

Recommendation 1: Increase both the base fare and the zone increment 6%.

Original recommendation: The original proposal included an increase in both the base fare and the zone increment by 6%.

General summary of comments: Rarely do people recommend that you charge them more money. The comments received mostly dealt with the double blow of increasing fares and decreasing the discount rate on ten-trip tickets. A handful dealt directly with the increased fare itself. Many passengers indicated via e-mail or in person that they were resigned to a fare increase as long as it was implemented fairly.

Final recommendation: A fare increase is necessary for VRE to meet its operating and capital budget for FY 2005. As such, staff recommends that the fare increase be implemented.

Recommendation 2: Change the discount structure to make VRE passes more attractive.

Original recommendation: The original proposal included the change of the monthly ticket discount from 30% to 33%, the introduction of a five-day pass at a discount of 20%, and the change in the discount of the ten-trip ticket from 15% to 5%. The rationale was to make VRE passes more attractive and reduce validations, which will:

- Make ticket checking easier for the crews.
- Minimize wear-and-tear on the fare collection equipment and reduce maintenance costs.
- Reduce queuing.
- Minimize the need for additional equipment.

General summary of comments: There was extensive reaction to the restructuring portion of the proposal. Generally, the passengers felt it was unfair to penalize them for not riding “regularly.” They voiced the opinion that the Federal government’s desire for telecommuting and the propensity for workers in this area to travel frequently made the ten-trip ticket an attractive ticket type for most riders. The general sentiment was not against the proposal of a fare increase itself. However, the overall increase in ten-trip ticket price due to the base and zone fare increase along with the reduction in the discount rate made this an unpopular proposition. We received very little comment on the monthly ticket change proposal and as such, assume that it is considered fair to the ridership.

Final Recommendation: After careful consideration and listening to the majority of riders, staff acknowledges that taking the discount to 5% from 15% on the ten-trip ticket was too great of a leap. Public comment on the proposals leads us to believe that the five-day pass may not be as popular as first thought and the discount on the ten-trip ticket should be adjusted from 15% to 10%. This, combined with the projection of less people moving to five-day passes, would still net VRE the required increase in fare revenue to meet its FY 2005 operating and capital requirements. We believe that there will be less of a shift to the five-day pass than originally anticipated.

VRE staff recommends the following discount restructuring, which will provide the six percent overall revenue increase authorized by the Board.

Ticket Type	Current Discount	Original Recommendation	Final Recommendation
Monthly	30%	33%	33%
10-Trip	15%	5%	10%
5-Day Pass	n/a	20%	20%

Recommendation 3: Introduce a five-day pass.

Original recommendation: The original proposal included the introduction for a five-day pass. The five-day pass would be a ticket good for five consecutive service days from validation and would “jump” over weekends and holidays. Multiple tickets could be purchased in advance; the ticket would not be activated until validation. This pass will be priced so that it is equivalent to 4 round-trip tickets or a 20% discount from the single ride price. This will accommodate the majority of our ridership, since 72 percent of the riders report that they ride five days per week.

The introduction of a five-day pass has several benefits for VRE and its riders. It will offer passengers another pass option in addition to the monthly and will permit riders to buy multiple time-based passes at a time. For VRE, the five-day pass will:

- Reduce the number of TVM validations on station platforms, which minimizes queuing and reduces the need for additional TVMs.
- Reduce the necessary maintenance on TVMs.
- Make ticket checking more efficient since passes are easy to read and verify.
- Makes SmarTrip implementation easier to accomplish because it provides the potential of using the SmarTrip card as a pass without the need for trip validation.

The estimated cost for implementing a five-day pass is \$65,736 in software changes, which was authorized by the Operations Board in February 2004.

General summary of comments: Many riders who were opposed to the pass felt that the introduction of this pass combined with the change in the ten-trip ticket discount unfairly penalized them for not riding every day. Although survey data shows that 72 percent of the riders indicated they ride five days a week, many people do not ride successive days in a row making this pass unsuitable for their use. Additionally, many people indicate they travel often without notice. The comments against the five-day pass were more about changing the ten-trip ticket than against the introduction of this pass. On the positive side many passengers have indicated a desire for this pass and demonstrated a belief that it would benefit them.

Final recommendation: Staff believes that while the pass does not meet every passenger’s needs, it does offer another choice to the rider and will increase in popularity over time. In addition, the need for VRE to prepare for SmartTrip and reduce validations makes this a good recommendation. Staff will monitor five-day pass usage and riders’ response over the next year.

Recommendation 4: Create a step-up ticket for VRE passengers on Amtrak trains.

Original recommendation: The original proposal included the institution of a step-up fee to use Amtrak trains. The price range in the original proposal was between \$1 and \$3.

Currently, VRE pays Amtrak \$10 for each passenger using an Amtrak train under our current cross honoring agreement with Amtrak. This amounts to approximately \$1 million per year. To offset some of the costs of these cross honoring charges, the step-up ticket for VRE riders using the Amtrak service would be an additional ticket that VRE passengers would have to purchase before boarding the Amtrak trains. The step-up ticket would only be valid with a monthly, five-day pass or ten-trip ticket, and the conductor would lift the step-up ticket, providing an accurate count of the VRE passengers on Amtrak trains.

The estimated software costs to institute the step-up ticket is approximately \$35,244, which was authorized by the Operations Board in February 2004.

General summary of comments: The comments on this proposal were mixed and divided by region. Stations with Amtrak service (Fredericksburg, Quantico and Woodbridge) were most vocal against the step-up fee with the general theme of the comments being that it would be too much of an out of pocket cost to ride Amtrak trains. Conversely, passengers at other stations felt very strongly that their fares should not subsidize Amtrak service, which they are not able to take advantage of. This thought was very prevalent on the Manassas line where there are only two Amtrak trains, neither of which operate at convenient times and can only be accessed by passengers at the Manassas station.

Final recommendation: The use of Amtrak trains by VRE passengers does alleviate some of the crowding conditions on our trains. However, we need to be able to recover some of the costs associated with the cross honor agreement without comprising the effectiveness of the Amtrak trains to decrease crowding on VRE trains. Staff believes that a step-up fare of \$1 per trip is a reasonable compromise between these competing goals. It would permit some cost recovery and would be reasonable enough in cost so as not to cause VRE riders to discontinue using Amtrak trains. An additional benefit to the step-up ticket would be to assist Amtrak conductors in accurately counting VRE riders.

Recommendation 5: Eliminate Amtrak cross-honor weekend service.

Original recommendation: The original proposal included the elimination of Amtrak cross-honor service on the weekends.

General summary of comments: Currently, passengers with a ten-trip or monthly ticket can use select Amtrak trains on the weekends. However, this is a small number of people and most are using the weekend service for leisure activities.

Much like the comments received about the step-up fare, many of the comments for and against this recommendation were regionalized. Fredericksburg riders felt the strongest that this is a necessary part of their commuting pattern and it should remain. We, however, received comments from other riders who felt the weekend service should be eliminated since they did not have access to it. This was very prevalent on the Manassas Line where little Amtrak service is available.

Final recommendation: While survey data tells us a lot about the demographic of our riders, it does not give a complete view. We recognize that there is a small group of riders who use Amtrak trains on the weekend to commute to work on Saturdays and Sundays. However, the weekend service costs VRE approximately \$60,000 per year and remains outside of our core business market of commuter rail service during Monday through Friday peak commuting periods. The recommendation does not eliminate the service; it only eliminates VRE's subsidy for the weekend Amtrak service. The Amtrak service would still be available for riders from Fredericksburg, Quantico, and Woodbridge but at Amtrak ticket prices. Thus, from a fairness and economic perspective, staff recommends the elimination of the Amtrak cross-honoring agreement for weekend service.

Recommendation 6: Change expiration dates of tickets to one year.

Original recommendation: The original proposal included changing the expiration date of single-ride, round-trip, and ten-trip tickets from 180 days after the date of purchase to one year after the date of purchase.

General summary of comments: Majority of the comments favored this proposal.

Final recommendation: This proposal is both good for customer service and creates fewer inconveniences for passengers trying to utilize their tickets before they expire. Therefore, staff recommends changing the expiration date of these tickets to one year.

Recommendation 7: Do not change the grace day for monthly ticket holders from 1 full day to ½ day.

Original recommendation: The original proposal included changing the grace period of a monthly ticket from one full day to ½ day, requiring the passenger to have a new ticket for evening service.

General summary of comments: While the volume of comments on this was low in comparison to those on the discount structure, nonetheless, the comments were not in favor of this proposal.

Staff response to comment: The riders who did respond on this subject made a convincing argument to keep the grace period at one day. Most convincing was the desire to do business at their local VRE vendors and the difficulty to find time during a workday to purchase a ticket. Therefore, staff recommends the grace period not be changed as recommended and remain at one day.

FISCAL IMPACT: Funding for marketing the proposed changes is included in the FY 2004 operating budget. It is anticipated that the marketing costs will not exceed \$10,000, and that the fare-restructuring proposal will generate \$1 million in additional fare revenue in FY 2005.

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD
FROM: DALE ZEHNER
DATE: APRIL 16, 2004
RE: AUTHORIZATION TO MODIFY THE VRE FARE STRUCTURE

RESOLUTION
8A-04-2004
OF THE
VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD

WHEREAS, during the FY 2005 budget review by the CAO Task Force, as well as the staff review and investigation into SmarTrip integration, a number of changes were recommended to the current VRE fare structure and policy that could afford savings or provide operational efficiencies we cannot currently achieve; and,

WHEREAS, at the January 16, 2004 meeting, the Operations Board gave the Acting Chief Operating Officer the authority to examine several areas related to fare collection and fare structure, and bring back recommendations; and,

WHEREAS, based on research and public comment, staff has developed a set of recommendations that when implemented would increase fare revenue by 6% as required by the CAO Budget Task Force and required for the FY 2005 Operating Capital Budget.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board recommends the Commissions authorize the Acting Chief Operating Officer to make the following changes to the VRE Tariff effective June 28, 2004:

1. Increase the base fare and the zone increment 6%
2. Change the ticket discount structure
3. Institute a five-day pass
4. Create a \$1 step-up ticket for VRE passengers using Amtrak trains
5. Eliminate Amtrak cross-honor for weekend service
6. Increase ticket expiration dates to one year

Sale and Procurement of VRE Railcars

The VRE Operations Board recommends approval of Resolution #1014. This resolution authorizes VRE's Acting Chief Operating Officer to enter into an agreement to sell VRE's fleet of 38 single-level Mafersa rail cars and spare parts to the Connecticut DOT, with an option for five of the trailer cars for the Virginia Department of Rail and Public Transportation. DRPT is also seeking a right of first refusal for all of the Mafersa cars if and when ConnDOT decides to sell them.

The total price is \$15.2 million. In the meantime, replacements for the 10 Mafersa cab cars are needed and the resolution authorizes staff to issue a Request for Proposals for 11 bi-level cab cars (including one to accommodate growth). Further, 50 additional VRE railcars are needed and the RFP would include such an option. More details are provided in the attached memorandum.

RESOLUTION #1014

SUBJECT: Sale and Procurement of VRE Railcars.

WHEREAS: VRE has successfully negotiated with Metra for the acquisition of 35 high capacity Gallery railcars;

WHEREAS: Virginia Railway Express currently owns 38 Mafersa railcars (28 trailers and 10 cab cars);

WHEREAS: These Gallery bi-level units will replace the single-level VRE Mafersa railcars, thereby adding to VRE's seating capacity;

WHEREAS: Storage and upkeep of the Mafersa railcars, after they are no longer in revenue service, add costs to VRE;

WHEREAS: VRE has received a proposal from the Connecticut Department of Transportation (ConnDOT) for the purchase of all 38 Mafersa railcars as soon as July 2004;

WHEREAS: ConnDOT has agreed to lease back to VRE seven cab cars for two years and to honor an option by the Virginia Department of Rail and Public Transportation (DRPT) to purchase five trailer cars by October, 2004; and

WHEREAS: DRPT has expressed an interest in obtaining from ConnDOT the right of first refusal for all of the Mafersa railcars if and when ConnDOT decides to sell them.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes the VRE Acting Chief Operating Officer to execute an agreement with the Connecticut Department of Transportation for the sale of 38 Mafersa railcars for an amount of at least \$15,200,000, including an option for five trailercars for DRPT;

RESOLUTION # 1014

BE IT FURTHER RESOLVED that the commission supports the request of DRPT to ConnDOT that it have a right of first refusal; and

BE IT FURTHER RESOLVED that the VRE Acting Chief Operating Officer is authorized to issue a Request for Proposals (or participate in a procurement of another commuter rail system) for the procurement of 11 bi-level cab cars with an option for 50 additional bi-level railcars (pending review by VRE's legal counsel).

Approved this 6th day of May, 2004.

William Euille
Chairman

Gerry Connolly
Secretary-Treasurer

AGENDA ITEM 8-B
ACTION ITEM

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: APRIL 16, 2004

**RE: AUTHORIZATION TO EXECUTE THE SALE OF 38 MAFERSA
RAILCARS AND AUTHORIZATION TO ISSUE AN RFP FOR THE
PROCUREMENT OF BI-LEVEL CARS**

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Acting Chief Operating Officer to execute an agreement with the Connecticut Department of Transportation for the sale of 38 railcars and to issue a request for proposals (RFP) for the procurement of 11 bi-level cab cars with an option for an additional 50 bi-level railcars.

BACKGROUND:

The VRE Operations Board previously tasked staff with instituting a program to maximize the seating capacity of the VRE fleet to address the growing ridership demand. Pursuit of 35 Metra Gallery railcars was initiated to increase VRE's maximum carrying load by replacing single level Mafersa railcars with bi-level railcars. In doing so, a conscious decision was made to operate a bi-level high capacity fleet.

VRE currently owns a total of 38 Mafersa railcars (28 standard trailers and 10 cab cars). Following the successful acquisition of high capacity railcars from Metra, VRE has begun removing Mafersa cars from service and replacing them with the Metra railcars. However, we must still operate Mafersa cab cars with Gallery consists since we currently have no Gallery cab cars.

Since VRE is no longer in a position to utilize the Mafersa trailers, VRE must pursue storage or their sale/lease. Subsequently, at the January 2004 VRE Operations Board meeting, authorization was provided to the Acting Chief Operating Officer to solicit potential offers for the sale or lease of the Mafersa railcars and present any reasonable offers to the Operations Board for consideration.

On March 8, 2004, the Connecticut Department of Transportation (ConnDOT) presented an interest in purchasing all of the Mafersa railcars, including cab cars. After negotiations, the following proposal was made.

Sales Price:

Thirty-eight Mafersa railcars (10 cab cars and 28 trailers)	\$15,000,000
Spare parts inventory	\$200,000
Total price	\$15,200,000

Delivery Schedule:

Date	Item	Number
July 1, 2004	Trailer	15
July 1, 2004	Cab Car	3
September 1, 2004	Trailer	8
October 1, 2004	Trailer	5
October 1, 2004	Spare Parts Inventory	
July 1, 2006	Cab Car	7
Total		38

Other Factors:

- VRE will transfer all equipment in “as is” condition effective with a sales agreement.
- VRE shall lease back, pursuant to a lease agreement, seven (7) cab cars for a two-year period at the cost of \$1 per car beginning on July 1, 2004 and concluding on June 30, 2006. If one or more of the cab cars are required beyond June 30, 2006, a fee of \$200 per car, per calendar day will be charged up to June 30, 2007.
- ConnDOT will be responsible for the transportation of each vehicle from Washington, DC.

The Commonwealth of Virginia has indicated an interest in purchasing a portion of the Mafersa fleet. After discussions with the Commonwealth and ConnDOT,

consensus was reached in which 5 Mafersa trailers could be sold to the Commonwealth. The final sales agreement with ConnDOT will be drafted with the option for five Mafersa trailers to be sold to the Commonwealth if payment is provided by October 1, 2004. If this option is not exercised, the cars will be released to ConnDOT for purchase.

Purchase of 11 bi-level cab cars with option to procure 50 additional bi-level railcars

VRE currently requires eleven cab cars to operate its existing service. The completion of the CSX MOU projects will allow the addition of two trains in the next several years. This additional service, coupled with the return of the Sounder fleet, will result in the need for a total of 13 cab cars. Therefore, to execute the sale of all Mafersa railcars, VRE requires authorization to initiate the procurement of 11 bi-level cab cars in order to have them available for revenue service by July 1, 2006 when the Mafersa cab cars must be returned to ConnDOT.

Informal discussions with equipment builders indicate that at least three builders would bid on a RFP with a delivery date in the Winter/Spring of 2006. VRE staff is pursuing financing which includes options such as a sales/lease agreement, bank loan, self-financing or manufacturer financing or some hybrid arrangement. Debt service is estimated at \$2.2 million per year for 20 years.

With the required purchase of 11 cab cars, VRE also has the opportunity to include an option in the procurement for 50 additional bi-level railcars. By including this option, VRE creates the opportunity to purchase bi-level railcars for delivery starting in the 2008 timeframe. This schedule will allow for the orderly replacement of Gallery railcars as they reach the end of their service life. Exercising this option is contingent on legal approval as well as the development of a viable financing plan.

Summary

With the authorization and execution of the Mafersa sale and purchase of 11 bi-level cab cars, VRE attains an all bi-level fleet and maximizes ridership capacity. In addition, the sale would provide funding for the acquisition of critical mid-day train storage in the Washington, DC area. The completion of this project is essential to providing additional fleet storage. With the added option of 50 additional bi-level railcars, VRE would achieve an orderly transition from the older Gallery railcars to a new bi-level fleet.

FISCAL IMPACT:

VRE gains \$15.2 million for the sale of the Mafersa railcars and spare parts inventory.

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD
FROM: DALE ZEHNER
DATE: APRIL 16, 2004
RE: AUTHORIZATION TO EXECUTE THE SALE OF 38 MAFERSA RAILCARS AND PROCUREMENT OF 11 BI-LEVEL CAB CARS

RESOLUTION
8B-04-2004
OF THE
VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD

WHEREAS, VRE has successfully negotiated with Metra for the acquisition of 35 high capacity railcars; and,

WHEREAS, these Gallery bi-level units will replace the Mafersa railcars adding to VRE's seating capacity; and,

WHEREAS, the storage and upkeep of the Mafersa railcars, after they are no longer in revenue service, will add an additional cost to VRE; and,

WHEREAS, the Virginia Railway Express currently owns 38 Mafersa railcars (28 trailers and 10 cab cars); and,

WHEREAS, VRE has received a sales proposal from the Connecticut Department of Transportation (ConnDOT) for the purchase of all 38 Mafersa railcars as soon as July 2004, and;

WHEREAS, ConnDOT agrees to lease back to VRE seven cab cars for two years.

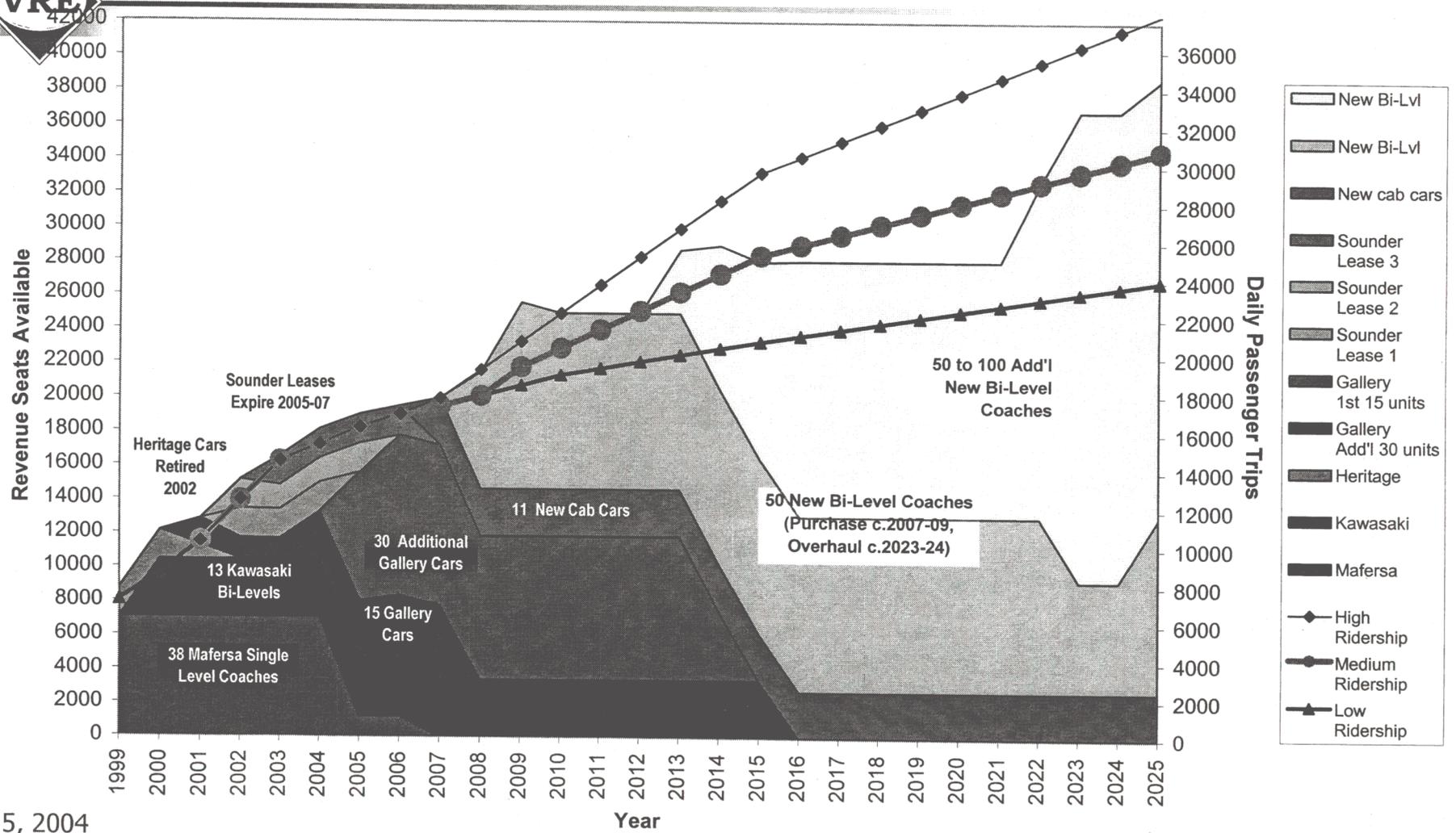
NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board recommends that the Commissions authorize the Acting Chief Operating Officer to execute an agreement with the Connecticut Department of Transportation for the sale of 38 railcars in an amount not less than \$15,200,000.

BE IT FURTHER RESOLVED THAT, that an option be provided to the Commonwealth of Virginia for the purchase of five Mafersa trailers by October 1, 2004.

BE IT FURTHER RESOLVED THAT, the Commonwealth of Virginia also reserves the "Right of First Refusal" for the acquisition of the Mafersa railcars if and when Connecticut were to resell the railcars.

BE IT FURTHER RESOLVED THAT, the VRE Operations Board recommends that the Commissions authorize the Acting Chief Operating Officer to issue a request for proposals (RFP) for the procurement of 11 bi-level cab cars with an option for the procurement of an additional 50 bi-level railcars.

VRE Seating Capacity Requirements



April 5, 2004

Facilities Maintenance Contract and Procurement

The VRE Operations Board recommends approval of Resolution #1015. This resolution authorizes VRE's Acting Chief Operating Officer to increase the current facilities maintenance contract with D&L Contractors, Inc. by \$175,000 to accommodate security enhancements, ice removal and painting. Because the contract expires in July, 2004, the resolution also authorizes staff to issue a Request for Proposals. Refer to the attached memorandum.

RESOLUTION #1015

SUBJECT: Facilities Maintenance Contract and Procurement.

WHEREAS: VRE facilities require a high degree of maintenance due to age, demand and use;

WHEREAS: VRE has entered into a facilities maintenance contract with D&L Contractors Incorporated;

WHEREAS: These services are essential for a continued state of good repair for VRE facilities;

WHEREAS: The current facilities maintenance contract is due to expire in July, 2004;

WHEREAS: A procurement must be initiated at this time so that a new contract can be executed prior to the current contract expiring; and

WHEREAS: Prior to July, 2004, additional funding is needed for maintenance under the existing contract with D&L.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes the VRE Acting Chief Operating Officer to increase funding of the facilities maintenance contract with D&L Services, Inc. by \$192,500, raising the task order option to an amount not to exceed \$659,098; and

BE IT FURTHER RESOLVED that the VRE Acting Chief Operating Officer is authorized to issue a Request for Proposals for facilities maintenance services.

Approved this 6th day of May, 2004.

William Euille
Chairman

Gerry Connolly
Secretary-Treasurer



Virginia Railway Express Operations Board

1500 King Street • Suite 202 • Alexandria, Virginia 22314-2730 • (703) 684-1001 • FAX (703) 684-1313
Web Site: <http://www.vre.org> • E-Mail: gotrains@vre.org

AGENDA ITEM 8-C ACTION ITEM

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: APRIL 16, 2004

**RE: AUTHORIZATION TO INCREASE THE FUNDING LEVEL OF THE
FY 2004 FACILITIES MAINTENANCE CONTRACT AND ISSUE A
PROCUREMENT FOR FACILITIES MAINTENANCE SERVICES**

RECOMMENDATION:

The VRE Operations Board is being asked to recommend to the Commissions that the Acting Chief Operating Officer be authorized to issue a procurement for facilities maintenance services and increase the current facilities maintenance contract with D&L Contractors, Inc. by \$192,500. This action will increase the task order option to \$659,098.

BACKGROUND:

In September of 2003, the VRE Operations Board/Commissions exercised the second year task order option for the facilities maintenance contract with D&L Contractors, Inc., in an amount not to exceed \$466,598. Since that time, task order work for several security related issues such as the installation of razor wire at Crossroads, installation of security gates at both yards as well as the unusually icy winter have absorbed much of the task order budget previously authorized. As several tasks, such as the installation of emergency phones and painting at several stations are desired over the next several months, staff is recommending that the contract be increased by \$192,500.

In addition, the aforementioned contract with D&L Contractors, Inc., is due to expire at the end of July 2004. The Operations Board/Commissions is, therefore,

- A Transportation Partnership -

Northern Virginia
Transportation Commission
4350 North Fairfax Drive, Suite 720
Arlington, Virginia 22203
(703) 524-3322

Potomac and Rappahannock
Transportation Commission
14700 Potomac Mills Road
Woodbridge, Virginia 22192
(703) 583-7782

also being asked to authorize solicitation of facilities maintenance services so that a new contract can be executed prior to the current contract expiring. The RFP will be structured as a five-year contract and include facilities maintenance as well as task order repairs and new work.

FISCAL IMPACT:

This increase in contract value is available in the maintenance line item of the FY 2004 VRE Operating Budget. This increase is funded using the annual contingency budgeted for facilities.

Contract Award for Mechanical Engineering

The VRE Operations Board recommends approval of Resolution #1016. This resolution authorizes award of a contract for mechanical engineering consulting. The term of the contract is five years for a maximum amount of \$5 million. Each task order over \$30,000 will be approved by the VRE Operations Board (and by the commissions if over \$200,000). Three proposals were evaluated by VRE staff. The contract will go to STV, Inc. with sub-contractors including Jas-Tec (DBE); VirginKar and Associates (DBE) and RailPlan International. Please refer to the attached memorandum for details.

RESOLUTION #1016

SUBJECT: Contract Award for Mechanical Engineering.

WHEREAS: VRE requirements for mechanical engineering services include both specific project work (such as Mafersa truck examination and event recorder upgrade) as well as system-wide improvements (such as the Gallery procurement and remodeling);

WHEREAS: Use of a mechanical engineering consultant has proven to be more efficient than numerous, separate procurements;

WHEREAS: Since its inception VRE has relied on professional engineering firms to assist staff in equipment specifications and maintenance standards;

WHEREAS: The new MEC will be tasked with developing standards to maintain existing equipment in a state of good repair and supporting projects which expand capacity;

WHEREAS: Funds to support the MEC services are budgeted for specific capital projects throughout VRE's adopted, federally funded Capital Improvement Program and in the operating budget for technical, safety and reliability task orders; and

WHEREAS: VRE conducted a competitive procurement and the VRE Operations Board selected STV, Inc. from three proposals.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes the VRE Acting Chief Operating Officer to award a contract to STV, Inc., for Mechanical Engineering Consulting services to include selected mechanical services and professional engineering services with a value not to exceed \$5 million over five years.

Approved this 6th day of May, 2004.

William Euille
Chairman

Gerry Connolly
Secretary-Treasurer



Virginia Railway Express Operations Board

1500 King Street • Suite 202 • Alexandria, Virginia 22314-2730 • (703) 684-1001 • FAX (703) 684-1313
Web Site: <http://www.vre.org> • E-Mail: gotrains@vre.org

AGENDA ITEM 8-F ACTION ITEM

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: APRIL 16, 2004

**RE: AUTHORITY TO AWARD CONTRACT FOR MECHANICAL
ENGINEERING CONSULTING (MEC) SERVICES**

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Acting Chief Operating Officer to enter into a contract with STV, Inc., for the provision of Mechanical Engineering Consulting services for a period of five years, not to exceed \$5,000,000. Board approval will be sought for any task order over \$30,000.

BACKGROUND:

VRE's prior requirements for rolling stock engineering services included both specific project work (such as a Mafersa truck review and event recorder upgrade) as well as system-wide improvements (such as the Gallery procurement and qualification). As a result, VRE found the use of Mechanical Engineering Consultants to be more time and cost efficient than completing numerous, separate procurements.

After competitive proposals were evaluated, VRE staff recommends STV, Inc., for award. STV's extensive experience has been recognized nationally, and they have the capacity to perform the demanding tasks VRE requires. STV will lead a team of sub-contractors including Jas-Tec (DBE), Virginkar and Associates (DBE) and RailPlan International. The proposed contract will be a task order agreement with a value of \$5,000,000 for a term not to exceed five years. Board approval is required prior to each task order award over \$30,000. Specific task

Northern Virginia
Transportation Commission
4350 North Fairfax Drive, Suite 720
Arlington, Virginia 22203
(703) 524-3322

- A Transportation Partnership -

Potomac and Rappahannock
Transportation Commission
14700 Potomac Mills Road
Woodbridge, Virginia 22192
(703) 583-7782

orders will include locomotive acquisition and rehabilitation, future fleet procurement and fleet configuration planning.

FISCAL IMPACT:

Funds supporting the Mechanical Engineering Consulting services are budgeted through specific projects in VRE's adopted, federally funded Capital Improvement Program. Federal grants provide 80% of the funding and the Board will have to approve each task order over \$30,000 under this contract prior to task order award.

Diesel Fuel Supply Contract

The VRE Operations Board recommends approval of Resolution #1017. This resolution authorizes the VRE Acting Chief Operating Officer to execute a contract with a vendor to be recommended at the May 6th NVTC meeting. The contract award is for one year with four additional one-year options. The vendor will supply diesel fuel (currently 1.2 million gallons annually) to VRE at a fixed margin above a wholesale delivery point. The Invitation for Bids closed April 19, 2004 and VRE staff is currently evaluating the bids. Details are provided in the attached memorandum.

RESOLUTION #1017

SUBJECT: Diesel Fuel Supply.

WHEREAS: VRE consumes approximately 1.2 million gallons of diesel fuel each year;

WHEREAS: VRE is capable of purchasing fuel for a reduced price with an appropriate contract; and

WHEREAS: VRE staff will recommend a vendor to the commissions on May 6, 2004 as a result of an ongoing competitive procurement.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation authorizes the VRE Acting Chief Operating Officer to award a contract to _____ for the delivery of diesel fuel to VRE's storage yards using funds budgeted for that purpose.

Approved this 6th day of May, 2004.

William Euille
Chairman

Gerry Connolly
Secretary-Treasurer



Virginia Railway Express Operations Board

1500 King Street • Suite 202 • Alexandria, Virginia 22314-2730 • (703) 684-1001 • FAX (703) 684-1313
Web Site: <http://www.vre.org> • E-Mail: gotrains@vre.org

AGENDA ITEM 8-G ACTION ITEM

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: APRIL 16, 2004

**RE: RECOMMENDATION TO COMMISSIONS FOR THE AUTHORITY
TO AWARD A CONTRACT FOR LOCOMOTIVE FUEL SUPPLY**

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Acting Chief Operating Officer to award a contract for the delivery of diesel fuel to VRE's locomotive fleet. A vendor will be selected by the May 6th Commission meetings.

BACKGROUND:

VRE locomotives require fueling every night after performing revenue service. Over the course of a year, VRE consumes approximately 1.2 million gallons of diesel fuel. VRE is currently purchasing its fuel on the spot market, meaning that the price can change daily. In order for VRE to purchase fuel at a wholesale rate, there must be a contract in place that establishes a fixed margin agreement with a fuel vendor and pins that vendor's prices to a wholesale delivery point ("rack"), removing the volatility and randomness from the pricing to the maximum extent that the world oil market permits. An Invitation for Bids was published on March 25, 2004, and closes on April 19, 2004. VRE will then be able to recommend a vendor for award of a contract to the Commissions on May 6th.

FISCAL IMPACT:

Funding will be provided by FY 2004 Operating Budget.

- A Transportation Partnership -

Northern Virginia
Transportation Commission
4350 North Fairfax Drive, Suite 720
Arlington, Virginia 22203
(703) 524-3322

Potomac and Rappahannock
Transportation Commission
14700 Potomac Mills Road
Woodbridge, Virginia 22192
(703) 583-7782

Closed Session on a Personnel Matter

To enter closed session:

Pursuant to the Virginia Freedom of Information Act (Section 2.2-3711A.1 of the Code of Virginia), the Northern Virginia Transportation Commission authorizes discussion in closed session concerning personnel matters relating to the selection of a VRE Chief Executive Officer.

After the closed session:

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.

Selection of VRE Chief Executive Officer

Following the closed session, the commission will be asked to approve Resolution #1018. The resolution authorizes the VRE Operations Board chairman with the assistance of legal counsel to negotiate with the top-ranked candidate and to conclude a mutually acceptable employment agreement. The VRE Operations Board would then approve the agreement on behalf of the two commissions. The resolution also authorizes the use of a set of performance objectives in evaluating the performance of the new VRE CEO.

RESOLUTION #1018

SUBJECT: Selection of VRE Chief Executive Officer.

WHEREAS: The VRE Operations Board is charged in the VRE Master Agreement with recommending to the commissions a VRE rail manager (now to be chief executive officer), with that person serving as a contract employee at the commissions, and reporting to and acting at the direction of the VRE Operations Board to the extent authorized by the commissions.

WHEREAS: The commissions authorized the VRE Operations Board to conduct a nationwide search for a VRE Chief Executive Officer; and

WHEREAS: After considering expressions of interest from approximately 250 candidates, the VRE Operations Board has interviewed the top candidates and recommended one candidate to the commissions.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes the chairman of the VRE Operations Board, with the assistance of VRE's legal counsel, to negotiate with the top-ranked candidate and to conclude a mutually acceptable employment agreement within the parameters set by the commission in closed session;

BE IT FURTHER RESOLVED that the commission authorizes the chairman of the VRE Operations Board to reference in the agreement the set of performance objectives discussed in closed session and to use those objectives in evaluating the performance of the new chief executive officer.

RESOLUTION # 1018

BE IT FURTHER RESOLVED that the commission authorizes the VRE Operations Board to approve on behalf of the commission, and for the commission chairman to execute, the employment agreement recommended by the VRE Operations Board chairman, within the parameters set in closed session.

Approved this 6th day of May, 2004.

William Euille
Chairman

Gerry Connolly
Secretary-Treasurer