

**NVTC COMMISSION MEETING
THURSDAY, SEPTEMBER 2, 2004
8:00 PM.**

NVTC CONFERENCE ROOM

AGENDA

1. Minutes of NVTC Meeting of July 1, 2004.

Recommended Action: Approval.

2. NVTC Preliminary FY 2006 Administrative Budget.

Each year NVTC develops a preliminary budget to forward to its jurisdictions to assist in their budget planning. In the proposed budget, which has been reviewed by local and state staff, local contributions are held constant and state contributions are reduced, leaving more funds to support transit operations and capital expenses.

Recommended Action: Authorize NVTC's executive director to forward the preliminary budget to the jurisdictions for planning purposes.

3. Referendum Issues and Recommendations Relating to Public Transit Funding in Northern Virginia.

Staff will provide information about successful referendums to obtain dedicated sources of funding for transit in other cities, as well as analysis of how a future referendum could be successful in Northern Virginia.

Recommended Action: Following discussion, give guidance to staff about how to proceed with one or more strategic options.

4. NVTC Testimony to the Commonwealth Transportation Board.

CTB has approved its FY 2005-10 Virginia Transportation Improvement Program and is now conducting pre-allocation hearings around the commonwealth.

Recommended Action: Authorize NVTC's chairman to present the proposed statement at the September 22nd hearing in Northern Virginia.

5. Virginia's Multimodal Plan—VTRANS 2025.

NVTC staff submitted comments in July, 2003. Commissioners may discuss the draft multimodal plan and offer further comments.

Discussion Item.

6. Status of NVTC Federal SmarTrip Grant.

Staff will brief the commission on the status of efforts to restore the grant, which was suddenly revoked by FTA in June, 2004.

Discussion Item.

7. NVTC Tech Talk—A Quick Primer on Smart Cards.

Staff will brief the commission on the status of smart card technology to provide context for understanding the region's effort to initiate an integrated fare collection system based on WMATA's SmarTrip card.

Discussion Item:

8. WMATA Items.

- A. Metro Board Digest for July and August, 2004.
- B. 3Y Metrobus Service to Farragut Square.
- C. Route 1 Corridor Service Restructuring Plan.
- D. Metrobus Timetables in PDA Formats.
- E. Metro Matters Funding Agreement.

Discussion Item.

9. Legislative Items.

State and federal items of interest will be presented.

Discussion Item.

10. Regional Transportation Items.

A. AARP Mobility Forum.

B. Status of 2030 Northern Virginia Transportation Plan.

C. Pike Transit Initiative.

D. HOV Task Force Reconvened.

E. DRPT Director's Letter to the Washington Post Re: Dulles Corridor.

Discussion Item.

11. NVTC Transit Information Nuggets.

Periodically NVTC compiles nuggets of information of interest to public transit users and advocates. These should be useful in preparing responses to the public and can be posted on websites.

Information Item.

12. Trends of Gas Prices and Transit Ridership.

Commissioners requested information about possible links.

Discussion Item.

13. NVTC Financial Items for June and July, 2004.

Information Item.

14. VRE Items

- A. Report from the VRE Operations Board (including minutes of the meeting of August 20, 2004) and from the VRE CEO—Information Item.
- B. Preliminary FY 2006 Budget Recommendations—Action Item/Resolution #1039.
- C. Equipment Specialist and Purchasing Administrator—Action Item/Resolution #1040.
- D. Service Contract for SmarTrip Project Engineer—Action Item/Resolution #1041.
- E. Renewal of Line of Credit—Action Item/Resolution #1042.
- F. Construction Contract Award for Broad Run Pit—Action Item/Resolution #1043.
- G. Construction Contract Award for Quantico Station—Action Item/Resolution #1044.
- H. Contract Award for Facilities Maintenance—Action Item/Resolution #1045.
- I. Contract Award for Integrated Financial Management Software—Action Item/Resolution #1046.
- J. Contract Award for Locomotive Fuel Supply—Action Item/Resolution #1047.
- K. Task Order to Rail Plan International—Action Item/Resolution #1048.
- L. Customer Opinion Survey (May, 2004)—Information Item.

Northern Virginia Transportation Commission

Thursday, July 1, 2004

MEETING SUMMARY

- Welcomed new commissioner Delegate Tim Hugo who received the oath of office from Chairman Euille.
- For VRE, approved resolutions authorizing:
 - Construction support services for the Quantico Bridge project;
 - A task order for warehouse management;
 - A contract for facilities maintenance services;
 - Extension of the operating/access agreement with Norfolk Southern;
 - Repair of locomotives;
 - A task order for maintenance of Gallery railcars;
 - A task order for general fleet maintenance; and
 - A contract for rebuilding the trucks on five Gallery railcars
- Authorized NVTC's executive director to execute a contract with the Virginia Department of Rail and Public Transportation for \$81 million of FY 2005 state transit assistance on behalf of NVTC's jurisdictions and VRE.
- Amended NVTC's by-laws to incorporate changes in quorum and other requirements mandated by HB 1231 as enacted in the 2004 Virginia General Assembly session.
- Authorized contingent award of a contract to a consulting team led by BMI-SG, Inc. for an update to 2030 of the Northern Virginia Transportation Plan. The Northern Virginia Transportation Authority must act before NVTC's executive director can execute the contract (not to exceed \$900,000) and issue the notice to proceed.
- Discussed a response to the sudden and unprecedented cancellation of \$100,000 in remaining federal grant funds by FTA. The funds have been obligated for consulting assistance to assist Northern Virginia's transit systems in implementing the regional SmarTrip fare integration project. Authorized Chairman Euille to send a letter to NVTC's congressional delegation requesting assistance.

- Directed staff to return to the September 2nd meeting with more information about funding sources for Metro Matters and related transit needs. This should include details about successful transit funding referendums in other cities and analyses of how a Northern Virginia referendum could be successful in the future. A strategy for obtaining updated estimates of the yields of various possible regional revenue sources should also be presented.
- Reviewed with staff progress during the first half of 2004 on major NVTC initiatives.

MINUTES
NVTC COMMISSION MEETING – JULY 1, 2004
NVTC CONFERENCE ROOM - ARLINGTON, VIRGINIA

The meeting of the Northern Virginia Transportation Commission was called to order by Chairman Euille at 6:51 P.M.

Members Present

David Albo
Sharon Bulova
Gerald Connolly
Adam Ebbin
William D. Euille
Paul Ferguson
Jay Fisette
Ludwig Gaines
Catherine M. Hudgins
Timothy Hugo
Tanya Husick (DRPT)
David F. Snyder
Christopher Zimmerman

Members Absent

Dana Kauffman
Elaine McConnell
Gary A. Reese
Scott Silverthorne
Mick Staton
Mary Margaret Whipple

Staff Present

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

Minutes of NVTC's Meeting of June 3, 2004

Mr. Gaines moved, with a second by Mrs. Bulova, to approve the minutes. The vote in favor was cast by commissioners Albo, Bulova, Ebbin, Euille, Ferguson, Fisette, Gaines, Hudgins, Husick, Snyder and Zimmerman.

VRE Items

Report from the VRE Operations Board and VRE's Chief Executive Officer. Mr. Taube announced that Sharon Bulova has been appointed by Governor Warner to chair a new statewide rail commission.

Mr. Zehner stated that ridership is up five percent compared to the same time last year. Ridership growth is slowing because VRE is now at capacity. On-time performance for the Fredericksburg Line is at 75 percent and 91 percent for the Manassas Line. On-time performance is improving on the Fredericksburg Line, which has been besieged with heat restrictions and signal and equipment problems. He also announced that VRE will once again run trains on the Fourth of July.

Construction Support Services for the Quantico Bridge Project. Mrs. Bulova reported that the VRE Operations Board recommends approval of Resolution #1031, which would authorize VRE's CEO to award a construction support services contract for \$1 million. Funds are available from federal and state grants. The RFP was issued on May 27, 2004 and seven responses were received on June 28th. Interviews will be conducted on July 2nd and a candidate should be identified by July 15th. Given the commission's meeting schedule, VRE staff has requested the authority to make the award so that work can proceed immediately.

Mrs. Bulova moved, with a second by Mr. Zimmerman, to approve Resolution #1031 (copy attached). The vote in favor was cast by commissioners Albo, Bulova, Ebbin, Euille, Ferguson, Fisette, Gaines, Hudgins, Husick, Snyder and Zimmerman.

Task Order for Warehouse Management. Mrs. Bulova stated that the VRE Operations Board recommends approval of Resolution #1032. It would authorize VRE's CEO to issue a task order to STV, Inc. to manage VRE's warehouse at Broad Run for three years at a cost not to exceed \$400,000 of budgeted funds.

On a motion by Mrs. Bulova and a second by Mr. Zimmerman, the commission unanimously approved the resolution. The vote in favor was cast by commissioners Albo, Bulova, Ebbin, Euille, Ferguson, Fisette, Gaines, Hudgins, Husick, Snyder and Zimmerman. (A copy of Resolution #1042 is attached.)

Contract for Facilities Maintenance Services. Mrs. Bulova announced that the VRE Operations Board recommends approval of Resolution #1033, which would authorize VRE's CEO to contract with Lakewood Maintenance of Bowling Green, Virginia for up to \$2 million in the first year of a one-year base contract with four additional option years. Work would include cleaning, landscaping, repairs, painting, installation of phones, and construction of stairs, among other activities.

Mr. Taube explained that on June 28, 2004 a protest was filed by another bidder. Language has been added to the resolution regarding this protest stating that the notice to proceed on the contract shall not be given until the protest has been withdrawn or otherwise resolved.

On a motion by Mrs. Bulova and a second by Mr. Zimmerman, the commission unanimously approved the amended resolution (copy attached). The vote in favor was cast by commissioners Albo, Bulova, Ebbin, Euille, Ferguson, Fisette, Gaines, Hudgins, Husick, Snyder and Zimmerman.

Extension of the Operating Agreement with Norfolk Southern. Mrs. Bulova stated that the VRE Operations Board recommends approval of Resolution #1034, which would extend the existing agreement with Norfolk Southern (NS) through January 15, 2005. The current agreement expires July 15, 2004. It is anticipated that provisions eventually agreed to with CSXT will be applicable to Norfolk Southern.

Mrs. Bulova moved, with a second by Mr. Zimmerman, to approve the resolution (copy attached). The vote in favor was cast by commissioners Albo, Bulova, Ebbin, Euille, Ferguson, Fisette, Gaines, Hudgins, Husick, Snyder and Zimmerman.

Repair of Locomotives. Mrs. Bulova stated that the VRE Operations Board recommends approval of Resolution #1035. Given the commission's meeting schedule and the need to begin as soon as possible, this resolution would authorize VRE's CEO to issue a RFP and award a contract for major repair of locomotives V-01 and V-03. The Operations Board previously authorized such an action for repair of V-03 but V-01 has now suffered a similar failure. The Board authorized a companion task order to STV, Inc. for project oversight not to exceed \$53,900. Funds are included in VRE's CIP.

In response to a question from Delegate Albo, Mrs. Bulova stated that with the exception of the leased Sounder equipment, VRE owns all its locomotives.

On a motion by Mrs. Bulova and a second by Mr. Zimmerman, the commission unanimously approved Resolution #1035 (copy attached). The vote in favor was cast by commissioners Albo, Bulova, Ebbin, Euille, Ferguson, Fisette, Gaines, Hudgins, Husick, Snyder and Zimmerman.

Task Order for Maintenance of Gallery Railcars. Mrs. Bulova stated that the VRE Operations Board recommends approval of Resolution #1036, which would authorize VRE's CEO to extend an existing task order for RailPlan International, Inc. to perform Gallery railcar maintenance. The extension is valued at \$52,800 for a total task order value of \$232,750. Funds are available in the FY 2004 operating budget.

Mrs. Bulova moved, with a second by Mr. Zimmerman, to approve the resolution (copy attached). The vote in favor was cast by commissioners Albo, Bulova, Ebbin, Euille, Ferguson, Fisette, Gaines, Hudgins, Husick, Snyder and Zimmerman.

Task Order for General Fleet Maintenance. Mrs. Bulova stated that the VRE Operations Board recommends approval of Resolution #1037. It would authorize VRE's CEO to issue a task order to STV, Inc. for general fleet maintenance, not to exceed \$400,282 plus a 10 percent contingency. This would cover the period of July 1 through December 31, 2004. Funds are available in the FY 2004 operating budget.

On a motion by Mrs. Bulova and a second by Mr. Zimmerman, the commission unanimously approved Resolution #1037 (copy attached). The vote in favor was cast by commissioners Albo, Bulova, Ebbin, Euille, Ferguson, Fisette, Gaines, Hudgins, Husick, Snyder and Zimmerman.

Contract for Rebuilding the Trucks on Five Gallery Railcars. Mrs. Bulova reported that the VRE Operations Board recommends approval of Resolution #1038, which would authorize VRE's CEO to contract with Kawasaki Rail Car Inc. of Yonkers, New York to rebuild the trucks on VRE's fleet of five Gallery railcars from Northern Railcar Company. The price would not exceed \$286,925, including a 15 percent contingency. Funds are designated in VRE's CIP.

Mrs. Bulova moved, with a second by Mr. Zimmerman, to approve Resolution #1038 (copy attached). The vote in favor was cast by commissioners Albo, Bulova, Ebbin, Euille, Ferguson, Fisette, Gaines, Hudgins, Husick, Snyder and Zimmerman.

Closed Session. Mr. Taube explained that a confidential memo was sent to commissioners regarding insurance issues pertaining to CSXT prior to the meeting. If commissioners don't have specific questions, a closed session would not be needed. Mr. Snyder stated that he would recuse himself from any discussion dealing with insurance issues. Commissioners agreed that a closed session was not necessary.

NVTC's FY 2005 State Aid Contract

Mr. Taube stated that the commission is asked to authorize its executive director to execute contracts with the Virginia Department of Rail and Public

Transportation for FY 2005 transit assistance on behalf of NVTC and its member jurisdictions and VRE. Although NVTC is receiving \$2.7 million more in FY 2005 than in FY 2004, the capital matching ratio is dropping to 38 percent (from 40 percent in FY 2004). Compared to the statutory ratio of 95 percent, NVTC is receiving \$37.1 million less capital funding for FY 2005 than it would receive if the state had sufficient funding to meet its statutory share.

Mr. Taube explained that NVTC is receiving \$2.1 million more operating assistance than in FY 2004, although if the 95 percent state matching ratio were achieved, NVTC would be receiving an additional \$60.6 million for FY 2005. Combined, NVTC is shortchanged by \$97.7 million for FY 2005, up from \$82.8 million in FY 2004. Since NVTC is receiving a total of \$81.4 million, the shortfall exceeds that actual total by 20 percent, or stated another way, the actual amount is only 45 percent of the total amount for which NVTC is eligible.

Mr. Taube reported that NVTC and VRE did receive several discretionary grants from DRPT, including \$114,000 for research on elderly mobility needs (95 percent match), \$24,700 for an NVTC intern (95 percent), \$22,800 for a VRE intern (95 percent), \$55,000 for Gainesville-Haymarket (50 percent), and \$20,000 for WageWorks Passport (80 percent). In addition, the Commonwealth Transportation Board provided \$6.2 million for VRE track leases from statewide Surface Transportation Program federal funds.

Mrs. Hudgins moved, with a second by Mr. Gaines, to authorize NVTC's executive director to execute contracts with DRPT for FY 2005 transit assistance on behalf of NVTC and its member jurisdictions and VRE. The vote in favor was cast by commissioners Albo, Bulova, Ebbin, Euille, Ferguson, Fisette, Gaines, Hudgins, Husick, Snyder and Zimmerman.

NVTC By-Laws Amendment

Mr. Taube reminded commissioners that, as discussed at the June, 2004 NVTC meeting, the Virginia Code now has several references to NVTC previously contained only in Acts of Assembly. The bill altered NVTC's quorum requirements, redefined the number of votes required to take any action, added another member of the House of Delegates, and allowed electronic participation in NVTC's meetings by General Assembly members during General Assembly sessions. To conform to these legislative changes, NVTC's by-laws must be amended. The by-laws have also been expanded to include the duties of the executive committee to conform to current practice.

On a motion by Mr. Zimmerman and a second by Mr. Gaines, the commission unanimously approved the amendments to NVTC's by-laws. The vote in favor was cast by commissioners Albo, Bulova, Ebbin, Euille, Ferguson, Fisette, Gaines, Hudgins, Husick, Snyder and Zimmerman.

Contract Award for Update of the Northern Virginia Transportation Plan

Mr. Taube explained that the Northern Virginia Transportation Authority (NVTA) asked NVTC to procure a consulting team to update the existing Northern Virginia 2020 Transportation Plan, using Regional Surface Transportation Program (RSTP) funds. Three proposals were received in response to NVTC's request and interviews were conducted on June 18th with each team by a panel of local, regional and state agency staff. That selection panel has ranked the firms using the criteria listed in the RFP and recommends award of contract to the top-ranked team headed by BMI-SG of Vienna, Virginia. Other team members include Kittleson & Associates, Inc. of Baltimore; Burgess & Niple, Ltd. of Chantilly, Virginia; Tricord, Inc. of Leesburg, Virginia; and Travesky & Associates, Ltd. of Fairfax.

Mr. Taube explained that the commission is being asked to authorize its executive director to do the following four actions:

- 1) Begin to negotiate a contract within the parameters specified in the RFP at a cost not to exceed \$900,000 with the designated contact person for the top-ranked team;
- 2) Notify NVTA of the commission's action and request that NVTA ratify the commission's selection;
- 3) Request that NVTA authorize NVTC's executive director to execute a contract with the top-ranked team, or if unsuccessful, to negotiate and execute a contract with one of the remaining two teams in the order specified by the selection panel;
- 4) Request that NVTA authorize NVTC's executive director to issue the notice to proceed as soon after the execution of the contract as the project has been incorporated into the State Transportation Improvement Plan by VDOT and RSTP funds are released for that purpose by DRPT.

Delegate Albo asked what kind of work is involved in drafting a plan for \$900,000. Mr. Taube responded that there would be quite a bit of modeling work to update the original 2020 plan to 2030. There would also be a much greater emphasis on transit, ridesharing and pedestrian access than in the past. Mr. Zimmerman gave an overview of the original plan process. The original plan included the provision that it would be updated every three years. Models and data have changed. NVTA has been charged with updating the plan and has asked NVTC to procure the contract.

Delegate Albo stated that he has a problem with spending close to a million dollars for a plan while the region doesn't even have enough funding for projects listed in the plan. Mr. Taube explained that RSTP funds will be used and not NVTC funds. NVTC would hire the consultant and the actual work would be managed by staff from different regional agencies, including VDOT. Mr.

Zimmerman stated that he understands Delegate Albo's concerns about the amount of money being spent, but stated that on the other hand, if you can't communicate the list of projects that the region wants to do and why, then it's hard to acquire funding.

Mr. Snyder stated that one of the roles of NVTA, provided under the statutes enacted by the General Assembly, is to provide a plan—one document—usable by all public policymakers (federal, state and local) to determine the region's transportation priorities. It is a valuable tool in helping the region understand the actual pluses and minuses of individual projects. It will be an objective modeling of data as opposed to a political process. He stated that it will be tremendously helpful to have something that everybody, regardless of where they are in the political spectrum, can point to as a reliable source of information. Mrs. Bulova observed that the drafting of the original 2020 Plan was a huge undertaking with lots of staff time and resources involved. Mr. Zimmerman stated that that the original work was much of the basis of what became the referendum.

In response to a question from Mr. Fiset, Mr. Zimmerman gave an overview of the role of NVTA. He explained that NVTA has the statutory existence and theoretically has a fair amount of power, although at this point there is a lack of funding and staff has not been hired. NVTA prepares the regional position to go before the CTB, as well as allocating CMAQ and RSTP funds. Mr. Ferguson noted that NVTA has not been meeting regularly.

Mr. Fiset stated that the Transportation Coordination Council (TCC) process was to put forward recommendations for expenditure of federal funds. He asked if NVTA has any criteria, such as vehicle miles traveled, air pollution, etc., in identifying and prioritizing the distribution of funds. Mr. Zimmerman replied that these criteria were part of the 2020 Plan, which was approved by the entire region.

Mr. Hugo arrived at 7:15 P.M.

On a motion by Mr. Zimmerman and a second by Mrs. Bulova, the commission unanimously approved the following actions: Authorize NVTC's executive director to begin negotiating a contract with the recommended firm within the parameters specified in the RFP; to notify NVTA of the commission's action and request that NVTA ratify the selection; to execute the contract when authorized to do so by NVTA; and to issue the notice to proceed when RSTP funds are released for that purpose by VDOT. The vote in favor was cast by commissioners Albo, Bulova, Ebbin, Euille, Ferguson, Fiset, Gaines, Hudgins, Husick, Snyder and Zimmerman.

Oath of Office for New Commissioner

Chairman Euille introduced Delegate Tim Hugo, who was appointed to NVTC by Speaker Howell. Chairman Euille then administered the oath of office to Mr. Hugo and commissioners welcomed him to NVTC.

FTA Cancelled Grant for SmarTrip Consulting

Mr. Taube stated that on June 9, 2004, NVTC received notice from FTA that it has cancelled NVTC's \$200,000 federal grant for SmarTrip technical consulting citing the reason that the project no longer qualifies for funding based on the statute. Those funds, with about \$100,000 remaining, have been supporting work by IBI Group, Inc. on behalf of six local bus systems and VRE to integrate SmarTrip fare collection. In response to a question from Mr. Zimmerman, Mr. Taube stated that NVTC is seeking help from its congressional delegation to get FTA to restore the funding. A letter has already been drafted to be signed by them.

Mr. Ferguson moved, with a second by Mrs. Bulova, to authorize Chairman Euille to send a letter to NVTC's congressional delegation thanking them for their help and reiterating NVTC's position. The motion would also authorize NVTC's executive director to continue to make all efforts to resolve this issue. The vote in favor was cast by commissioners Albo, Bulova, Ebbin, Euille, Ferguson, Fisette, Gaines, Hudgins, Hugo, Husick, Snyder and Zimmerman.

WMATA Items

WMATA Approved Budget for FY 2005. The WMATA Board approved the budget on June 17, 2004. Staff continues discussing local funding agreements for Metro Matters (roughly \$1.5 billion of unfunded high priority capital projects). After a heated discussion by the WMATA Board on WMATA's capital budget, it was decided to reprogram funds from CNG buses and facilities to purchase 100 hybrid-electric buses and additional clean diesel buses.

Mr. Snyder requested that over the summer NVTC staff put together information regarding funding options for Metro Matters and to gather information concerning the failed referendum (reasons it failed, issues involved, public opinion surveys, etc). Chairman Euille stated that local jurisdictional staff is in consensus that other funding sources are going to have to be identified to help fund Metro Matters. Mrs. Bulova offered to provide information about the Braddock District meetings following the referendum to discuss why it failed. Mr. Zimmerman stated that it is important for people to understand that there is a critical path on how to identify funding and jurisdictions will have to look at subsidy issues. The immediate issue is that Metro will have to exercise the option for additional railcars by next November.

Mrs. Hudgins stated that the challenge is that there is not consensus on funding on a regional level between Maryland, the District and Virginia. There is an immediate need to move on identifying potential funding sources. Mr. Snyder stated that APTA has information about funding sources that may be helpful to NVTC.

GEORGE Bus Changes in Fares and Schedules. Following a public meeting, the GEORGE Bus fares and schedule have been modified.

Regional Transportation Items

DRPT's Draft Rail, Public Transportation and TDM Needs Assessment. Mr. Taube stated that DRPT has released a draft final report, prepared by Cambridge Systematics. The report states that Virginia transit ridership grew by 21 percent in three years, although current funding is inadequate to maintain even the existing transit services. Concerns expressed in the report are for gaps in levels of transit service, as well as growth of the elderly population in Virginia and the consequences for transit.

The report includes information about Northern Virginia's transit systems' level of service relative to those in the rest of the commonwealth, as of 2001. Northern Virginia's transit systems provide 63 percent of the state total large and small urban vehicle revenue miles, 54 percent of the total vehicle revenue hours and have 51 percent of the total transit vehicles in service. Northern Virginia's transit systems also provide 83 percent of the total statewide passenger miles in large and small urban areas and 74 percent of the unlinked passenger trips. Growth of transit ridership in Northern Virginia far outpaces the remainder of the state.

Mr. Snyder left the meeting at 7:35 P.M. and did not return.

Brookings Institution Report "Washington Metro: Deficits by Design". Mr. Taube reported that Robert Puentes has completed a thorough examination of the unusual financial structure of WMATA and the relationship of its budgetary challenges to its "problematic revenue base." Mr. Puentes used several NVTC products in his research and has briefed the WMATA Board and TPB on his findings. Unlike many other large transit systems, WMATA does not have dedicated sources of revenue (except NVTC's two percent motor fuels tax that supplies less than two percent of WMATA's annual operating subsidy).

London Congestion Pricing – Implications for Other Cities. Mr. Taube explained that during the discussion of Mr. Puentes's paper, WMATA Board members had questions about his reference to London's congestion charges. Since February, 2003, London has charged a fee for driving private automobiles in its central area during weekdays. The purpose is to reduce congestion and to raise revenues for transportation improvements. Commissioners were provided with a copy of a paper describing the program by Todd Litman of the Victoria

Transport Policy Institute. Chairman Euille stated that when he was over in London last summer people seemed comfortable paying that charge.

Mid-Year Review of Progress on NVTC's Work Program

Staff provided a PowerPoint presentation of the highlights of progress during the first six months of the year and the challenges remaining for the rest of 2004. Kala Quintana reported that new content has been added to NVTC's website and recent hits totaled over 40 per day. NVTC's 40th Anniversary celebration was also a huge success.

Mr. Zimmerman left the meeting at 7:40 P.M. and did not return.

Adam McGavock reported that the GEORGE Bus demonstration project has been completed and is ready to transition to a locally funded transit system. The WMATA operating agreement has been signed and billings are fully up to date. Falls Church will now assume full responsibility for the funding and administration of the GEORGE Bus system. NVTC staff will continue to work on evaluating the project which should be completed in six months.

Jana Lynott reported that the first eight scheduled emergency planning sessions have been held and station areas discussed included the Pentagon, Rosslyn, King Street, West Fall Church, Vienna, Franconia-Springfield, Huntington, and Ballston Metrorail stations. There has been a strong level of commitment from all the agencies participating in the planning.

In response to a question from Mr. Fisette, Ms. Lynott further explained that different emergency scenarios were being looked at, such as a fire at a Metro station and how it would impact the entire system. Mr. Fisette asked how this plan will be coordinated with other jurisdictions. Ms. Lynott replied that many of the same people and agencies are participating in the planning and are also on other regional committees. The written recommendations will be shared with other forums. Mr. Taube explained that NVTC's work is "bottom up" type of planning while the work being done at MWCOG is "top down" type of planning. There are draft plans for each station that are being reviewed by jurisdictions and agencies.

Mr. Taube reported on behalf of Scott Kalkwarf that staff has responded to the suggestions of the auditors. NVTC is also assisting VRE in selecting a fixed asset inventory software package, which was recommended by VRE's auditors. He stated that NVTC will work to identify funding sources to meet the unfunded transit needs of the region. Staff will also play a role in helping VRE negotiate contracts with the railroads.

NVTC Financial Reports for May, 2004

The financial reports were provided to commissioners. Mr. Taube reported that the gas tax revenue adjustment resulting from an error in reporting by the Department of Taxation has not yet been corrected by the department.

Other NVTC Business

Mr. Taube announced that the September meeting will be held at NVTC and not as previously scheduled for Alexandria, since Chairman Euille will not be able to attend.

Mr. Connolly arrived at 7:57 P.M.

Adjournment

Without objection, Chairman Euille adjourned the meeting at 7:58 P.M.

Approved this second day of September, 2004.

William D. Euille
Chairman

Gerald Connolly
Secretary-Treasurer

MEMORANDUM

TO: Chairman Euille and NVTC Commissioners
FROM: Rick Taube and Scott Kalkwarf
DATE: August 26, 2004
SUBJECT: NVTC Preliminary FY 2006 Administrative Budget

The commission is asked to forward the attached preliminary budget for FY 2006 to its jurisdictions for use in planning their own FY 2006 budgets.

Each September, NVTC staff proposes a preliminary administrative budget for the following fiscal year in response to requests from its member jurisdictions who are initiating their own budget cycles. NVTC reviews its draft budget again next January and adopts a final budget in February.

For FY 2006, NVTC staff is proposing a budget that holds overall expenditures approximately constant compared to FY 2005. Because of a carry over of unspent funds from FY 2005, combined state and local contributions to NVTC would be reduced for FY 2006 by almost six percent. The carry over is due to the departure of a project manager whose position was not refilled. The vacant position is not funded in the preliminary FY 2006 budget.

NVTC takes state contributions off the top of total state aid received by NVTC, and the state could pay up to 95 percent of NVTC's administrative budget. In previous years commissioners have chosen to maintain their local level of effort at \$310,000, rather than reduce local contributions to the minimum allowed (\$45,600 for FY 2006). Each local dollar contributed to fund NVTC's administrative budget frees up a dollar of state funds to be distributed using NVTC's subsidy allocation formula for local jurisdictions to use for other eligible public transit expenses.



PRELIMINARY BUDGET

**FISCAL YEAR
2006**

(July 1, 2005 – June 30, 2006)

September 2, 2004

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
ESTIMATED FISCAL YEAR 2006 REVENUE
Preliminary

	FY 2004 Actual	Approved Budget FY 2005	Preliminary Budget FY 2006	FY 2006-2005 Budget Increase (Decrease)	Percentage Change
1 Commonwealth of Virginia	\$ 654,800	\$ 658,150	\$ 602,185	\$ (55,965)	-8.5%
2 Alexandria	51,600	49,918	47,780	(2,138)	-4.3%
3 Arlington	75,672	72,236	73,323	1,087	1.5%
4 City of Fairfax	5,973	6,301	6,196	(105)	-1.7%
5 Fairfax County	160,694	166,577	164,683	(1,894)	-1.1%
6 Falls Church	2,563	2,602	3,197	595	22.9%
7 Loudoun	13,497	12,366	14,821	2,455	19.9%
Total Local Jurisdictions	<u>309,999</u>	<u>310,000</u>	<u>310,000</u>	<u>-</u>	<u>0.0%</u>
8 Total Commonwealth of Virginia and Local Jurisdictions (Note 1)	964,799	968,150	912,185	(55,965)	-5.8%
9 Interest Earned	3,089	5,000	4,000	(1,000)	-20.0%
10 Project Chargebacks (Note 2)	90,000	90,000	80,000	(10,000)	-11.1%
11 Project Grant Billings	4,878	15,000	-	(15,000)	-100.0%
12 Appropriated Surplus (Note 3)	(116,650)	20,000	109,000	89,000	445.0%
Total Revenue	<u>\$ 946,116</u>	<u>\$ 1,098,150</u>	<u>\$ 1,105,185</u>	<u>\$ 7,035</u>	<u>0.6%</u>

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SCHEDULE OF FISCAL YEAR 2006 EXPENDITURES
PRELIMINARY**

	FY 2004 <u>Actual</u>	Approved Budget FY 2005	Preliminary Budget FY 2006	FY06 - FY05 Budget Increase (Decrease)	Percentage Change
<u>Personnel Costs</u>					
1 Salaries (Note 4)	\$ 543,173	\$ 625,800	\$ 582,384	\$ (43,416)	-6.9%
2 Intern	-	-	30,000	30,000	N/A
3 Temporary Employee Services	-	1,000	1,000	-	0.0%
Total Personnel Costs	543,173	626,800	613,384	(13,416)	-2.1%
<u>Benefits</u>					
Employer's Contributions					
4 FICA	36,442	44,900	40,869	(4,031)	-9.0%
5 Group Health Insurance (Note 5)	52,211	77,000	92,749	15,749	20.5%
6 Retirement (Note 6)	53,997	52,500	48,800	(3,700)	-7.0%
7 Workmans & Unemployment Compensation	2,858	2,000	3,000	1,000	50.0%
8 Life Insurance	3,672	3,300	3,150	(150)	-4.5%
9 Long Term Disability Insurance	2,738	3,450	3,902	452	13.1%
Total Benefit Costs	151,918	183,150	192,470	9,320	5.1%
<u>Administrative Costs</u>					
10 Commissioners Per Diem (Note 7)	12,800	15,250	13,800	(1,450)	-9.5%
Rents:					
11 Office Rent (Note 8)	143,354	148,500	156,681	8,181	5.5%
12 Parking / Metrochek	9,331	11,500	10,800	(700)	-6.1%
Insurance:					
13 Public Official Bonds	3,362	3,850	3,850	-	0.0%
14 Liability and Property	1,983	2,000	2,000	-	0.0%
14 Liability and Property	1,379	1,850	1,850	-	0.0%
Travel:					
15 Conference Registration	14,733	25,000	23,000	(2,000)	-8.0%
16 Conference Travel	345	3,000	2,000	(1,000)	-33.3%
17 Local Meetings & Related Expenses (Note 9)	2,076	5,500	5,000	(500)	-9.1%
18 Training & Professional Development (Note 10)	10,832	12,000	12,000	-	0.0%
18 Training & Professional Development (Note 10)	1,480	4,500	4,000	(500)	-11.1%
Communication:					
19 Postage	9,201	13,800	12,500	(1,300)	-9.4%
20 Telephone - LD	4,285	7,000	6,000	(1,000)	-14.3%
21 Telephone - Local	888	1,800	1,500	(300)	-16.7%
21 Telephone - Local	4,028	5,000	5,000	-	0.0%
Publications & Supplies					
22 Office Supplies	17,042	24,500	29,100	4,600	18.8%
23 Duplication (Note 11)	2,908	5,300	5,000	(300)	-5.7%
24 Public Information (Note 12)	12,616	13,200	14,100	900	6.8%
24 Public Information (Note 12)	1,518	6,000	10,000	4,000	66.7%
Operations:					
25 Furniture and Equipment (Capital) (Note 13)	14,169	23,500	23,500	-	0.0%
26 Repairs and Maintenance	7,410	8,000	8,000	-	0.0%
27 Computer Operations (Note 14)	433	1,000	1,000	-	0.0%
27 Computer Operations (Note 14)	6,326	14,500	14,500	-	0.0%
Other General and Administrative					
28 Subscriptions	11,688	6,300	6,400	100	1.6%
29 Memberships	427	500	500	-	0.0%
30 Fees and Miscellaneous	974	1,200	1,300	100	8.3%
31 Advertising (Personnel/Procurement) (Note 15)	9,390	2,300	2,600	300	13.0%
31 Advertising (Personnel/Procurement) (Note 15)	897	2,300	2,000	(300)	-13.0%
Total Administrative Costs	235,680	272,200	279,631	7,431	2.7%
<u>Contracting Services</u>					
32 Auditing (Note 16)	15,345	14,000	17,700	3,700	26.4%
33 Consultants - Technical	-	1,000	1,000	-	0.0%
34 Legal	-	1,000	1,000	-	0.0%
Total Contract Services	15,345	16,000	19,700	3,700	23.1%
Total Operating Program	\$ 946,116	\$1,098,150	\$1,105,185	\$ 7,035	0.6%

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
Explanatory Notes to
Preliminary Fiscal Year 2006 Budget

1. Commonwealth of Virginia and Local Jurisdictional Contributions

Each NVTC jurisdiction is assigned a share of the local portion of NVTC's administrative budget based on its share of revenue received by NVTC on behalf of jurisdictions from all sources in the previous year. This procedure is required by state statute and results in changes in contributions from one year to another that vary for each jurisdiction depending on relative shares of revenue received. The allocation in this FY 06 budget is based on the FY 05 Subsidy Allocation Model.

2. Project Chargebacks

This line consists primarily of charges for NVTC staff support for the VRE project and reimbursed from VRE's budget.

3. Appropriated Surplus

Included as a source of revenue in the FY 06 budget is a projected excess accumulated surplus that is available to offset the proposed operating budget expenses. This surplus is in excess of the commission's anticipated minimum operating requirements.

4. Salaries

Salaries for fiscal year 2006 are budgeted to include merit increases for the existing staff. Step increases for merit incentive raises are included up to 5%, but no cost of living adjustments are provided. Each 1% of merit increases costs approximately \$5,900. Merit increases within the budget amount are awarded at the discretion of the executive director. The FY 06 budget includes eight regular staff positions, which is one less position than the FY 05 approved budget.

5. Group Health Insurance

Experience over the past several years indicates accelerating cost of as much as 31 percent annually. An average of the last two year increases has been used to estimate the expense for FY 06.

6. Retirement

Employer pension contributions show a decrease from the FY 05 budget due primarily to the reduction of a staff position offset by anticipated salary increases. The calculations for the target benefit plan are based on the salaries projected for FY 06.

7. Commissioners' Per Diem

The statutory rate is \$50 per meeting. The budgeted amount for FY 06 is based upon the regular meeting schedules.

8. Office Rent

The administrative office lease was renewed during fiscal year 2001 for the period January 2001 through December 2010. Rent expense is budgeted based upon the fixed costs of the lease, with a provision for increases in common area expenses due to rising costs.

10. Local Meetings and Related Expenses

NVTC hosts numerous regional meetings for the benefit of member jurisdictions. Costs of accommodating numerous meetings are the largest component of this line item, which also includes the costs of NVTC staff traveling to meetings elsewhere in the region.

11. Training and Professional Development

Actual expenditures fluctuate with the changing needs of staff. While FY 04 expenditures were well below the budgeted level, a provision is maintained in the FY 06 budget for future staff training.

12. Duplication

Duplication costs are budgeted based upon a five year fixed price contract entered into during FY 2001. Because the contract expires in December 2005, a provision has been included in the FY 2006 budget for increased costs. The duplication expense of paper and staples which are not included in the contract have been budgeted based upon estimated usage levels.

12. Public Information

Public information includes the cost of various public outreach projects. For FY 06 an increase has been provided as a result of the expiration of NVTC's marketing grant.

13. Furniture and Equipment

This budget category provides for the replacement and acquisition of office furniture and equipment, including computer hardware. It is expected that during FY 06, computer hardware will need to be replaced or upgraded to support the operations of the commission.

14. Computer Operating Expense

Computer operating expenses include outside network consulting and services, software upgrades and supplies, and web hosting fees.

15. Advertising (Personnel/Procurement)

The FY 2006 budget includes a provision for personnel and procurement advertising. An average of prior year costs was used to develop the budgeted amount as this category fluctuates from year to year.

16. Auditing

The FY 06 budget includes auditing fees according to the five-year contract with the present auditors plus a contingency for additional services. The FY 06 budget also includes the contracted fees for the pension plans bi-annual audit.

Each local jurisdiction's share of NVTC's administrative budget is defined in state statutes to be equal to that jurisdiction's share of funds received from NVTC in the previous fiscal year.

Local and state staff have reviewed this preliminary budget.

MEMORANDUM

TO: Chairman Euille and NVTC Commissioners

FROM: Rick Taube

DATE: August 26, 2004

SUBJECT: Referendum Issues and Recommendations Relating to Public Transit Funding in Northern Virginia

The commission is invited to review the full report and PowerPoint presentation and direct staff about how to proceed. Given the voluminous material, the commission may choose to continue discussion at its October 7th meeting before acting. The material should be useful in determining NVTC's legislative agenda for the 2005 General Assembly session. The commission also may wish to forward these materials to the Northern Virginia Transportation Authority for its consideration.

Commissioners asked staff to assemble material about the reasons the November 2002 transportation referendum in Northern Virginia failed and what might be done to improve the chances of success in the future. Also, commissioners requested information about the lessons learned elsewhere from similar transportation referendums. The attached materials analyze available information and offer draft recommendations about how to proceed if the commission wishes to encourage consideration of another referendum.

To view the full report (almost 170 pages with appendices including maps of referendum results by jurisdiction and precinct), please go to NVTC's website (www.thinkoutsidethecar.org/resource/research.asp).



Northern Virginia Transportation Commission

REFERENDUM ISSUES AND RECOMMENDATIONS RELATING TO PUBLIC TRANSIT FUNDING IN NORTHERN VIRGINIA

Draft for Discussion

September 2, 2004

What is the Problem?



- **Transportation congestion is getting much worse in Northern Virginia as growth of vehicle miles traveled far exceeds population growth.**
- **Air quality and sprawl remain serious concerns.**
- **Available funding falls short of needs.**
- **WMATA lacks a dedicated source of funding.**
- **VTRANS 2025, the commonwealth's ongoing multimodal plan, estimates unfunded public transit needs for Northern Virginia alone as at least a third of a billion dollars annually to barely maintain current services with ridership growing only as fast as population.**
- **To attack congestion and meet clean air needs using public transit we need \$1.2 billion in new annual funding.**

What the Commission Asked:



- **What contributed to the defeat of the November, 2002 referendum in Northern Virginia (half cent sales tax to generate \$2.75 billion over 20 years for bonded projects plus \$2.25 billion for pay-as-you-go projects) which was defeated 55 to 45 percent in Planning District 8?**
- **What lessons are available from referendum experiences elsewhere?**
- **What steps would lead to a successful future public transit funding referendum in Northern Virginia?**

The Draft Staff Report:

- Is available at

[www.thinkoutsidethecar.org/
resource/research.asp](http://www.thinkoutsidethecar.org/resource/research.asp)



The Draft Staff Report:

- **Describes the Northern Virginia transportation Authority and referendum legislation**
- **Shows the referendum results using GIS maps**
- **Lists 35 reasons for its defeat, organized into groups:**
 - Tactics
 - Distrust of governments and elected officials
 - Other priorities are important
 - Not a local responsibility
 - Issues with taxes
 - More smart growth

The Draft Staff Report:

- Reports survey and focus group feedback
- Gives results and lessons from referendums elsewhere
- Analyzes several possible features of a future successful referendum that were identified as responses to the 35 reasons for failure:
 - Smart Growth
 - Transit-Only
 - Smaller Region
 - Base Revenues for each affirmative jurisdiction
 - Tax relief
 - Timing
 - Creating the project list
 - Grass roots involvement
 - 6** --Managing the campaign

The Draft Staff Report:

- Provides 21 draft recommendations for crafting a successful future referendum, with tasks for NVTa, General Assembly, local governments and the CTB over a two-year period leading to a vote in November, 2006.
- Concludes with several appendices including an extensive bibliography and precinct-specific GIS maps of referendum results by jurisdiction.



Findings:

- **Referendums for regional tax increases are much harder to pass than local bond referendums. Many attempts may be needed before succeeding.**
- **Therefore, General Assembly action to enact needed taxes or earmark new revenues from existing taxes, is greatly preferred. Even requiring concurring action by local governments for a new revenue source is much easier than a referendum.**
- **If a referendum is necessary, the earliest feasible date is November, 2006.**
- **Given the apparent level of dissatisfaction among voters with sprawl, if a referendum is labeled pro-sprawl it has little chance of success.**

Findings:

- **Therefore, any referendum proposal should involve smart growth advocates in developing the ballot question and project lists. Many of the items on a smart growth agenda are consistent with NVTC and NVTA policies and legislative positions.**
- **NVTA should begin immediately to publish regular report cards on the region's transportation system to educate the public about deteriorating performance. Any referendum proposal should document immediate improvement in performance resulting from the new tax.**
- **21 specific recommendations are given below.**

The Ballot Question:

Question

“Shall an additional sales and use tax of one-half one percent be imposed n Arlington County, Fairfax County, Loudoun County, Prince William County, the City of Alexandria, the City of Fairfax, the City of Falls Church, the City of Manassas, and the City of Manassas Park, with the revenues to be used solely for regional transportation projects and programs as specified in Chapter 853 of the Acts of Assembly of 2002?”

Result

A favorable vote on the question in *Northern Virginia* (the counties of Arlington, Fairfax, Loudoun, and Prince William, and the cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park) would authorize the Northern Virginia Transportation Authority to issue debt in a principal amount not exceeding \$2,800,000,000 for specified transportation projects, and to pay the interest and principal of such debt with the additional revenues generated by an increase of one-half of one percent in the sales and use tax in that region.

The Project List:



1. Dulles Corridor Transit (local share)\$350 Million
2. I-66 Improvements & Rail Extension(I-495-Route 15)...\$300 Million
3. I-95/395 Improvements and Transit Improvements.....\$250 Million
4. Route 1 Transit Improvements (Arlington/Alexandria)..\$75 Million
5. Route 1 Transit Improvements (Fairfax/Prince William)\$150 Million
6. Route 28 Improvements (Loudoun/Fairfax).....\$50 Million
7. Route 28 Improvements (Prince William).....\$50 Million
8. 1-495 Improvements & Transit Improvements.....\$200 Million
9. Fairfax County Parkway.....\$125 Million
10. Gallows Road/Route 29 Improvements.....\$25 Million
11. Tri-County/Loudoun Parkway.....\$100 Million
12. VRE New Railcar Purchase.....\$100 Million
13. Eisenhower Valley Highway & Transit Improvements...\$25 Million

The Project List:



14. **Route 234 Bypass/Route 659 Relocated.....\$50 Million**
15. **Metrorail IRP.....\$250 Million**
16. **Secondary System Improvements (includes unpaved roads)\$150 Million**
17. **Urban System Improvements.....\$100 Million**
18. **Route 7 Improvements (Fairfax/Falls Church).....\$80 Million**
19. **Route 7 Improvements (Loudoun).....\$100 Million**
20. **Regional Transit Capital.....\$75 Million**
21. **Regional Highway Capital.....\$?**
22. **Alexandria Transit Capital and Facilities.....\$25 Million**
23. **Route 50/Columbia Pike Improvements.....\$25 Million**
24. **Columbia Pike/Route 7 Transit Improvements.....\$75 Million**
25. **Rail Safety Improvements (Manassas Grade Separations).....\$20 Million**
26. **Transit Operational Costs.....(Up to 15% of excess \$ each year)**

Northern Virginia Transportation Authority:

- Created by 2001 and 2002 General Assembly
- Referendum funds were to flow to NVTA
- In preparing the long range transportation plan and adopting policies and priorities, NVTA shall be guided by performance-based criteria (i.e. travel time, delays, connectivity, safety, air quality, moving people, cost-effectiveness.)
- Now updating TCC's 2020 plan to 2030 with half of budget for public involvement.

Referendum Act:

- **Lists \$2.8 billion of specific projects eligible for bonding (about 40 percent for transit).**
- **Anticipates \$140 million annually by FY 2005 and \$5 billion by 2023 including interest and five percent assumed annual revenue growth.**
- **Can pay for defined projects up to 35 years (sunset).**
- **Up to 15 percent of excess funds each year for transit operating costs.**

Referendum Act:

- **Each local government must maintain its own transportation funding effort at FY 2002 level (local maintenance of effort).**
- **The new sales tax revenue will not be used to calculate or reduce the share of federal, state or local revenues otherwise available to the region (hold harmless).**
- **NVTA must report annually on allocation and expenditure of funds and on the use of funds to relieve traffic congestion and improve air quality (accountability).**



Referendum Results:

- Lost 55 to 45% region wide.
 - Persuading 24,235 persons (out of 485,822 votes cast) to vote “yes” instead of “no” would have passed the referendum.
 - Converting half of the “no” votes to “yes” votes in the only three jurisdictions that favored the referendum would have passed it.
 - Areas close to Metrorail generally had
- 16** much higher levels of support.

Vote Totals-Regional Bond Issue-Northern Virginia (More Information)

<u>Locality</u>	<u>Yes</u>	<u>No</u>	<u>Votes Cast</u>	<u>Precincts Reporting</u>
<u>Arlington County</u>	28,842 50.7%	28,027 48.3%	56,869	48 of 48 100.00%
<u>Fairfax County</u>	122,259 45.6%	146,146 54.4%	268,405	220 of 220 100.00%
<u>Loudoun County</u>	18,386 36.3%	32,268 63.7%	50,654	54 of 54 100.00%
<u>Prince William County</u>	23,378 40.5%	34,374 59.5%	57,752	62 of 62 100.00%
<u>Alexandria City</u>	17,211 50.7%	16,761 49.3%	33,972	26 of 26 100.00%
<u>Fairfax City</u>	2,757 44.3%	3,470 55.7%	6,227	8 of 8 100.00%
<u>Falls Church City</u>	2,427 56.5%	1,866 43.5%	4,293	7 of 7 100.00%
<u>Manassas Park City</u>	542 41.9%	753 58.1%	1,295	2 of 2 100.00%
<u>Manassas City</u>	2,875 45.2%	3,480 54.8%	6,355	7 of 7 100.00%
District Totals:	218,677 45.01%	267,145 54.99%	485,822	434 of 434



Sales Tax Referendum

Northern Virginia
November 5, 2002

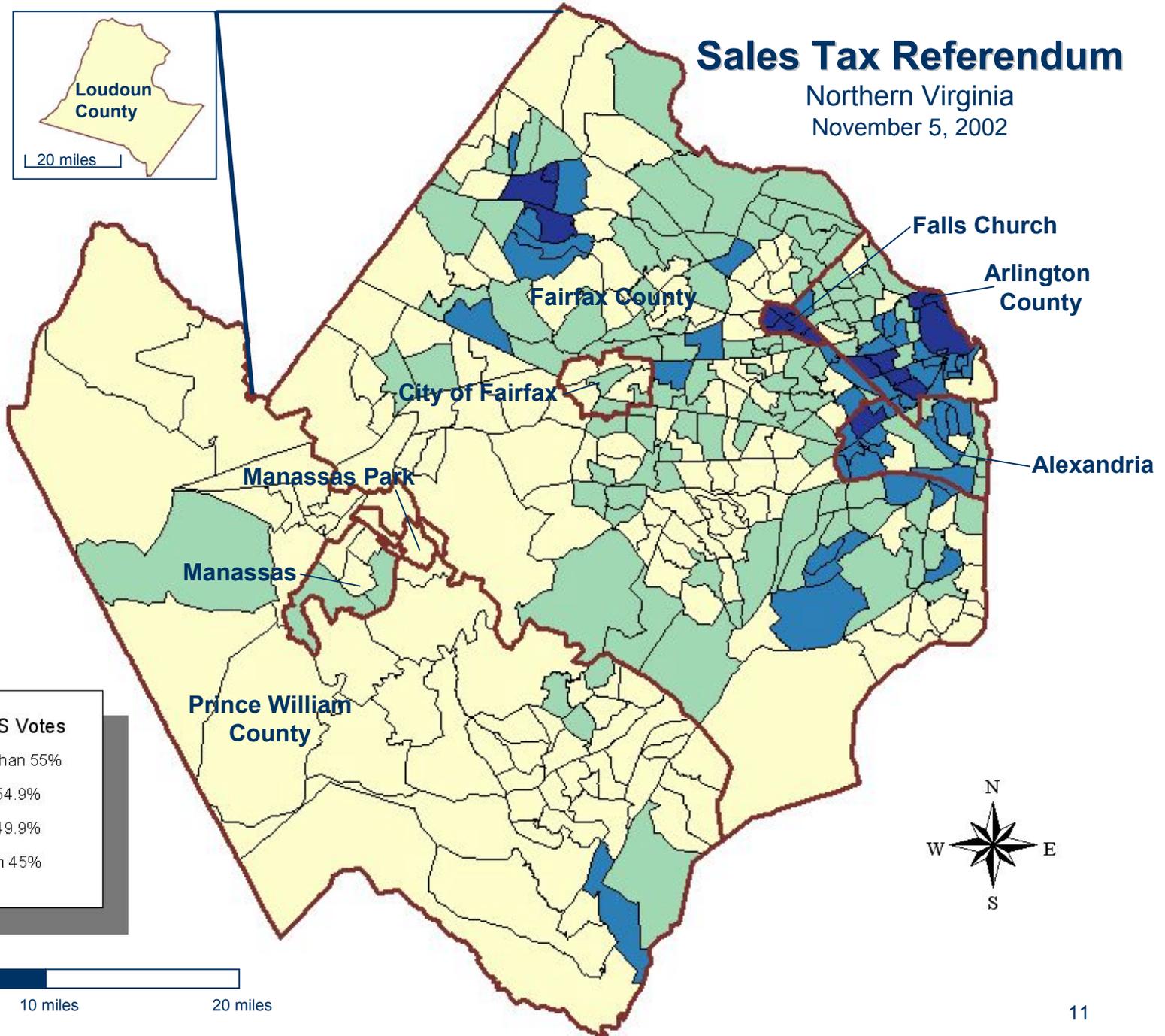


Figure 3

Sales Tax Referendum

Fairfax County Supervisory Districts

November 5, 2002

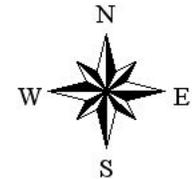
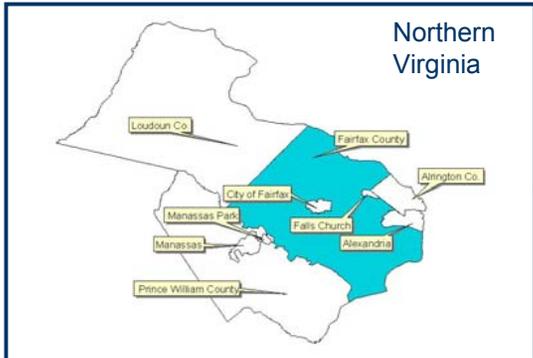
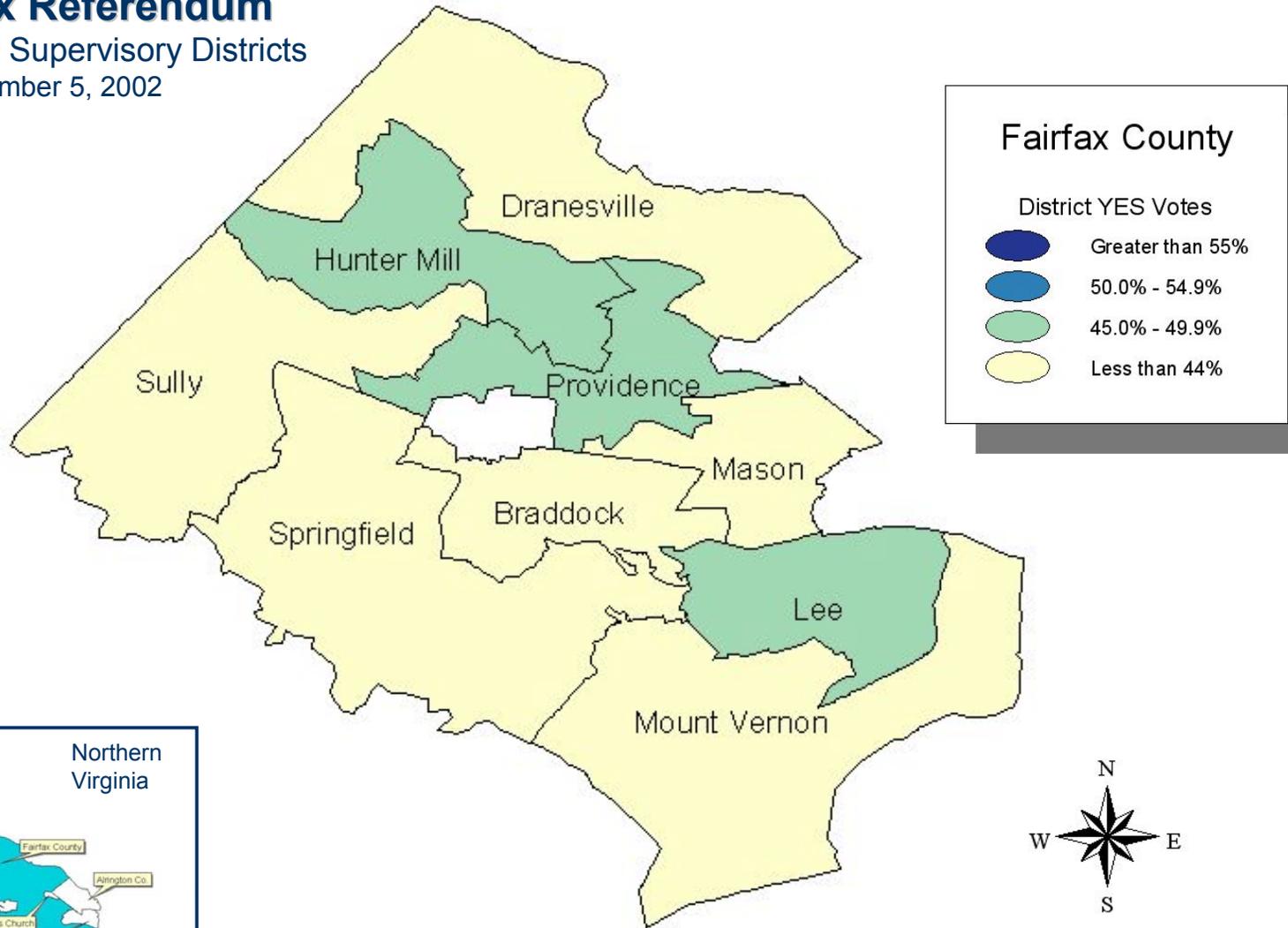
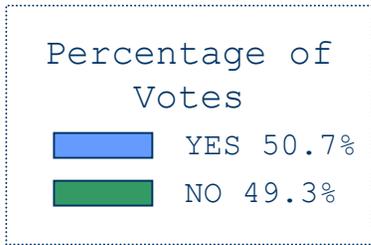
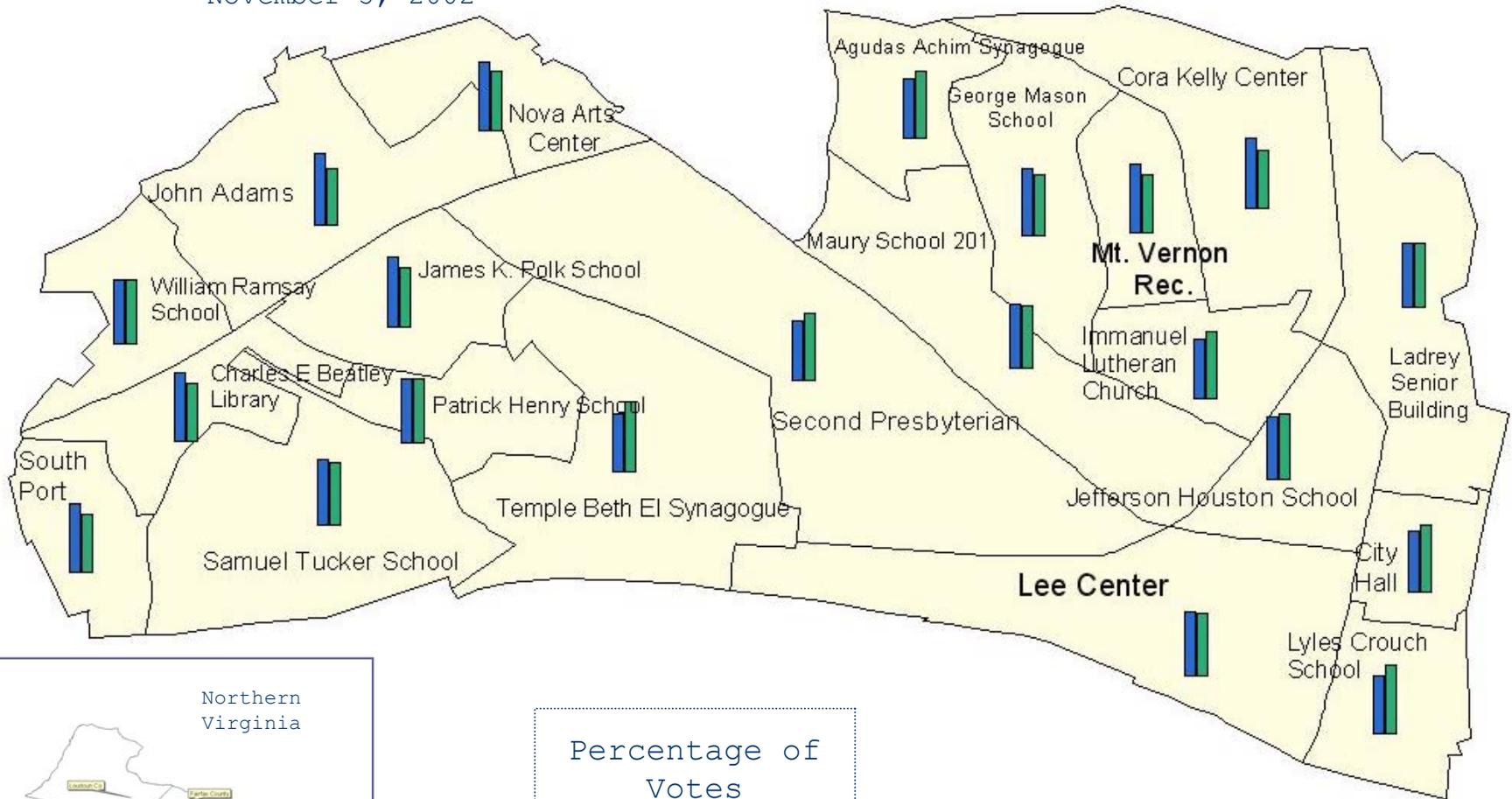


Figure 4

Sales Tax Referendum

Alexandria

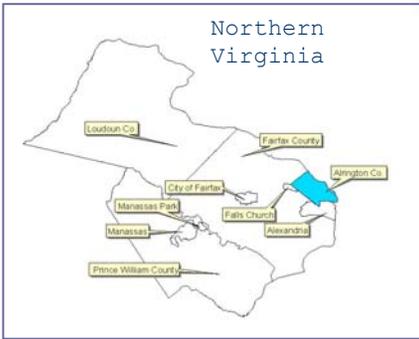
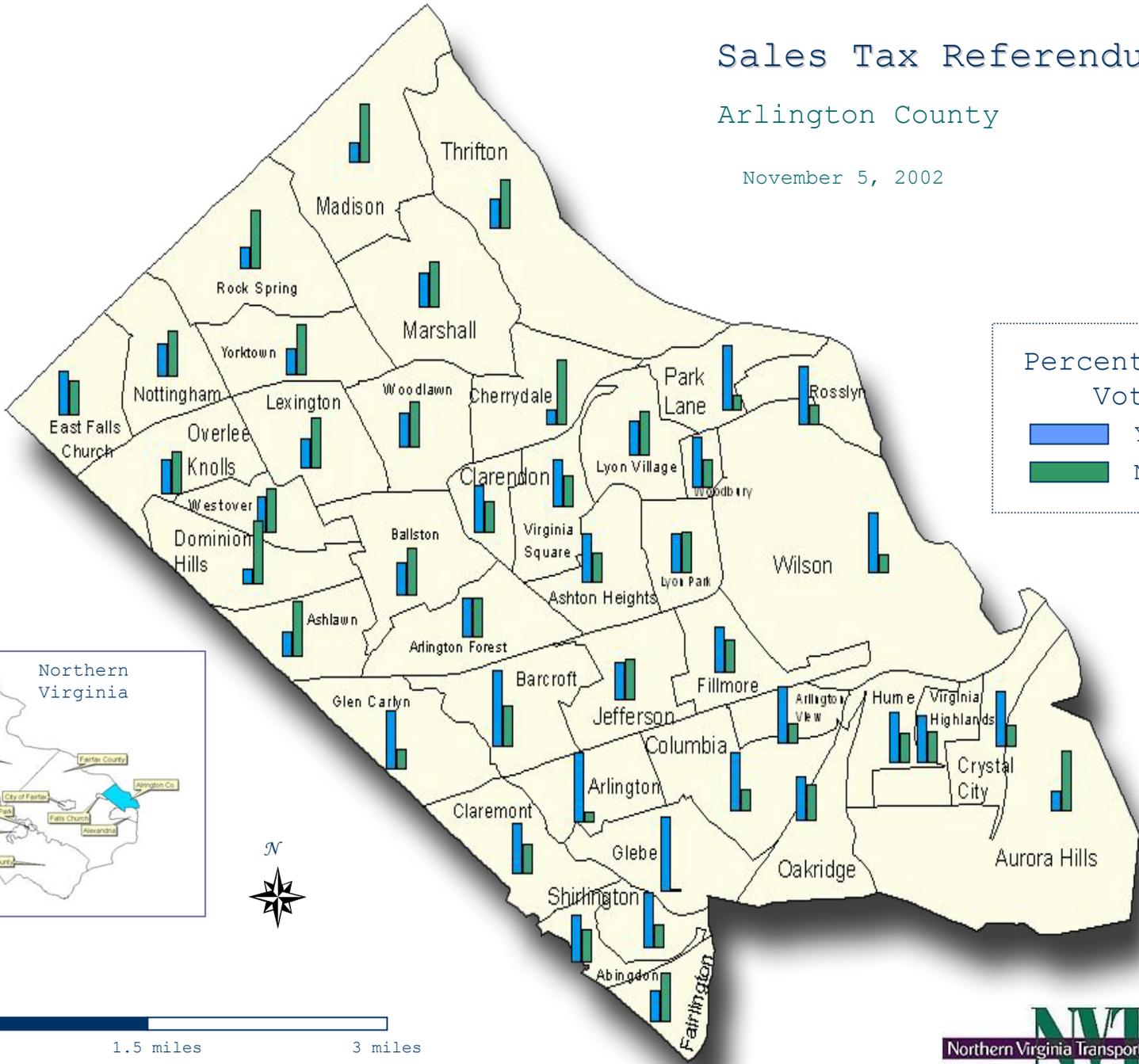
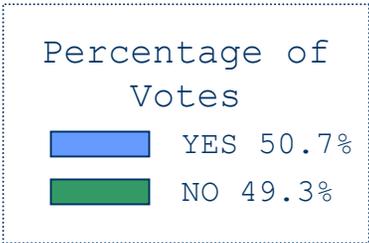
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Sales Tax Referendum

Arlington County

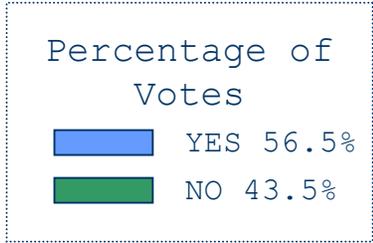
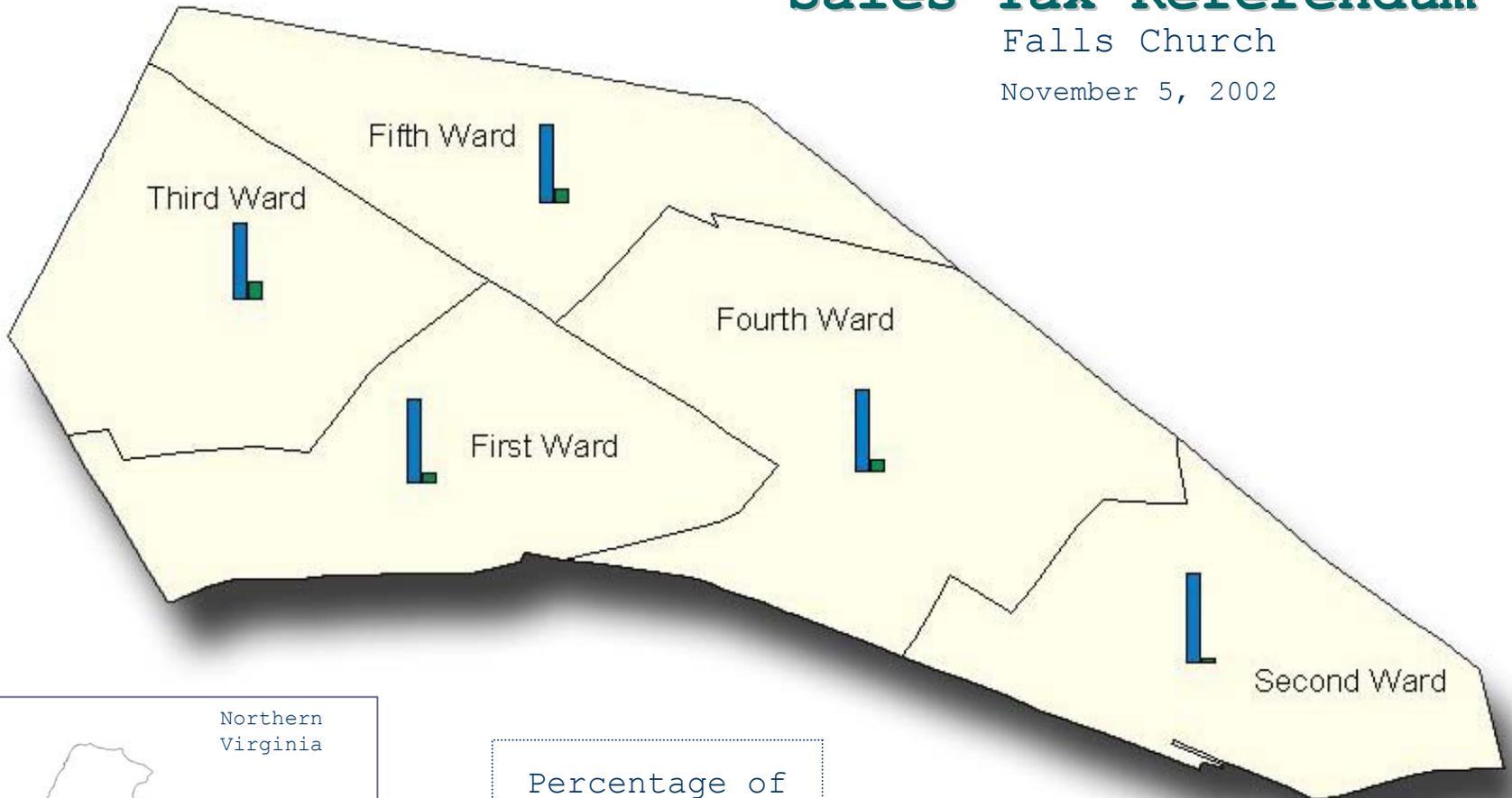
November 5, 2002



Sales Tax Referendum

Falls Church

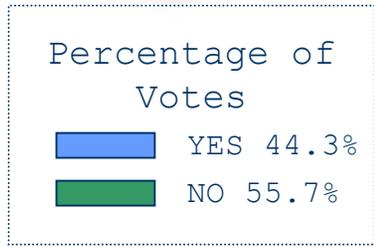
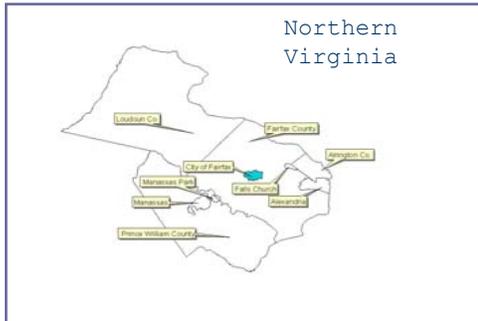
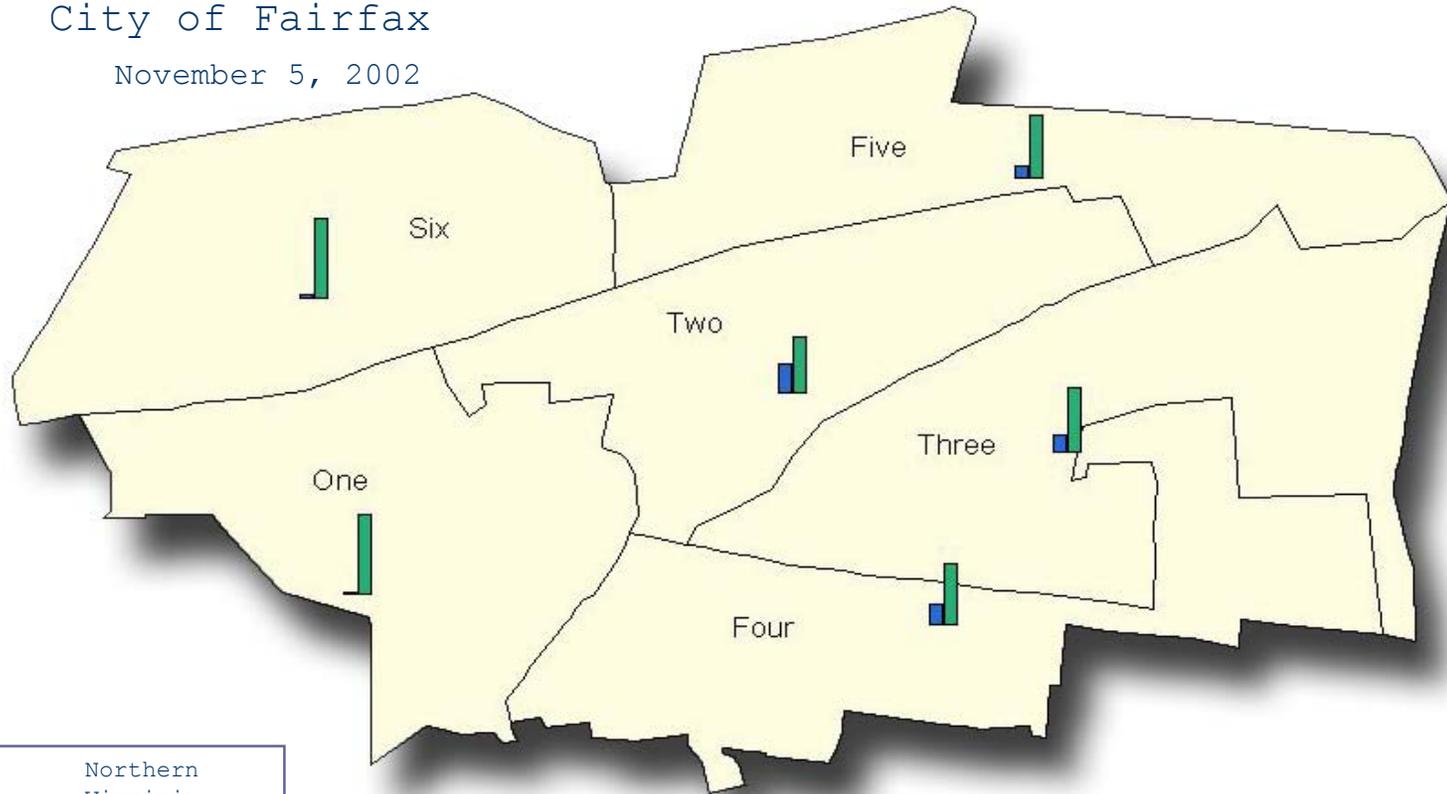
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Sales Tax Referendum

City of Fairfax

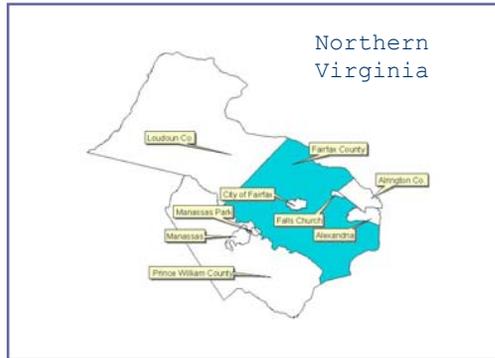
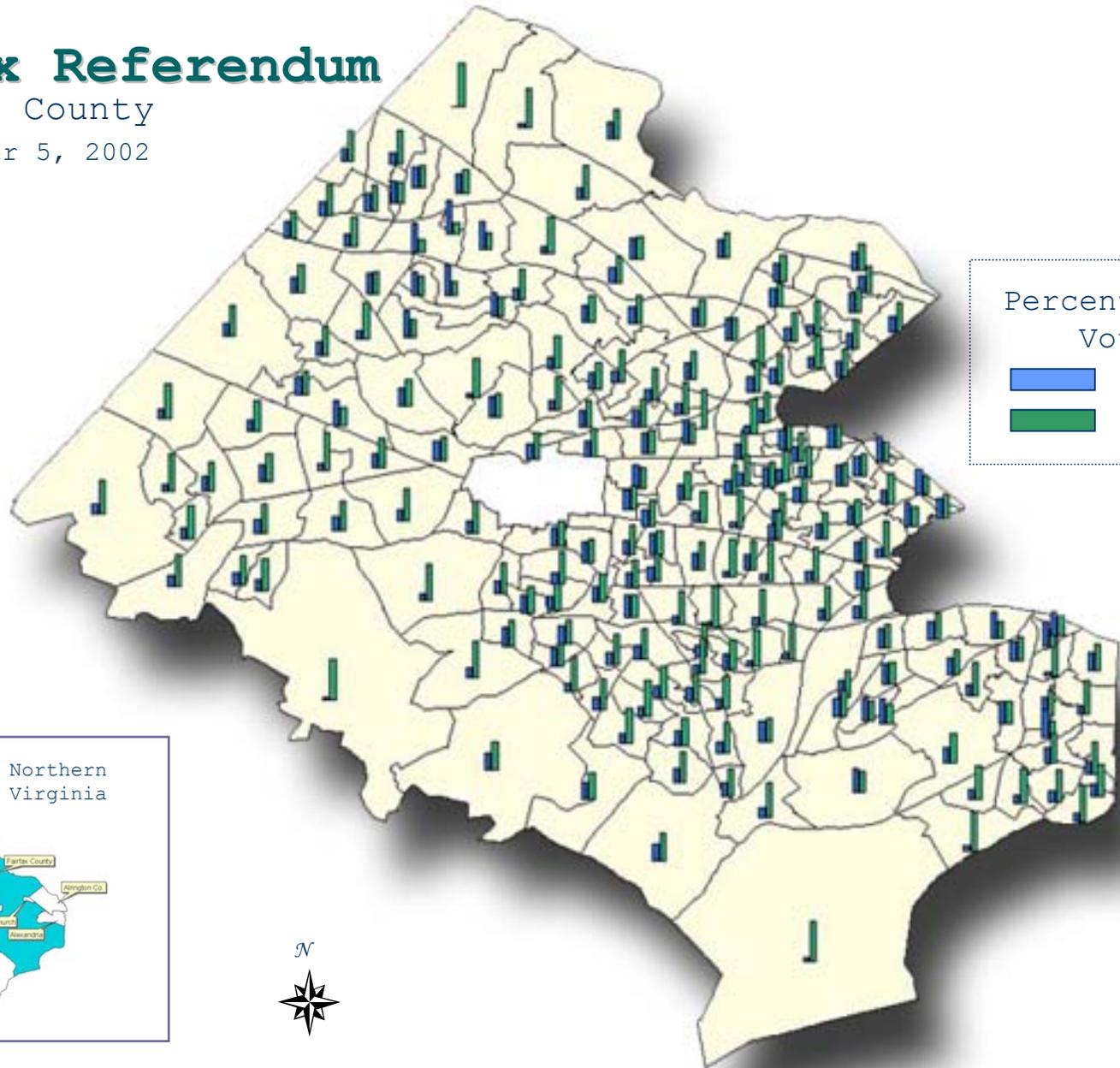
November 5, 2002



Sales Tax Referendum

Fairfax County

November 5, 2002

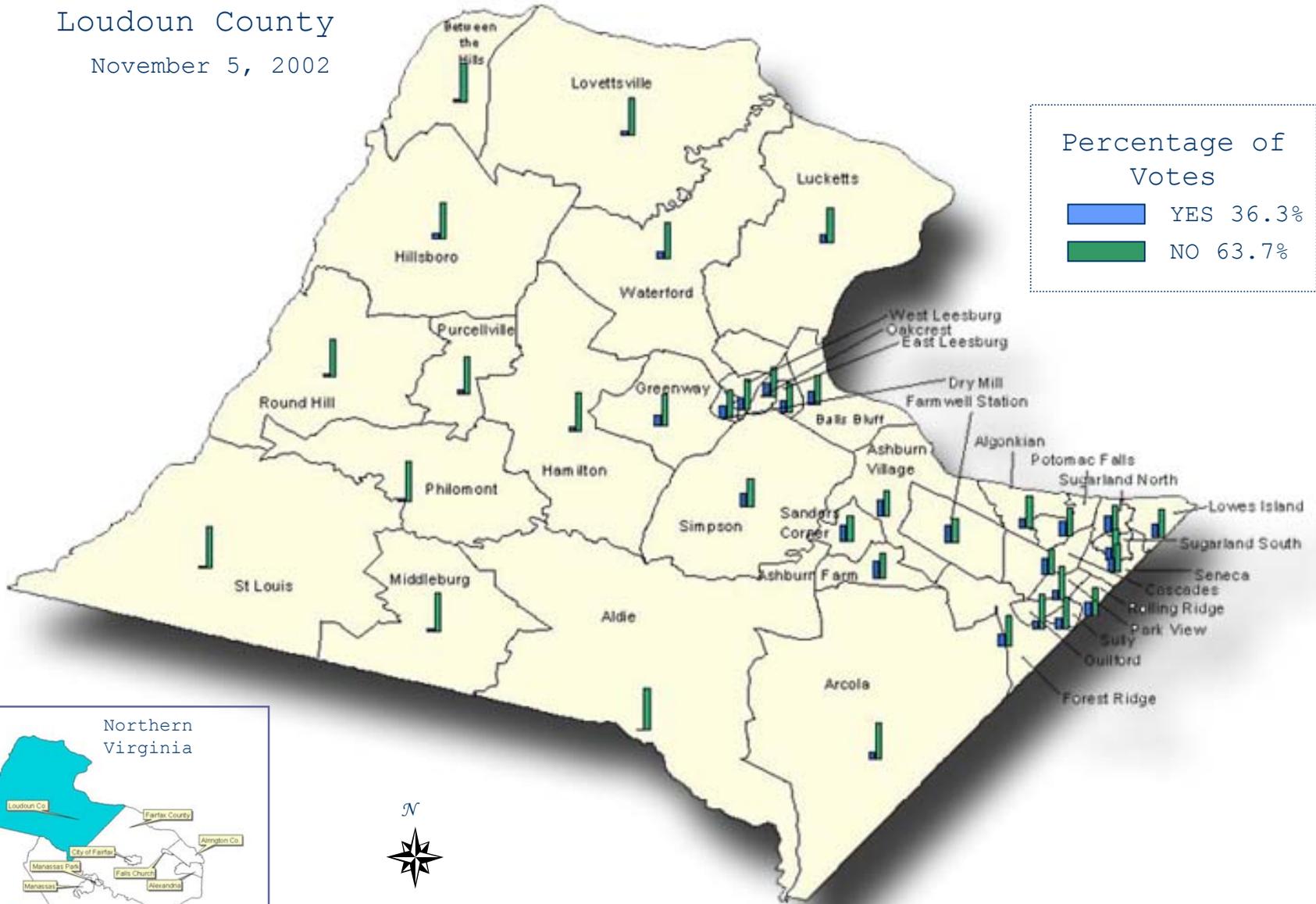


Sales Tax Referendum

Loudoun County

November 5, 2002

Percentage of
Votes



35 Reasons For Defeat:

Tactics

- 1) General Assembly should have acted to levy the tax. Since the public has less understanding of the complexities and resents being asked, its first impulse is to say “no”.**
- 2) Most referendums fail the first time. Nine of 11 from 1987-1997 that ultimately passed had failed at lease once.**
- 3) Too broad a geographic region. It did much better inside the beltway.**

35 Reasons For Defeat:

- 4. Poor timing of the election (more or less voter turnout if paired with another election cycle).**
- 5. Lack of skill in selling the referendum to the public (needed clear message).**
- 6. Not enough time to educate the public about transportation needs.**

35 Reasons For Defeat:

- 7) **“Distorted” facts unanswered. For example, was the tax a half-cent or an 11 percent increase? Would a new western bypass be funded by NVTB?**

35 Reasons For Defeat:

- 8. Distrust of new NVTAs.**
- 9. Fear of diverting funds geographically (e.g. to Fairfax County) or modally (e.g. to highways).**
- 10. Distrust of VDOT.**
- 11. Fear of diversion of existing funds to the rest of the commonwealth.**

35 Reasons for Draft:

- 12. Concern that local jurisdictions would disrupt regional priorities.**
- 13. Concern about the “trust us” approach for the \$2.2 billion of revenues not dedicated to listed projects.**
- 14. Lack of respect for endorsements of most elected officials and many interest groups while being tempted by promises of some elected officials that state funds were readily available.**
- 15. Need for a short sunset on any new tax.**

35 Reasons for Draft:

Other Priorities Are Important

- 16) Education, public safety, etc. all deserve attention. Transportation shouldn't be singled out.**
- 17) A combined transportation/education referendum with local flexibility is needed.**

35 Reasons for Defeat:

It Shouldn't Be a Local Responsibility

- 18) Northern Virginia already pays more than its fair share (e.g. four times as much in local funding for transit as any other area in the commonwealth).**
- 19) This is a state responsibility. Either raise statewide revenues or change the formulas to benefit Northern Virginia.**
- 20) Regional traffic congestion is caused also by Maryland and D.C. commuters. They need to be part of the solution along with the federal government.**
- 21) State Transportation Trust Fund money has been diverted in the past. Pay it back before raising taxes for transportation.**

35 Reasons for Defeat:

Issues with Taxes

- 22) **No new taxes are needed since government is too big and fast growing. Existing revenues could be reallocated.**
- 23) **Bonding hurts future generations. Virginia has a traditional fiscally conservative pay-as-you-go approach.**
- 24) **The proposed tax increase is too large and not affordable.**
- 25) **The proposed sales tax is regressive and lower income persons don't benefit proportionally. Use a different tax (e.g. gasoline) or fees (e.g. tolls).**

35 Reasons for Defeat:

We Need More Smart Growth

- 26) Lacks specific emphasis on smart growth so that spending will only create more sprawl.**
- 27) Too many highway and HOV projects.**
- 28) A half-cent sales tax is a drop in the bucket for the region's total needs. Don't settle for a half loaf since congestion will get worse anyway.**
- 29) Traffic congestion can't ever be cured so don't raise taxes but do apply tolls and fees.**
- 30) Large developers will benefit most and contributed too heavily to push the referendum.**

35 Reasons For Defeat:

- 31. The needs are not urgent. Wait and see what happens.**
- 32. Failure to show specifically what positive results will come from building the projects using objective performance measures.**
- 33. NIMBY reactions to one or more projects on the list.**
- 34. Projects costs overestimated and other revenues underestimated generates too large a discretionary fund for NVT A and others.**
- 35. No net improvement in air quality.**

2003 Virginia Voter Survey:

- **Smart growth agenda is popular in Northern Virginia according to Virginia League of Conservation Voters:**
 - Building more roads won't solve congestion and the real solution to congestion is stopping sprawl, better planning and managed growth(74%);
 - Support adequate public facilities ordinances (76%);
 - Support impact fees on new development (83%);
 - Want state support to help local governments adopt smart growth (82%);
 - Most important issue is sprawl/traffic/environment (68%);
 - Quality of life will deteriorate over next five years with current growth and land use policies (65%).

2003 House of Delegates District 53 Survey:

- **Give more authority to local governments to tie growth to adequacy of transportation and schools (81%);**
- **Growth/development too fast (71%);**
- **If taxes had to be raised to meet school, transportation and health care needs, use:**
 - Sales tax (39%)
 - Income tax (21%)
 - Gas tax of 20-30 cents per gallon (17%)
- **Projects Favored:**
 - Rail to Tysons (88%)
 - Rail to Dulles (87%)
 - Rail to Centreville (85%)

Prince William County Citizen Satisfaction Surveys:

- Annual polls since 1993.
- 90% + satisfaction with overall county services.
- Sharply declining satisfaction with:
 - Growth (48.7% as of 2004)
 - Planning/land use (49.8%)
 - Getting around the county (45.7%)

Braddock District Workshops:

- 2003 community dialogue on transportation and land use.
- Several recommendations for funding:
 - Annual status reports
 - Firewalls to prevent diversion
 - Air quality as criterion.
- Recommendations for legislation:
 - Developers to “front end” supporting infrastructure
 - “Up plan” incentives around Metrorail and “down plan” elsewhere
 - Prevent raids on TTF
- Recommendations for land use:
 - Spider web transit system
 - Neighborhood shuttles and bike trails
 - Protect watersheds and purchase land contiguous to parks
 - Let local governments control referendum trust funds while NVTa prioritizes projects.

Lessons From Other Referendums:

- **Several published sources review successes and failures around the United States for the past several years.**
- **APTA's Center for Transportation Excellence conducts periodic workshops (next in April, 2005) and lists lessons, including:**
 - Go to voters more than once if necessary**
 - External factors (e.g. economy) are often influential**
 - Grass roots support with professional management works best**
 - List specific projects**
 - Focus on immediate gains**
 - Keep the issues simple**
 - Find local champions**
 - Achieve regional balance**
 - Show accountability**
 - Demonstrate adequate funding**

Lessons From Other Referendums:

- **The Surface Transportation Policy Project recommends:**
 - Broad public involvement in developing the initial ballot measure;**
 - Specific projects with earmarked funding;**
 - Favor gas taxes (indexed for inflation);**
 - Include coordinated land use planning and growth management with incentives;**
 - Prefer regional administration versus state;**
 - Match those who benefit with those who pay.**

Smart Growth Features:

- **Identify target reductions in overall VMT and per capita VMT;**
- **Link revenues with achieving land use targets at state and local levels;**
- **Use effective models (such as Arlington) to link street redesign with transit investment;**
- **Measure success in achieving targets for VMT reduction; transit pedestrian, bicycle and carpool mode share increase; reduced air pollution; and reduced land consumption;**
- **Develop and apply statewide model of potential sprawl in each county and test alternative land use/transportation scenarios;**

Smart Growth Features:

- **Don't rely on flawed existing plans for project selection (e.g. TPB's CLRP, NVTA's 2020 Plan);**
- **CTB should pass through more federal funds for local allocation;**
- **Avoid "poison pills" such as an outer beltway;**
- **Fix Virginia's PPTA to include more public input and curbs on sprawl;**
- **Bring the smart growth community to the table early to plan the referendum.**

Draft NVTC Staff Recommendations for Discussion:

- **21 recommendations listed by category:**
 - Gather information and plan**
 - Build public trust in NVTA**
 - Develop a consensus project list and revenue source**
 - Test additional referendum features with the public**
 - Conduct NVTA campaign**
 - Pursue General Assembly strategy**
 - Encourage CTB actions**
 - Undertake local government actions**

Gather Information and Plan:

- 1. DRPT/VDOT should provide funding (\$10 to \$20,000) for MWCOCG to update consultant research on the yields of various regional taxes in Northern Virginia. Alternatively, the new Blue Ribbon Panel on Metro Matters should arrange for these estimates for the entire region.**
- 2. After establishing a referendum promotion budget (perhaps with assistance from outside interest groups) and hiring a chief executive, NVTA should commission public opinion research regarding new sources of regional funding for transportation, and priorities for transportation projects and policies. Several bare bones surveys could be accomplished at \$6,000 each for 300 five-minute telephone interviews with cross tabs.**

Gather Information and Plan:

- 3. NVRTA should consider strategies and timetables for obtaining approval from the General Assembly for a referendum to be held in November, 2006, and work in cooperation with the proposed region wide Blue Ribbon Panel on Metro Matters. Decide whether NVRTA can be successful in overcoming voter concerns or whether more direct involvement of local governments is needed.**
- 4. The initial prototypes of the referendum could consist of two principal alternatives for discussion:
 - A. Large Region/Multimodal Project List**
 - B. Small Region/Transit Only****
- 5. Presumably results of public discussion of projects and revenue sources plus polling would help to identify the better choice.**

Build Public Trust in NVTA:

- 5. While NVTA was created primarily to boost regional transportation solutions and overcome what some called local parochialism that stalled implementation of major new projects, much of the public apparently distrusts regional institutions. NVTA should begin publishing an annual transportation performance report card using objective measures and should publicize its own policies for setting priorities based on performance criteria.**
- 6. NVTA should clarify for the public that VDOT will not be making the project selection and will only be involved in design/construction/project management if NVTA selects them using published criteria in competition with the private sector.**

Develop a Consensus Project List and Revenue

Source:

7. **NVTA should use the ongoing update of its regional transportation plan to 2030 and VTRANS 2025 to educate and involve the public extensively in determining a prioritized project list for the referendum with the input of all interested parties. This public involvement process should determine the type of project list most likely to succeed with voters (i.e. transit versus highways, specific versus general descriptions, one fixed list or multiple voter options). For example, if many voters fear that public funds spent on new highways is wasteful, NVTA could pledge to develop funding agreements for any such projects that maximize tolls, fees and value capture and utilize selection criteria such as air quality improvement and sprawl avoidance.**

Develop a Consensus Project List and Revenue

Source:

8. In developing the project list with the general public and all interested groups, NVT A should calculate and publicize the specific benefits of alternatives (air quality, mobility, economic, reduced VMT, enhanced transit mode share, pedestrian/bicycle access) so the final recommended list can be evaluated objectively and paired with appropriate revenue sources. Present value analysis of bonding versus pay as you go financing should also be provided.
9. All proposals should include substantial smart growth components, including at a minimum such features as transit-oriented development, congestion pricing and tax-increment/value capture financing, as well as assistance for maintenance and operations and local streets. Calculated benefits should include reduction of sprawl and air pollution. Just as federal authorizing legislation now combines transportation and air quality (ISTEA and TEA-21), the referendum could include funding for green spaces together with transportation projects.

Test Additional Referendum Features

With the Public:

10. **NVTA should consider a referendum that would provide base revenues for individual jurisdictions adopting the referendum (say a quarter cent of a half-cent regional sales tax).**
11. **NVTA should consider some tax relief in the referendum (shifting to a new regional sales tax and away from local property tax) using value capture to make up the difference (say allowing an eighth cent of the sales tax to replace property taxes after the first five years as smart growth benefits appear).**
12. **NVTA should consider corridor combinations of projects in the referendum to emphasize connections and reduced sprawl in order to minimize NIMBY reactions.**
13. **Agreements for funding signed by local governments (as WMATA now does) using the new revenues could be mandated. These corridor trusts for funding may reduce public fear of diverted revenues away from the list and the region. Further, local governments could be designated to receive the funds and hold them in trust until billed by NVTA for the projects. NVTA might even consider an independent financial review board for further oversight.**

Conduct NVTA Campaign:

- 14. When NVTA has determined the project list and revenue source for the referendum, it should activate a well-financed campaign to win public support for General Assembly authorization of the referendum and eventual passage by the public of the referendum question. Transit riders would be a valuable ally in this effort. One interest group is now raising a million dollars for a statewide campaign to educate voters about highway needs.**
- 15. The referendum campaign should look for public “hot buttons” such as possible links to elderly/disabled transportation, security, neighborhood connections and reduced sprawl. The issues have to be simplified and conveyed in images (e.g. cars off the road, share a lap on crowded railcars).**

Pursue General Assembly strategy:

- 16. Consult with General Assembly leaders and the Governor about the need for a regional referendum versus statewide or regional tax increases, (or making earmarking growth of revenue from existing sources) enacted directly by the General Assembly. A two percent gas tax increase in Northern Virginia would be roughly equivalent to a quarter-cent regional sales tax. If it is determined a regional referendum is needed, NVT A should seek initial 2005 General Assembly authorization for the November, 2006 referendum and return in January, 2006 for authorization of the project list, tax type, tax amount and ballot language.**
- 17. If the General Assembly fails to act in 2005, local governments should consider local advisory referendums prior to the 2006 session.**
- 18. Also, NVT A should urge the General Assembly to adopt legislation to make the existing TTF a true trust fund to assuage fears of diversion of state funds away from transportation and this region.**
- 19. NVT A should encourage the General Assembly to enact legislation that will support smart growth (e.g. adequate public facilities ordinances), and provide incentives for environmentally friendly transportation choices (e.g. employer tax credits for transit commuter benefits).**

Encourage CTB actions:

- 20. The Commonwealth Transportation Board should adopt an explicit policy to support General Assembly action to guarantee that state funds will not be diverted from Northern Virginia if the region increases its level of funding. In implementing the Multimodal Investment Network concepts in VTRANS 2025, CTB should consider the results of the investments on sprawl, air quality and other performance measures such as those to be used by NVT A in evaluating its project list. CTB should also agree to use discretionary funding wherever possible to provide allocations to local governments seeking to fund public transit and local street improvements for enhanced connections to combat sprawl**

Undertake Local Government Actions:

- 21. NVT A and local governments should adopt resolutions pledging to adhere to the published project lists and to use the new funds to the maximum possible extent to promote improved multimodal connections and reduce sprawl. The referendum legislation could even require that future project lists be approved by local governments as well as NVT A, or if polling so indicates subjected to another voter referendum (say in 20 to 35 years).**

Suggested Next Steps:

- **Continue discussion at NVTC's October 7, 2004 meeting.**
- **Refer the staff report to NVRTA and NVTC's local governments for discussion.**
- **Discuss the report at the November 4, 2004 joint NVTC meeting with PRTC.**
- **Share the report with other interest groups (Northern Virginia Transportation Alliance, Coalition for Smarter Growth, AAA, Greater Washington Board of Trade, etc.)**
- **Offer assistance to the new Blue Ribbon Panel on Metro Matters.**
- **Assist NVRTA as it decides whether to pursue a region wide referendum and consider whether NVTC should champion a transit-only tax for its district.**
- **Use the report to develop NVTC's 2005 legislative agenda.**

MEMORANDUM

TO: Chairman Euille and NVTC Commissioners
FROM: Rick Taube and Kala Quintana
DATE: August 26, 2004
SUBJECT: NVTC Testimony to the Commonwealth Transportation Board

Attached is draft testimony for the September 22, 2004 pre-allocation hearing to be conducted by CTB via video conference. The commission is asked to authorize NVTC's chairman, or his designee, to present the testimony on behalf of the commission.

Also attached for your information is a response from Transportation Secretary Clement to NVTC's letter of June 4, 2004 asking for a renewal of the annual \$800,000 allocation to the region for bus fare buy downs. He states that the original reason for the program is "no longer an issue" since ridership on Metrorail's Orange Line has shown "tremendous growth." He believes that the program has served its purpose and has "elected to discontinue funding."

This and other issues are addressed in the draft NVTC testimony, which has been reviewed by local staff.

MEMORANDUM

TO: Chairman Euille and NVTC Commissioners
FROM: Rick Taube
DATE: August 26, 2004
SUBJECT: Virginia's Multimodal Plan—VTRANS 2025

The draft plan and supporting materials were made available for comment. Given the August deadline, NVTC staff submitted the attached comments. Commissioners should review those comments and, if desired, suggest additional issues to be brought to the attention of the plan's policy committee. Members of the policy committee, chaired by CTB member Judy Connally, are listed on an attachment.

The draft emphasizes some starting facts:

- Virginia is in the longest period of no adjustment to state highway user taxes and fees in the last 57 years. The last adjustment came in 1986—18 years ago.
- Since 1986, the state's population has increased 27%, VMT by 79%, transit ridership by 58%, registered vehicles by 53%, licensed drivers by 34% and highway lane miles by 7%. Highway maintenance costs tripled. Inflation eroded purchasing power by 40%.
- There is only \$24 million per year available statewide over the next 20 years for new highway construction. The commonwealth will be unable to match federal funds by 2018.

The draft plan stresses multimodal solutions that emphasize coordination of land use and transportation. The enormous disparity between projected needs and available funding for public transport was summarized by staff at the July NVTC meeting. This document includes such estimates of unfunded needs for other modes as well, for the period 2005-2025:

- Rail/public transit: \$30.7 billion
- Highways: \$69.5 billion
- Airports: \$3.1 billion
- Ports: \$0.3 billion
- Total: \$103.6 billion

An interesting new construct is introduced in these documents: Multimodal Investment Networks (MINS). These are large-scale groups of projects involving several modes that are likely to cross regional boundaries and may overlap geographically. Examples include “Northern Virginia Connections” including park-and-ride lots, shuttles, VRE rolling stock, WMATA’s CIP, Metrorail to Dulles, safety/capacity improvements on Route 28 and 234, freight and ITS improvements.

MEMORANDUM

TO: Chairman Euille and NVTC Commissioners
FROM: Rick Taube and Adam McGavock
DATE: August 26, 2004
SUBJECT: Status of Federal SmarTrip Grant

Staff will provide an update at the meeting. No response has been received by NVTC to its letter to FTA dated June 21, 2004. No response has been received by the three members of Congress who wrote to FTA on July 12, 2004. Copies of the letters are attached.

Commissioners will recall that FTA abruptly cancelled an important grant being used by NVTC to provide technical consulting assistance to NVTC's jurisdictions who are installing 387 fare boxes to implement the integrated regional SmarTrip fare collection system.

MEMORANDUM

TO: Chairman Euille and NVTC Commissioners
FROM: Adam McGavock
DATE: August 26, 2004
SUBJECT: NVTC Tech Talk—A Quick Primer on Smart Cards

Staff will brief the commission using the attached material. In addition to the concerns about SmarTrip expressed in the previous agenda item, WMATA has struggled to obtain sufficient cards to satisfy the accelerating demand, as shown in additional attachments. SmarTrip card sales have increased from an earlier average of 8,000 per month to about 4,000 per day or up to 85,000 monthly. Demand is now leveling off but with the availability of SmarTrip fareboxes on the entire Metrobus fleet this month, demand may again increase.

MEMORANDUM

TO: Chairman Euille and NVTC Commissioners

FROM: Rick Taube and Adam McGavock

DATE: August 26, 2004

SUBJECT: WMATA Items

A. Metro Board Digest for July and August, 2004.

The items are attached for your information.

B. 3Y Metrobus Service to Farragut Square.

The attached materials describe a new effort funded by Arlington County to relieve Metrorail crowding through Rosslyn.

C. Route 1 Corridor Service Restructuring Plan.

The WMATA Board has approved the plan, to be effective September 26, 2004. This restructuring is part of extensive efforts to improve transit service in that corridor in cooperation with Fairfax County and Alexandria. Richmond Highway (REX) routes will offer limited stops with connections to Fairfax Connector and DASH routes between Fort Belvoir and Huntington and King Street Metrorail stations. The REX buses are low-floor, equipped with SmarTrip fareboxes and feature transponders to hold green lights for up to 10 seconds. They have a unique purple-blue color scheme with a yellow lion logo.

New Fairfax Connector service is replacing some of the existing TAGS routes.

D. Metrobus Timetables in PDA Format.

As shown on the attachment, WMATA has added a convenient feature to its website that allows customers to select routes for downloading schedules directly to their personal digital assistants. Arlington pioneered the use of this feature in this region and NVTC has helped extend its use to the other transit systems.

E. Metro Matters Funding Agreement.

The WMATA Board acted on August 19, 2004 to transmit to its jurisdictions a draft funding agreement for comment and approval. The target for final approval by WMATA is October, 2004. The attachment provides more detail.

F. Regional Panel to Address Dedicated Funding.

The WMATA Board has adopted the attached resolution acknowledging the need for and encouraging the establishment of a "blue ribbon" panel to address the appropriate roles of federal, state, and local funding in meeting WMATA's future capital and operating needs; to identify dedicated sources of revenue for WMATA, including public acceptance and necessary governmental actions; and to make recommendations for achieving dedicated funding for WMATA. NVTA had passed a similar resolution earlier.

MEMORANDUM

TO: Chairman Euille and NVTC Commissioners

FROM: Rick Taube

DATE: August 26, 2004

SUBJECT: Legislative Items

The attached materials describe progress (or lack thereof) at the federal level in reauthorizing TEA-21 and appropriating funds for FY 2005.

MEMORANDUM

TO: Chairman Euille and NVTC Commissioners
FROM: Rick Taube, Jana Lynott and Adam McGavock
DATE: August 26, 2004
SUBJECT: Regional Transportation Items

A. AARP Mobility Forum.

The American Association of Retired Persons (AARP) hosted a Mobility Forum at the Hotel Monaco in Washington DC on June 28th and 29th. NVTC staff members Jana Lynott and Adam McGavock were in attendance. AARP has made enhanced mobility options one of its major goals in its long-term objective of increasing the "independence, choice and control" for Americans over the age of 50. The purpose of the Mobility Forum was to develop a "blueprint for action" to educate and energize the public toward this goal. Participants included representatives from human service and transportation agencies at the federal, state, and local level, representatives from insurance agencies, smart growth advocates, private sector policy analysts, academic researchers, and several representatives from AARP.

The Mobility Forum featured several panel discussions on topics such as best practices at the community level, consumer perspectives, and the overall context for mobility options. In between the panel discussions, Forum attendees were broken into several working groups to brainstorm an agenda for action on mobility issues for seniors. The working groups first determined a set of criteria for establishing priorities, then created a short list of priorities. The working groups then discussed strategies for achieving the priorities, with an emphasis on "easy wins" and short-term results. Some of these strategies have been around for a while, such as improving public transit options, providing better information on public transportation, and removing the legislative barriers to coordination. Some of the strategies were new and innovative, such as working with realtors to make sure they explain the importance of mobility

options to elderly clients, and working with land use officials to provide suitable communities for “aging in place”. Overall, the panel discussions and working groups provided for interesting and spirited discussions, although it remains to be seen if AARP will actually use any of their recommendations.

The workshop discussions provided relevant contextual material to support NVTC’s study on *Meeting the Mobility Needs of Older Northern Virginia Residents*. NVTC recently received notice from DRPT that we are a recipient of a \$114,000 grant to analyze the transportation implications of a rapidly aging population for Northern Virginia. NVTC staff has begun a demographic and GIS analysis of 2000 Census data and in September will convene a multi-disciplinary advisory team of transportation planners and human resource agencies representatives. At its October meeting, staff will request Commission approval to release a Request for Proposals to procure a contractor to assist in survey and focus group research. The study is expected to conclude in July, 2005.

B. Status of the 2030 Northern Virginia Transportation Plan.

As discussed at the July, 2004 commission meeting, NVTC has been requested to procure a consultant to assist in an update of the Northern Virginia Regional Transportation Plan. NVTC’s Jana Lynott will serve as the contract manager for this contract. NVTC recently concluded negotiations with BMI-SG and the two parties are expected to sign a \$900,000 contract prior to the September 2nd commission meeting.

The BMI-SG team includes the following subcontractors:

- Travesky and Associates, Ltd., (public involvement);
- Kittleson and Associates, Inc., (transit and multi-modal level of service analysis);
- Burgess and Niple, Inc., (highway, transit and bicycle facility cost estimation); and,
- Trichord, Inc., (intelligent transportation systems planning and cost estimation).

Work should commence on August 30, 2004 and is expected to conclude by August 30, 2005. The work includes a project inventory and update of the 2020 Plan project lists; travel demand modeling and highway, transit, and park-and-ride lot level of service analyses; a multi-modal level of service analysis for four major transportation corridors; project prioritization; and public outreach.

C. Pike Transit Initiative.

A policy advisory committee has been established, co-chaired by Chris Zimmerman and Penny Gross, and including the members listed on the attachment. NVTC's executive director is one of the 13 members. A project brochure with map is also attached. Goals for the initiative include increased mobility, a catalyst for economic development, safe environment, regional connections and pedestrian-friendly Main Street. For each of these, performance measures have been identified in addition to the federal "New Starts" criteria and measures. By the end of 2004, selection of a locally preferred alternative should be possible. Bus rapid transit and streetcar systems are under active consideration with an extensive public outreach program underway. Any construction is at least five or six years away.

D. HOV Task Force Reconvened.

The Governor's HOV Task Force reconvened on August 18, 2004, to continue discussions on how the state can improve Northern Virginia's HOV system. Specifically, the HOV Task Force is to consider the following five issues:

- Current HOV trends and the implementation of new enforcement rules
- FY05 enforcement funding and its continuation
- Communications with the law enforcement community regarding the law enforcement exemption for HOV lanes
- HOV enforcement on I-66 and the Dulles Access Road by State Police and Airport Police
- Continuation of clean fuel vehicle exemption and potential growth of this HOV exemption with the introduction of hybrid SUV's.

Every day, more than 37,000 commuters rely on Northern Virginia HOV facilities. To preserve an effective, functioning HOV system, the task force forwarded several recommendations to the Governor in 2003. Among those approved in 2004 by the General Assembly and the Commonwealth Transportation Board are a doubling of fines for second and subsequent violators, up to \$1000 per offense; driver demerit points for third and subsequent offenses; and dedicated funding for HOV enforcement (\$250,000 in FY05).

State police representatives in attendance at the meeting anecdotally reported that following the July, 2003 No Excuses Campaign they noted a reduction in the number of HOV violations. They believe solo drivers now understand that they must exit the HOV facilities by the start of the restricted period. Officers generally refrain from ticketing until five minutes into the restricted period to allow single occupancy vehicles to exit the facility.

NVTC staff will continue to attend task force meetings and keep commissioners apprised of further recommendations.

E. DRPT Director's Letter to the Washington Post Regarding Dulles Corridor.

A copy is attached for your information. The new DRPT project manager for this project may attend the commission meeting.

MEMORANDUM

TO: Chairman Euille and NVTC Commissioners

FROM: Kala Quintana

DATE: August 26, 2004

SUBJECT: NVTC Transit Information Nuggets

NVTC staff has produced another in its series of Transportation Nuggets. This new set is visible in rotation on NVTC's website and available for downloading there (www.thinkoutsidethecar.org). Commissioners may also request a CD for use on their own websites. A paper copy is attached for your information.

MEMORANDUM

TO: Chairman Euille and NVTC Commissioners

FROM: Rick Taube and Adam McGavock

DATE: August 26, 2004

SUBJECT: Trends of Gas Prices and Transit Ridership

In response to sharply higher gas prices over the past few months, commissioners have asked if such prices contribute to measurable increases in transit ridership. The attached charts illustrate the historical relationship dating to 1934, comparing annual nationwide transit trips to the annual nationwide average price of gasoline (adjusted for inflation). There does not appear from the trend lines to be a direct relationship.

Obviously, holding all other factors constant would produce a more meaningful comparison, as would comparing individual system data to local gas prices, but we have not identified any research that does so. There is some anecdotal evidence in news articles describing transit customers' behavior, and a couple of examples are attached for your information.

MEMORANDUM

TO: Chairman Euille and NVTC Commissioners
FROM: Scott Kalkwarf and Colethia Turner
DATE: August 26, 2004
SUBJECT: NVTC Financial Reports for June and July, 2004.

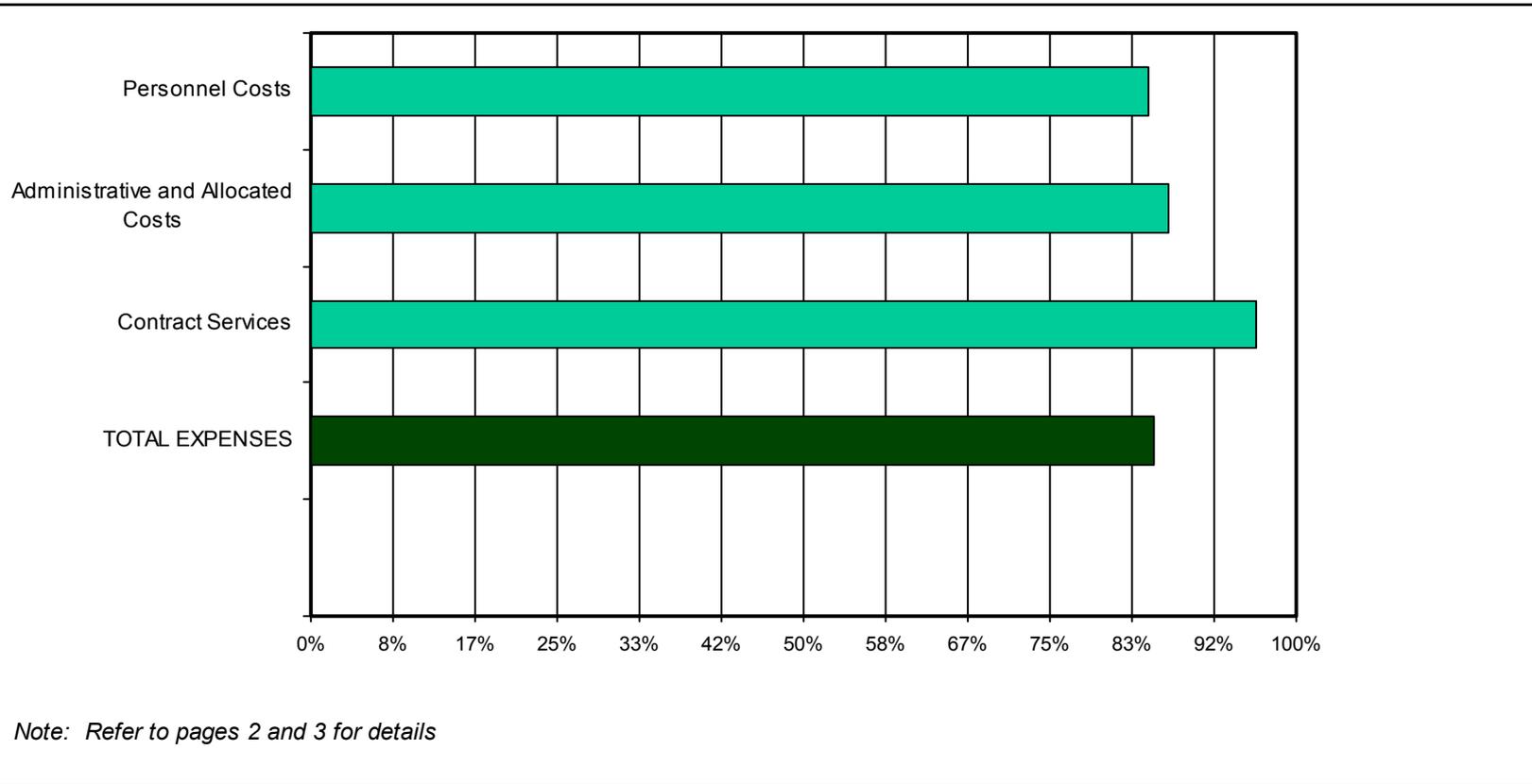
The June and July, 2004 financial reports are attached for your information.

Northern Virginia Transportation Commission

Financial Reports

June, 2004

Percentage of FY 2004 NVTC Administrative Budget Used
June, 2004
(Target 100% or less)



NORTHERN VIRGINIA TRANSPORTATION COMMISSION
G&A BUDGET VARIANCE REPORT
June, 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	\$ 46,247.28	\$ 543,173.19	\$ 636,400.00	\$ 93,226.81	14.6%
Temporary Employee Services	-	-	1,000.00	1,000.00	100.0%
Total Personnel Costs	46,247.28	543,173.19	637,400.00	94,226.81	14.8%
<u>Benefits</u>					
Employer's Contributions:					
FICA	2,986.60	36,442.38	45,700.00	9,257.62	20.3%
Group Health Insurance	4,481.64	52,210.73	69,000.00	16,789.27	24.3%
Retirement	4,293.55	53,996.55	57,000.00	3,003.45	5.3%
Workmans & Unemployment Compensation	(1.18)	2,857.67	2,000.00	(857.67)	-42.9%
Life Insurance	291.31	3,671.66	3,300.00	(371.66)	-11.3%
Long Term Disability Insurance	233.08	2,738.07	3,450.00	711.93	20.6%
Total Benefit Costs	12,285.00	151,917.06	180,450.00	28,532.94	15.8%
<u>Administrative Costs</u>					
Commissioners Per Diem	1,250.00	12,800.00	15,500.00	2,700.00	17.4%
<i>Rents:</i>					
Office Rent	14,775.03	152,685.59	157,300.00	4,614.41	2.9%
Parking	1,050.00	9,331.35	12,000.00	2,668.65	22.2%
<i>Insurance:</i>					
Public Official Bonds	195.70	3,362.40	3,700.00	337.60	9.1%
Liability and Property	170.00	1,983.00	2,000.00	17.00	0.9%
	25.70	1,379.40	1,700.00	320.60	18.9%
<i>Travel:</i>					
Conference Registration	1,214.53	14,733.67	26,500.00	11,766.33	44.4%
Conference Travel	-	345.00	3,000.00	2,655.00	88.5%
Local Meetings & Related Expenses	125.71	2,076.14	7,000.00	4,923.86	70.3%
Training & Professional Development	1,088.82	10,832.09	12,000.00	1,167.91	9.7%
	-	1,480.44	4,500.00	3,019.56	67.1%
<i>Communication:</i>					
Postage	1,184.32	9,200.31	13,950.00	4,749.69	34.0%
Telephone - LD	717.78	4,284.83	7,000.00	2,715.17	38.8%
Telephone - Local	132.10	887.66	1,950.00	1,062.34	54.5%
	334.44	4,027.82	5,000.00	972.18	19.4%
<i>Publications & Supplies</i>					
Office Supplies	1,191.07	17,043.34	24,500.00	7,456.66	30.4%
Duplication	197.95	2,908.47	5,300.00	2,391.53	45.1%
Public Information	993.12	12,616.47	13,200.00	583.53	4.4%
	-	1,518.40	6,000.00	4,481.60	74.7%

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

	<u>Current Month</u>	<u>Year To Date</u>	<u>Annual Budget</u>	<u>Balance Available</u>	<u>Balance %</u>
<i>Operations:</i>	474.47	14,168.38	23,150.00	8,981.62	38.8%
Furniture and Equipment	-	7,409.75	8,250.00	840.25	10.2%
Repairs and Maintenance	218.32	433.02	1,000.00	566.98	56.7%
Computers	256.15	6,325.61	13,900.00	7,574.39	54.5%
 <i>Other General and Administrative</i>	 677.31	 11,687.65	 6,350.00	 1,015.34	 16.0%
Subscriptions	-	427.00	750.00	323.00	43.1%
Memberships	-	974.00	1,100.00	126.00	11.5%
Fees and Miscellaneous	399.12	3,036.90	2,000.00	(1,036.90)	-51.8%
Advertising (Personnel/Procurement)	-	896.76	2,500.00	1,603.24	64.1%
40th Anniversary	278.19	6,352.99	-	-	0
Total Administrative Costs	<u>20,962.43</u>	<u>235,681.34</u>	<u>270,950.00</u>	<u>41,621.65</u>	<u>15.4%</u>
	<u>Contracting Services</u>				
Auditing	5,000.00	15,345.00	14,000.00	(1,345.00)	-9.6%
Consultants - Technical	-	-	1,000.00	1,000.00	100.0%
Legal	-	-	1,000.00	1,000.00	100.0%
Total Contract Services	<u>5,000.00</u>	<u>15,345.00</u>	<u>16,000.00</u>	<u>655.00</u>	<u>4.1%</u>
 Total Gross G&A Expenses	 <u>\$ 84,494.71</u>	 <u>\$ 946,116.59</u>	 <u>\$ 1,104,800.00</u>	 <u>\$ 165,036.40</u>	 <u>14.9%</u>

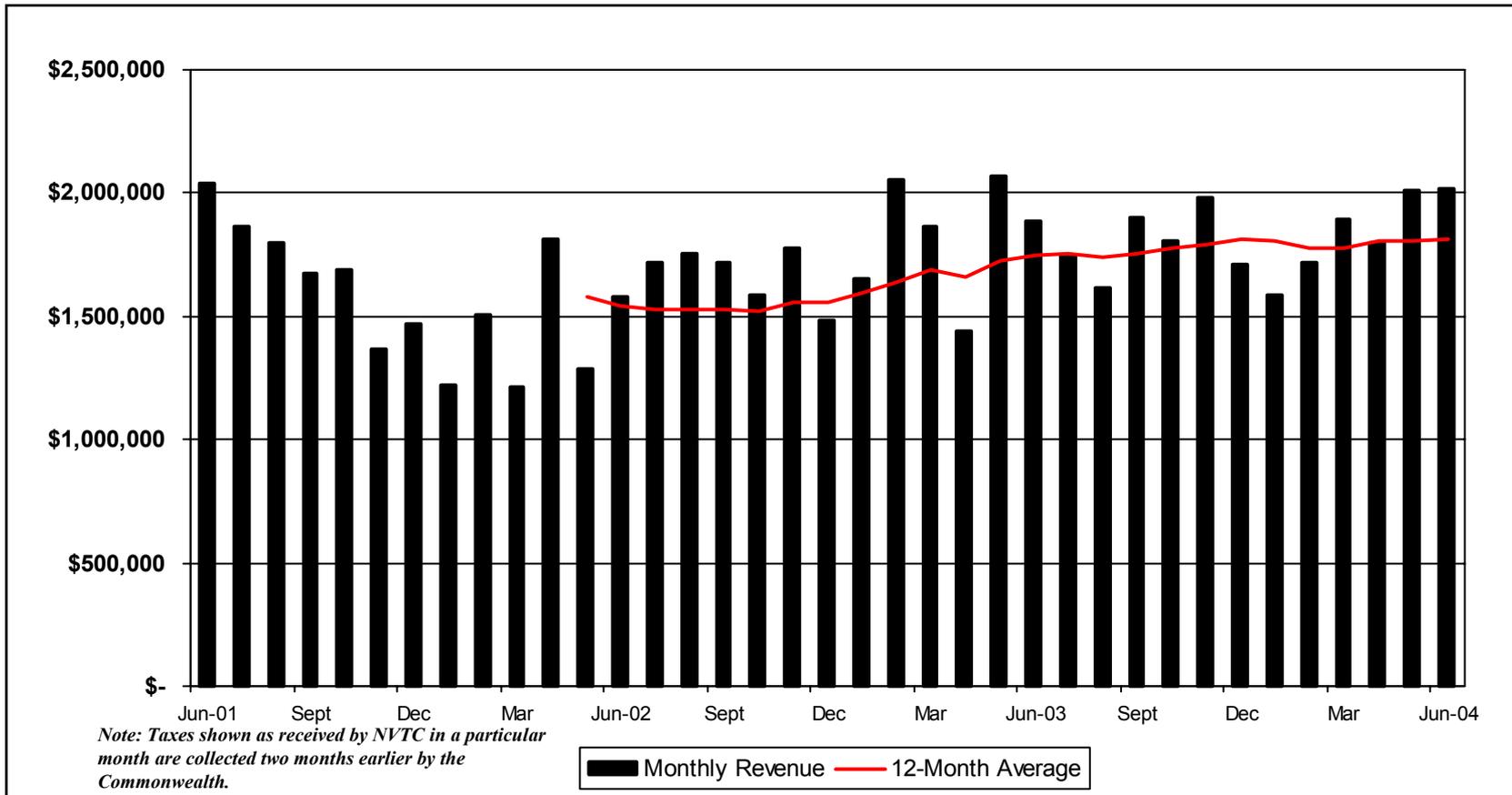
**NVTC
RECEIPTS and DISBURSEMENTS
June 2004**

<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						
1	FTA	SmarTrip grant receipt			\$ 454,394.00	
1	Staff	Expense reimbursement		35.20		
2	DRPT	SmarTrip grant receipt			292,571.00	
2	DRPT	Urban scholarship training program			329.00	
8	DRPT	Marketing grant receipt			570.00	
11	Dept. of Taxation	Motor vehicle fuels sales tax receipt			2,017,865.24	
11	DRPT	Falls Church bus grant receipt			82,795.00	
16	VRE	Reimbursement for staff support		16,466.76		
17	DRPT	FTM/Admin grant receipt			4,267,394.00	
17	DRPT	VTA Metrorail grant receipt			2,044,656.00	
24	DRPT	Falls Church bus grant receipt			1,380.00	
29	DRPT	Code red grant receipt			2,335.00	
29	DRPT	Bus stop shelter grant receipt			33,747.00	
30	Banks	June interest income		45.38	54,953.82	
			<u>-</u>	<u>16,547.34</u>	<u>9,252,990.06</u>	<u>-</u>
DISBURSEMENTS						
1-30	Various	NVTC project and administration	(91,468.38)			
2	CTS	SmarTrip costs incurred			(814,880.00)	
8	City of Fairfax	Other capital			(61,600.41)	
17	George Hoyt	Bus data consulting	(7,422.04)			
17	Maccarus	Code red costs incurred	(2,335.20)			
29	Fairfax County	Bus shelter costs incurred			(33,747.00)	
30	Wachovia Bank	June service fees	(54.94)	(3.32)		
			<u>(101,280.56)</u>	<u>(3.32)</u>	<u>(910,227.41)</u>	<u>-</u>
TRANSFERS						
10	Transfer	From LGIP to checking	32,422.00		(32,422.00)	
	Transfer	From savings to checking	50,000.00	(50,000.00)		
			<u>82,422.00</u>	<u>(50,000.00)</u>	<u>(32,422.00)</u>	<u>-</u>
NET INCREASE (DECREASE) FOR MONTH			<u>\$ (18,858.56)</u>	<u>\$ (33,455.98)</u>	<u>\$ 8,310,340.65</u>	<u>\$ -</u>

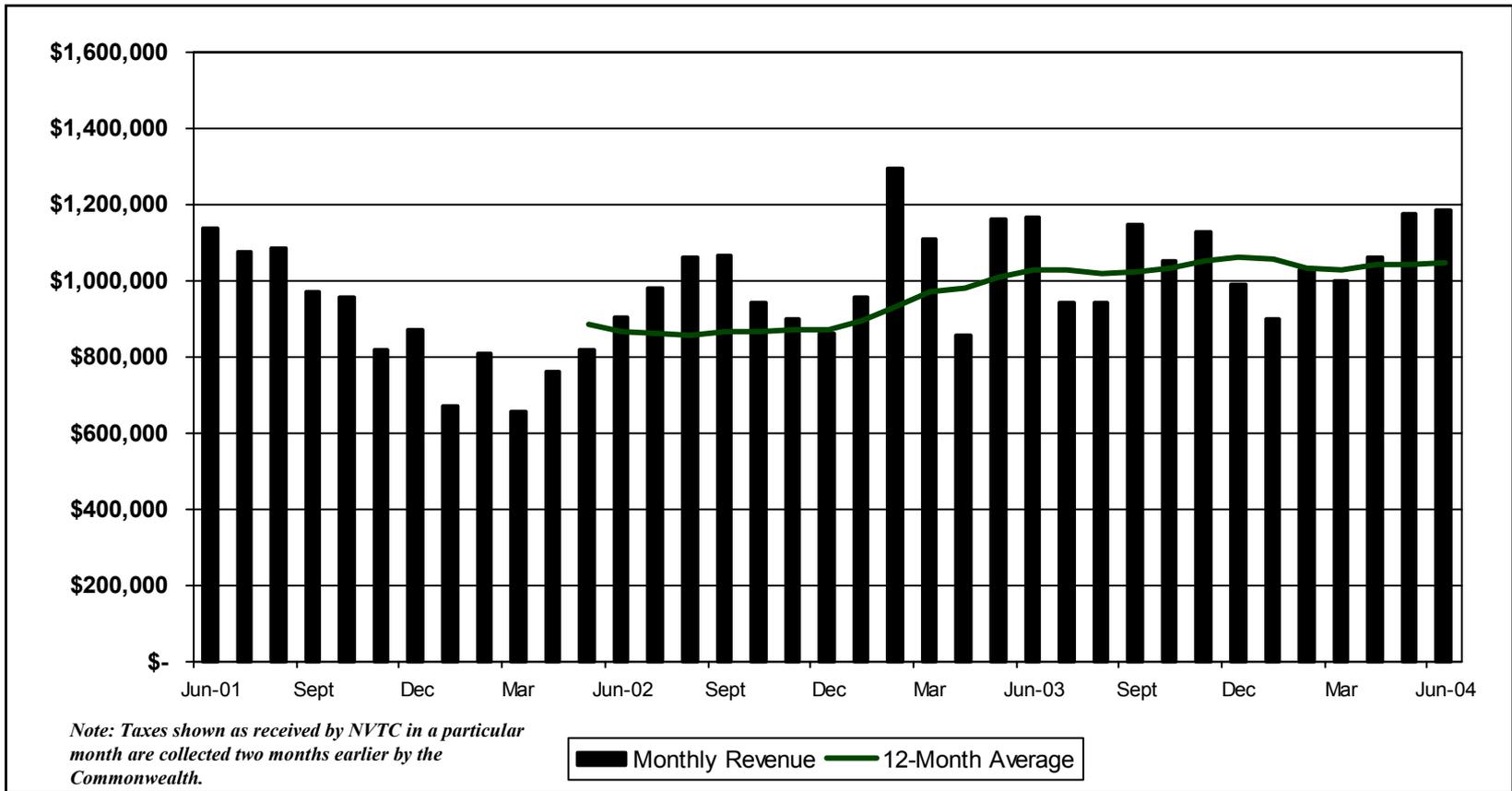
**NVTC
INVESTMENT REPORT
June 2004**

<u>Type</u>	<u>Rate</u>	<u>Balance 5/31/2004</u>	<u>Increase (Decrease)</u>	<u>Balance 6/30/2004</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	\$ 32,767.62	\$ (18,858.56)	\$ 13,909.06	\$ 13,909.06	\$ -	\$ -
1st Union: NVTC Savings	0.28%	181,823.72	(33,455.98)	148,367.74	148,367.74	-	-
<u>Investments - State Pool</u>							
Nations Bank - LGIP	1.09%	57,217,996.67	8,310,340.65	65,528,337.32	306,027.97	47,468,588.11	17,753,721.24
		<u>\$ 57,432,588.01</u>	<u>\$ 8,258,026.11</u>	<u>\$ 65,690,614.12</u>	<u>\$ 468,304.77</u>	<u>\$ 47,468,588.11</u>	<u>\$ 17,753,721.24</u>

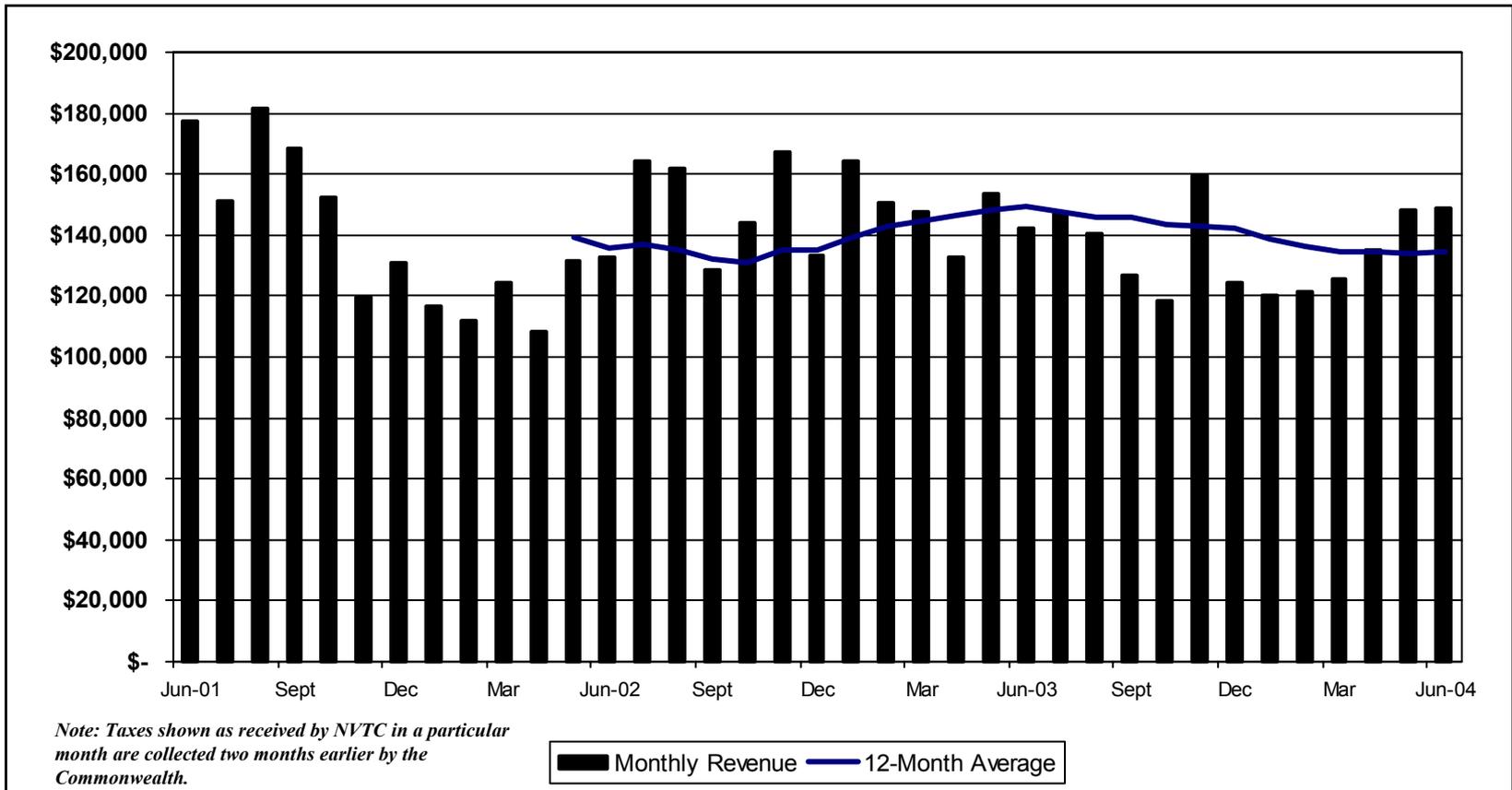
NVTC MONTHLY GAS TAX REVENUE ALL JURISDICTIONS FISCAL YEARS 2001-2004



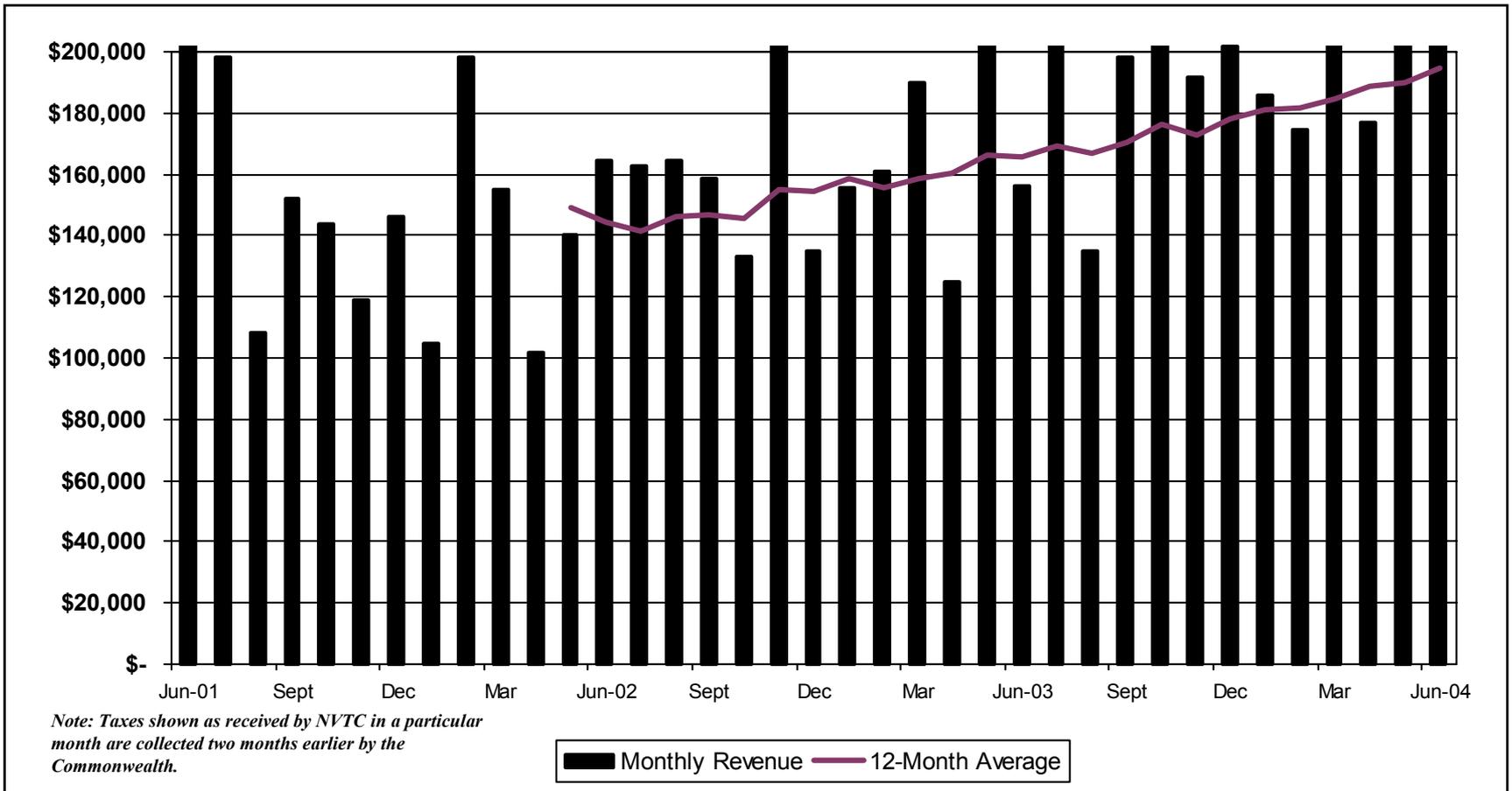
NVTC MONTHLY GAS TAX REVENUE FAIRFAX COUNTY FISCAL YEARS 2001-2004



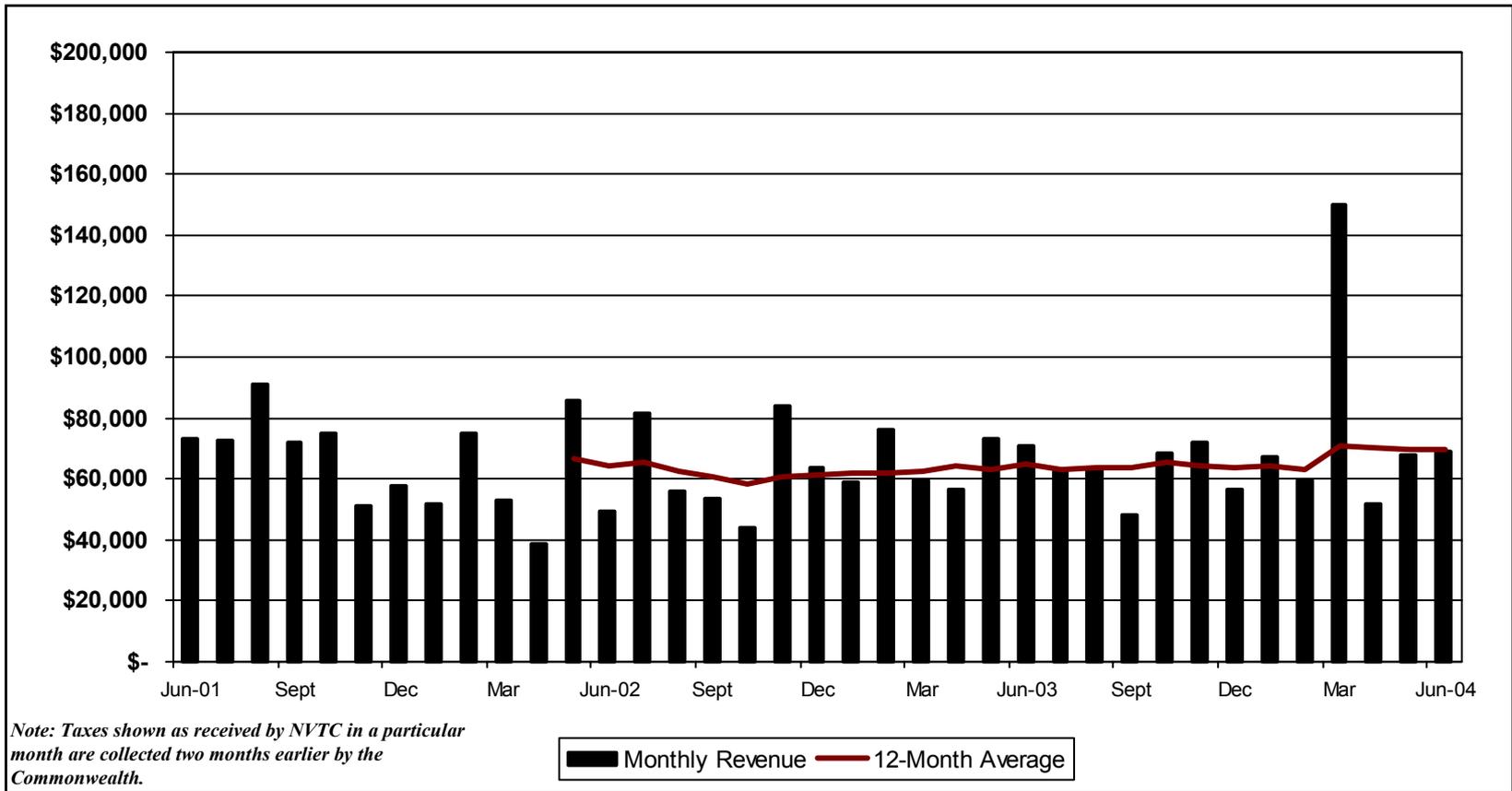
NVTC MONTHLY GAS TAX REVENUE CITY OF ALEXANDRIA FISCAL YEARS 2001-2004



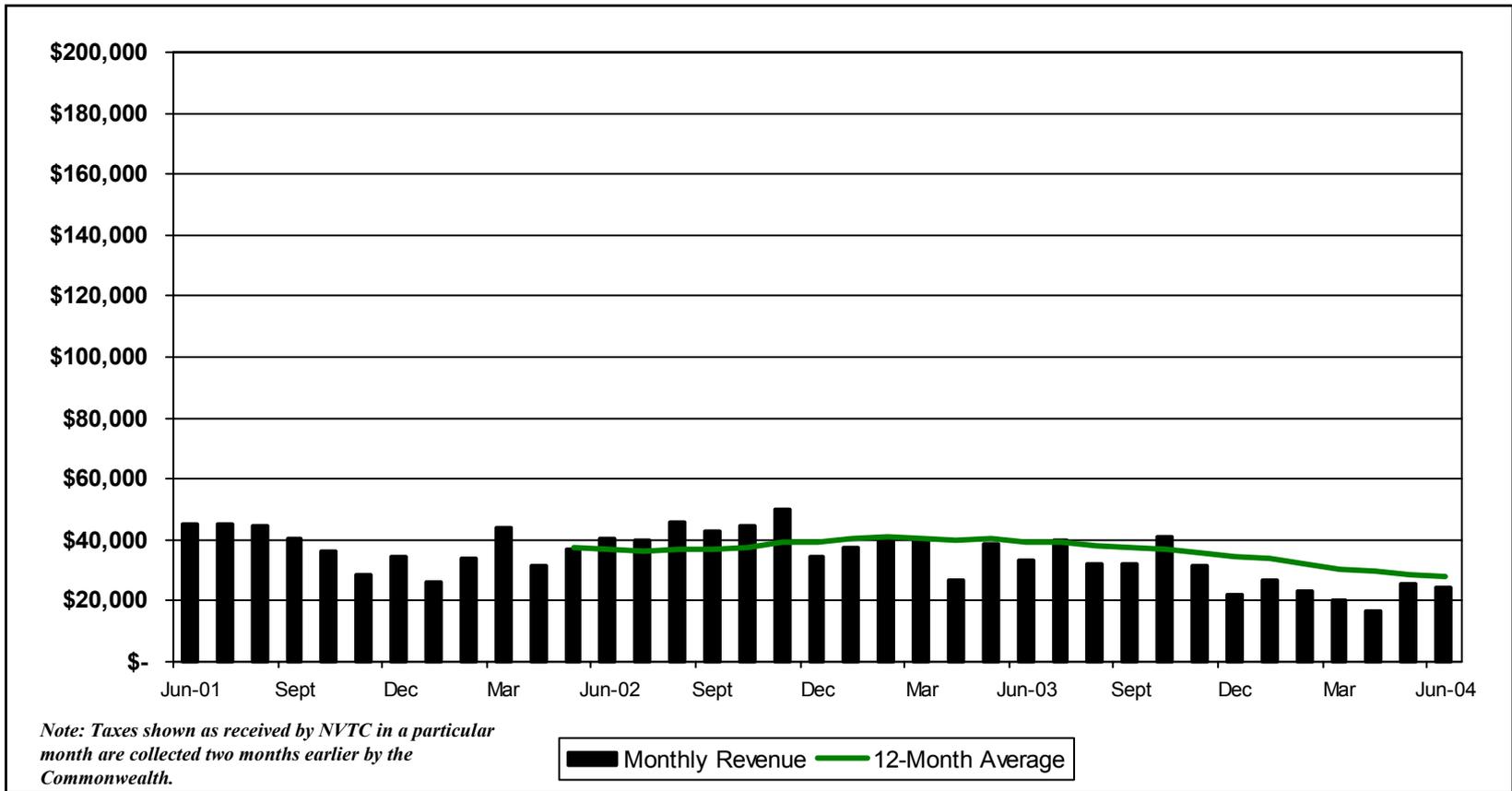
NVTC MONTHLY GAS TAX REVENUE ARLINGTON COUNTY FISCAL YEARS 2001-2004



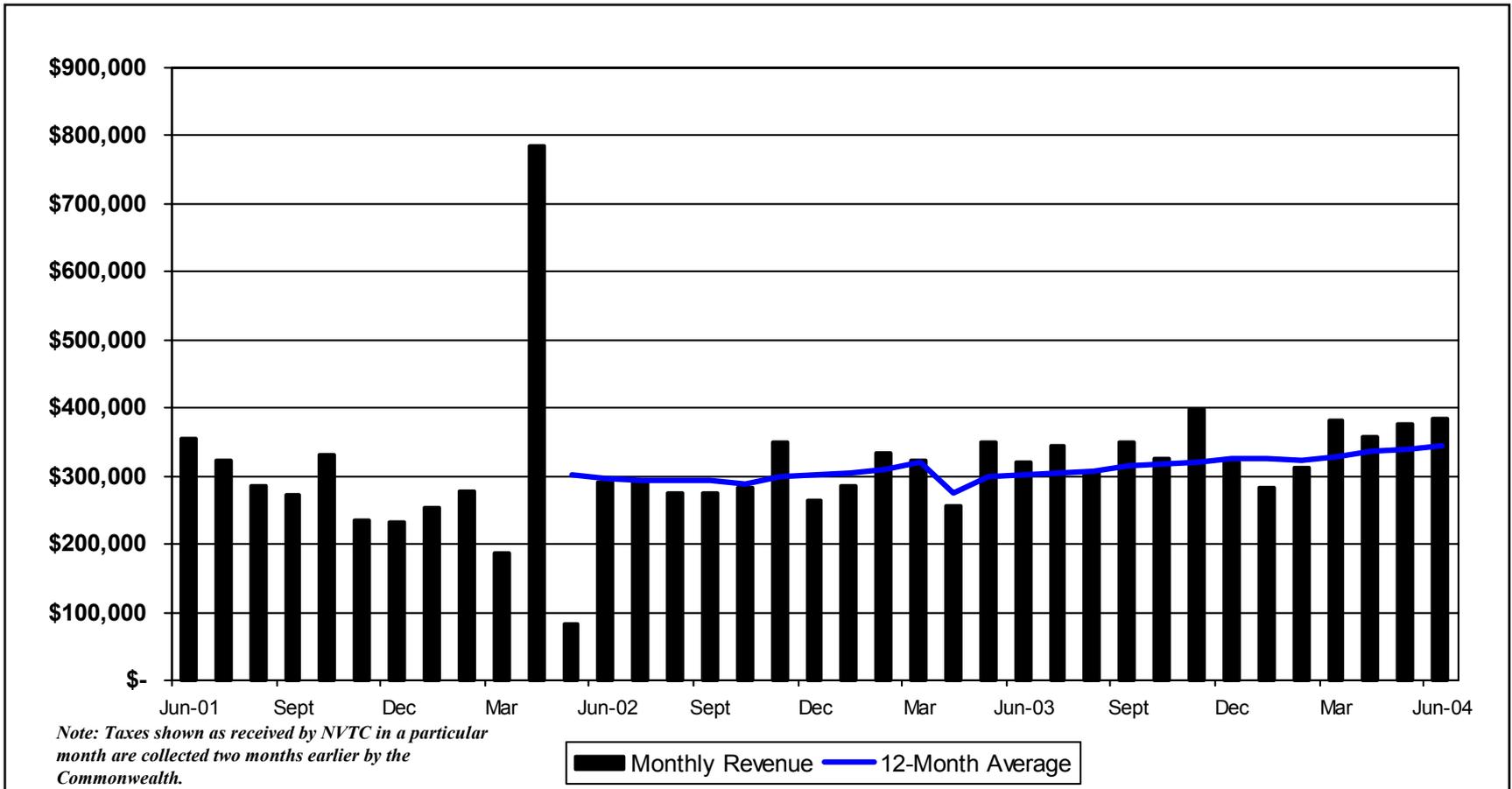
NVTC MONTHLY GAS TAX REVENUE CITY OF FAIRFAX FISCAL YEARS 2001-2004



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



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

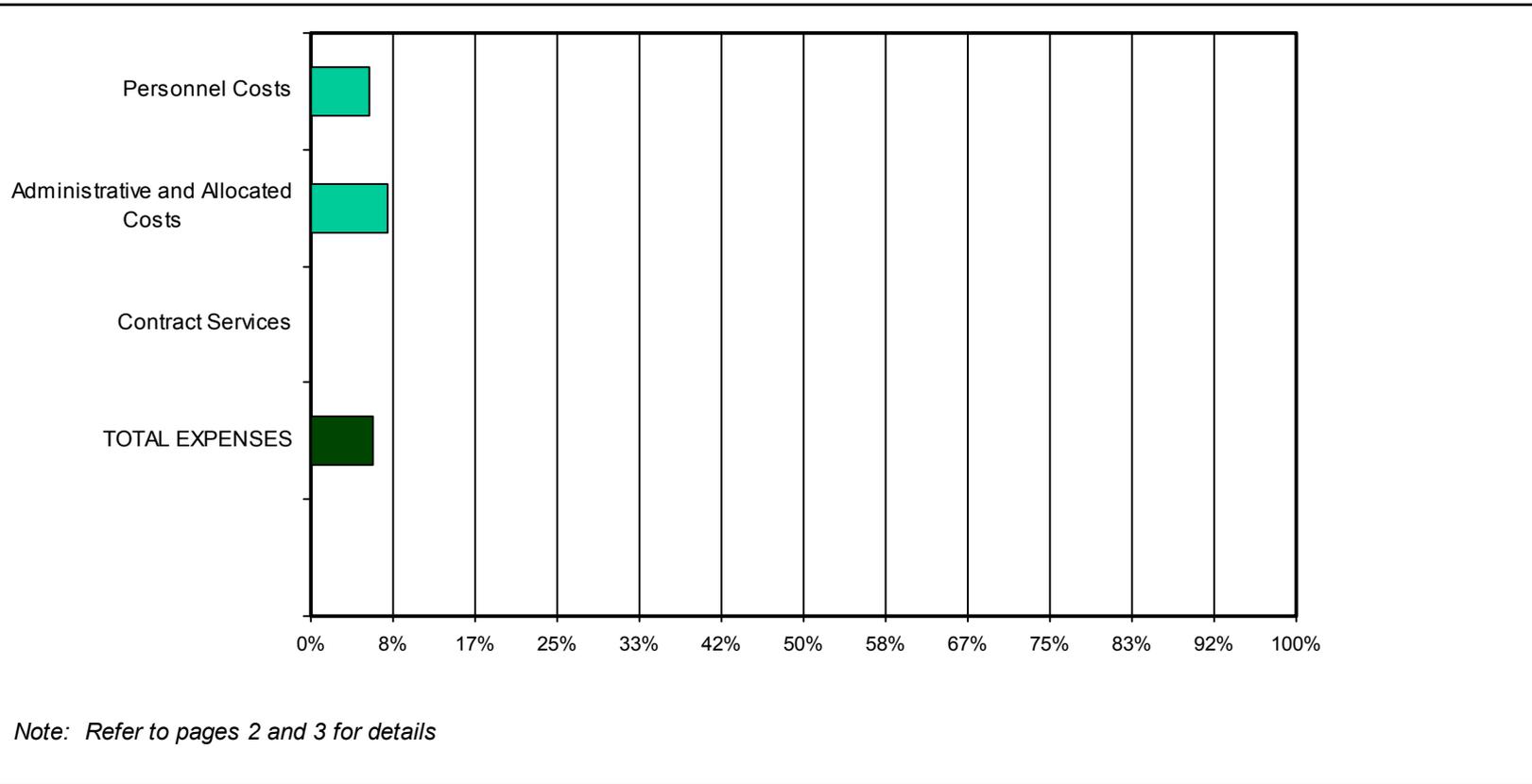


Northern Virginia Transportation Commission

Financial Reports

July, 2004

Percentage of FY 2005 NVTC Administrative Budget Used
July, 2004
(Target 8.33% or less)



NORTHERN VIRGINIA TRANSPORTATION COMMISSION
G&A BUDGET VARIANCE REPORT
July, 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	\$ 32,915.21	\$ 32,915.21	\$ 625,800.00	\$ 592,884.79	94.7%
Temporary Employee Services	-	-	1,000.00	1,000.00	100.0%
Total Personnel Costs	32,915.21	32,915.21	626,800.00	593,884.79	94.7%
<u>Benefits</u>					
Employer's Contributions:					
FICA	3,170.25	3,170.25	44,900.00	41,729.75	92.9%
Group Health Insurance	6,133.66	6,133.66	77,000.00	70,866.34	92.0%
Retirement	4,293.55	4,293.55	52,500.00	48,206.45	91.8%
Workmans & Unemployment Compensation	889.01	889.01	2,000.00	1,110.99	55.5%
Life Insurance	291.31	291.31	3,300.00	3,008.69	91.2%
Long Term Disability Insurance	229.86	229.86	3,450.00	3,220.14	93.3%
Total Benefit Costs	15,007.64	15,007.64	183,150.00	168,142.36	91.8%
<u>Administrative Costs</u>					
Commissioners Per Diem	1,050.00	1,050.00	15,250.00	14,200.00	93.1%
<i>Rents:</i>					
Office Rent	12,716.02	12,716.02	160,000.00	147,283.98	92.1%
Parking	480.00	480.00	11,500.00	11,020.00	95.8%
<i>Insurance:</i>					
Public Official Bonds	273.80	273.80	3,850.00	3,576.20	92.9%
Liability and Property	250.00	250.00	2,000.00	1,750.00	87.5%
	23.80	23.80	1,850.00	1,826.20	98.7%
<i>Travel:</i>					
Conference Registration	703.66	703.66	25,000.00	24,296.34	97.2%
Conference Travel	-	-	3,000.00	3,000.00	100.0%
Local Meetings & Related Expenses	-	-	5,500.00	5,500.00	100.0%
Training & Professional Development	703.66	703.66	12,000.00	11,296.34	94.1%
	-	-	4,500.00	4,500.00	100.0%
<i>Communication:</i>					
Postage	454.47	454.47	13,800.00	13,345.53	96.7%
Telephone - LD	79.69	79.69	7,000.00	6,920.31	98.9%
Telephone - Local	17.63	17.63	1,800.00	1,782.37	99.0%
	357.15	357.15	5,000.00	4,642.85	92.9%
<i>Publications & Supplies</i>					
Office Supplies	1,885.48	1,885.48	24,500.00	22,614.52	92.3%
Duplication	118.36	118.36	5,300.00	5,181.64	97.8%
Public Information	1,767.12	1,767.12	13,200.00	11,432.88	86.6%
	-	-	6,000.00	6,000.00	100.0%

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

	<u>Current Month</u>	<u>Year To Date</u>	<u>Annual Budget</u>	<u>Balance Available</u>	<u>Balance %</u>
<i>Operations:</i>	2,786.65	2,786.65	23,500.00	20,713.35	88.1%
Furniture and Equipment	2,339.75	2,339.75	8,000.00	5,660.25	70.8%
Repairs and Maintenance	-	-	1,000.00	1,000.00	100.0%
Computers	446.90	446.90	14,500.00	14,053.10	96.9%
<i>Other General and Administrative</i>	1,274.16	1,274.16	6,300.00	5,025.84	79.8%
Subscriptions	-	-	500.00	500.00	100.0%
Memberships	1,232.00	1,232.00	1,200.00	(32.00)	-2.7%
Fees and Miscellaneous	42.16	42.16	2,300.00	2,257.84	98.2%
Advertising (Personnel/Procurement)	-	-	2,300.00	2,300.00	100.0%
40th Anniversary	-	-	-	-	0
Total Administrative Costs	<u>21,144.24</u>	<u>21,144.24</u>	<u>272,200.00</u>	<u>251,055.76</u>	<u>92.2%</u>
	<u>Contracting Services</u>				
Auditing	-	-	14,000.00	14,000.00	100.0%
Consultants - Technical	-	-	1,000.00	1,000.00	100.0%
Legal	-	-	1,000.00	1,000.00	100.0%
Total Contract Services	<u>-</u>	<u>-</u>	<u>16,000.00</u>	<u>16,000.00</u>	<u>100.0%</u>
 Total Gross G&A Expenses	<u>\$ 69,067.09</u>	<u>\$ 69,067.09</u>	<u>\$ 1,098,150.00</u>	<u>\$ 1,029,082.91</u>	<u>93.7%</u>

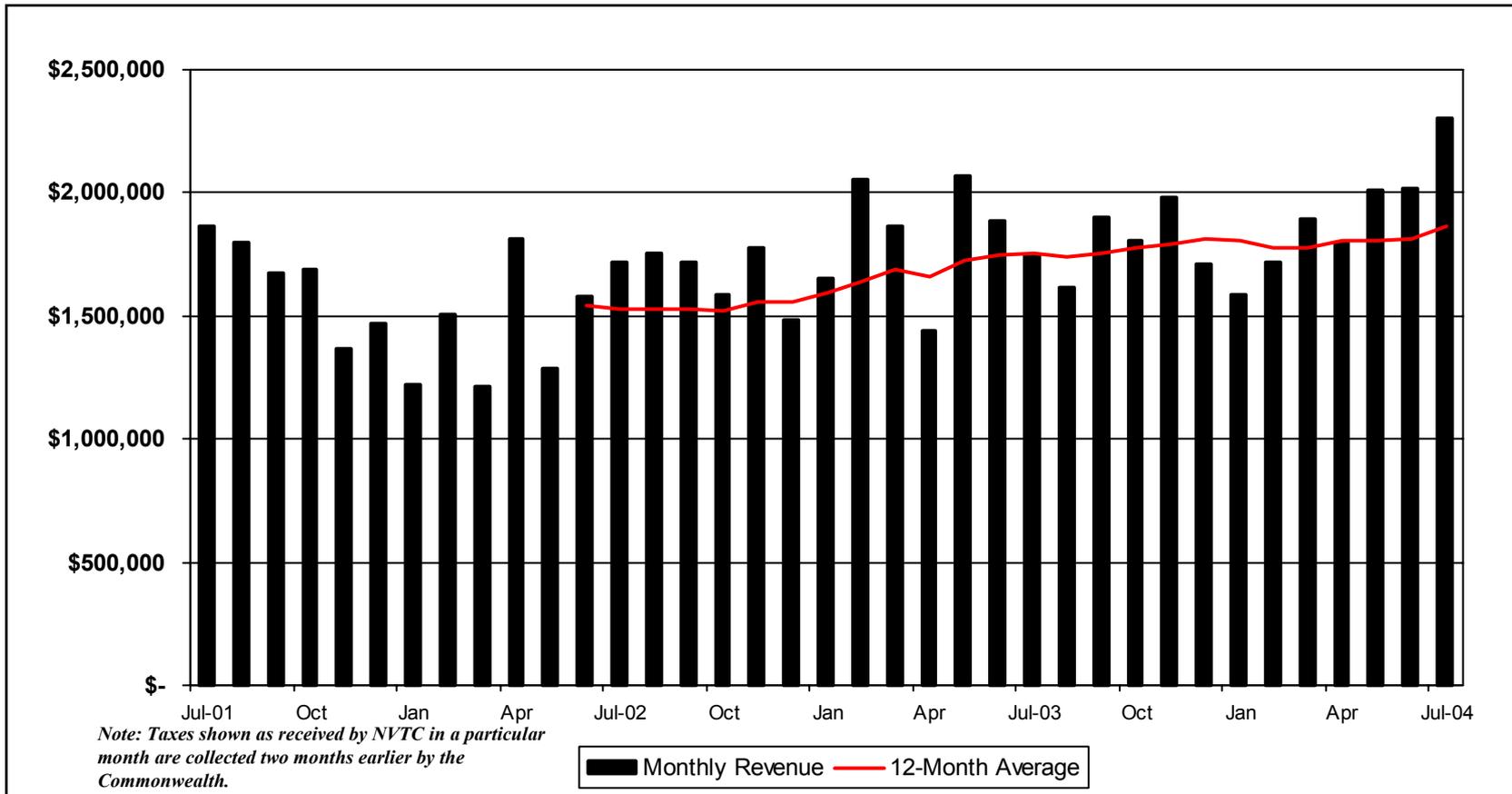
**NVTC
RECEIPTS and DISBURSEMENTS
July 2004**

<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						
2	DRPT	Marketing grant receipt			\$ 6,459.00	
2	DRPT	Bus stop shelter grant receipt			19,542.00	
7	City of Alexandria	G&A contribution		12,479.50		
7	Fairfax County	G&A contribution		83,288.50		
7	Loudoun County	G&A contribution			3,091.50	
7	Staff	Expense reimbursement		9.36		
13	Dept. of Taxation	Motor vehicle fuels sales tax receipt			2,305,556.32	
16	Arlington County	G&A contribution		18,059.50		
19	City of Fairfax	G&A contribution		3,150.50		
29	VRE	Reimbursement for staff support		7,870.44		
29	Staff	Expense reimbursement		54.91		
31	Banks	July interest income		79.69	49,106.18	
			<u>-</u>	<u>124,992.40</u>	<u>2,383,755.00</u>	<u>-</u>
DISBURSEMENTS						
1-31	Various	NVTC project and administration	(86,064.85)			
1	WMATA	Falls Church bus net operating costs			(103,493.59)	
1	Fairfax County	Other operating			(341,000.00)	
1	WMATA	Bus operating			(9,902,730.00)	
1	WMATA	Rail operating			(6,248,759.00)	
1	WMATA	Bus capital			(443,263.00)	
1	WMATA	Rail Capital			(2,085,895.00)	
1	WMATA	Debt service			(1,853,125.00)	
6	City of Alexandria	Bus shelter costs incurred			(19,542.00)	
7	Loudoun County	Other operating			(3,091.50)	
8	Arlington County	Other operating			(142,992.00)	
16	George Hoyt	Bus data consulting	(8,570.52)			
30	City of Fairfax	Other capital			(41,066.94)	
30	City of Fairfax	Other operating			(538,757.00)	
31	Wachovia Bank	July service fees	(42.00)	(0.16)	-	
			<u>(94,677.37)</u>	<u>(0.16)</u>	<u>(21,723,715.03)</u>	<u>-</u>
TRANSFERS						
8	Transfer	From savings to checking	30,000.00	(30,000.00)		
16	Transfer	From savings to checking	10,000.00	(10,000.00)		
23	Transfer	From savings to checking	48,000.00	(48,000.00)		
			<u>88,000.00</u>	<u>(88,000.00)</u>	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) FOR MONTH			<u>\$ (6,677.37)</u>	<u>\$ 36,992.24</u>	<u>\$ (19,339,960.03)</u>	<u>\$ -</u>

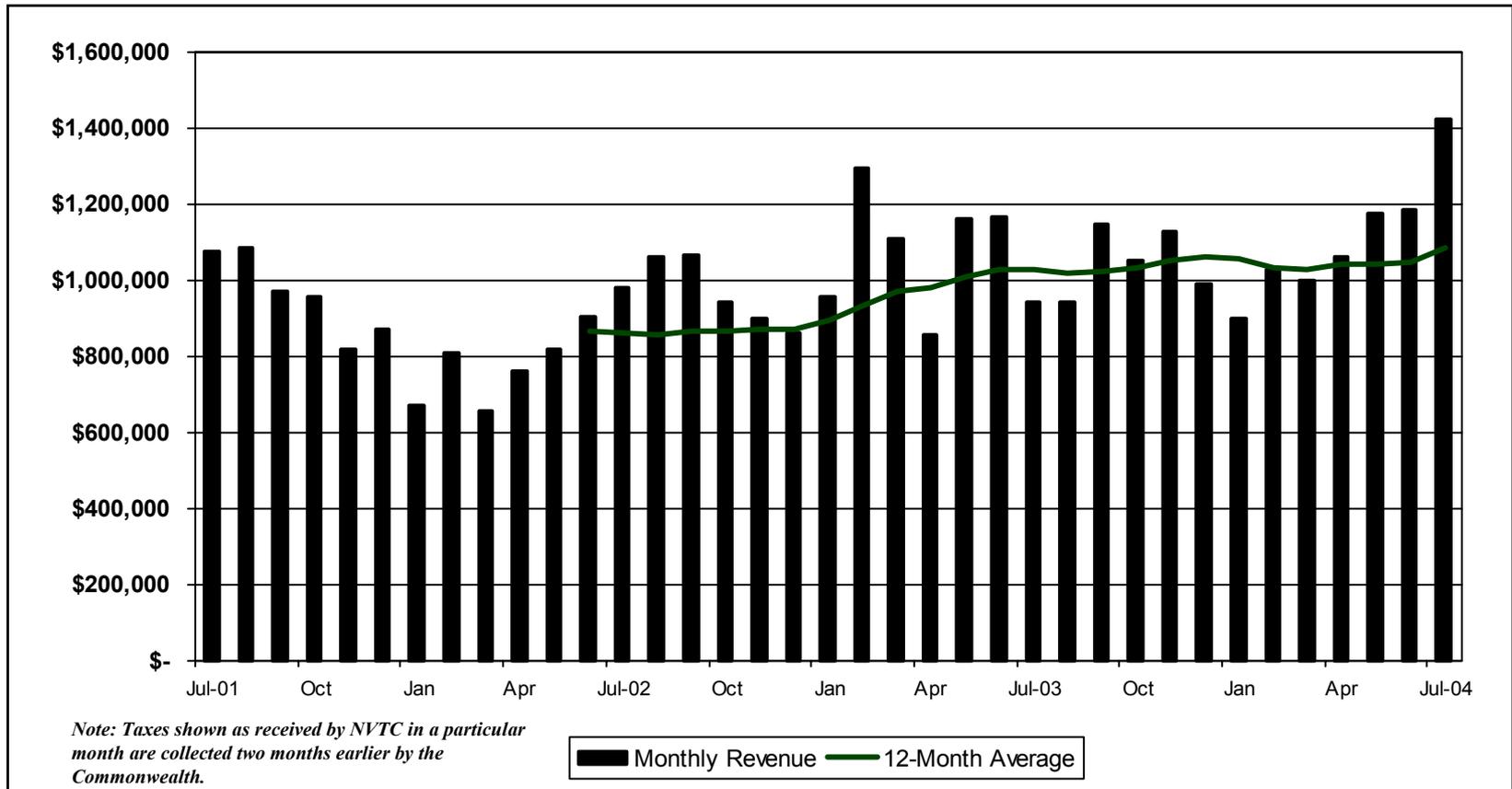
**NVTC
INVESTMENT REPORT
July 2004**

<u>Type</u>	<u>Rate</u>	<u>Balance 6/30/2004</u>	<u>Increase (Decrease)</u>	<u>Balance 7/31/2004</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	\$ 13,909.06	\$ (6,677.37)	\$ 7,231.69	\$ 7,231.69	-	-
1st Union: NVTC Savings	0.50%	148,367.74	36,992.24	185,359.98	185,359.98	-	-
<u>Investments - State Pool</u>							
Nations Bank - LGIP	1.26%	65,528,337.32	(19,339,960.03)	46,188,377.29	90,131.08	27,867,777.46	18,230,468.75
		<u>\$ 65,690,614.12</u>	<u>\$ (19,309,645.16)</u>	<u>\$ 46,380,968.96</u>	<u>\$ 282,722.75</u>	<u>\$ 27,867,777.46</u>	<u>\$ 18,230,468.75</u>

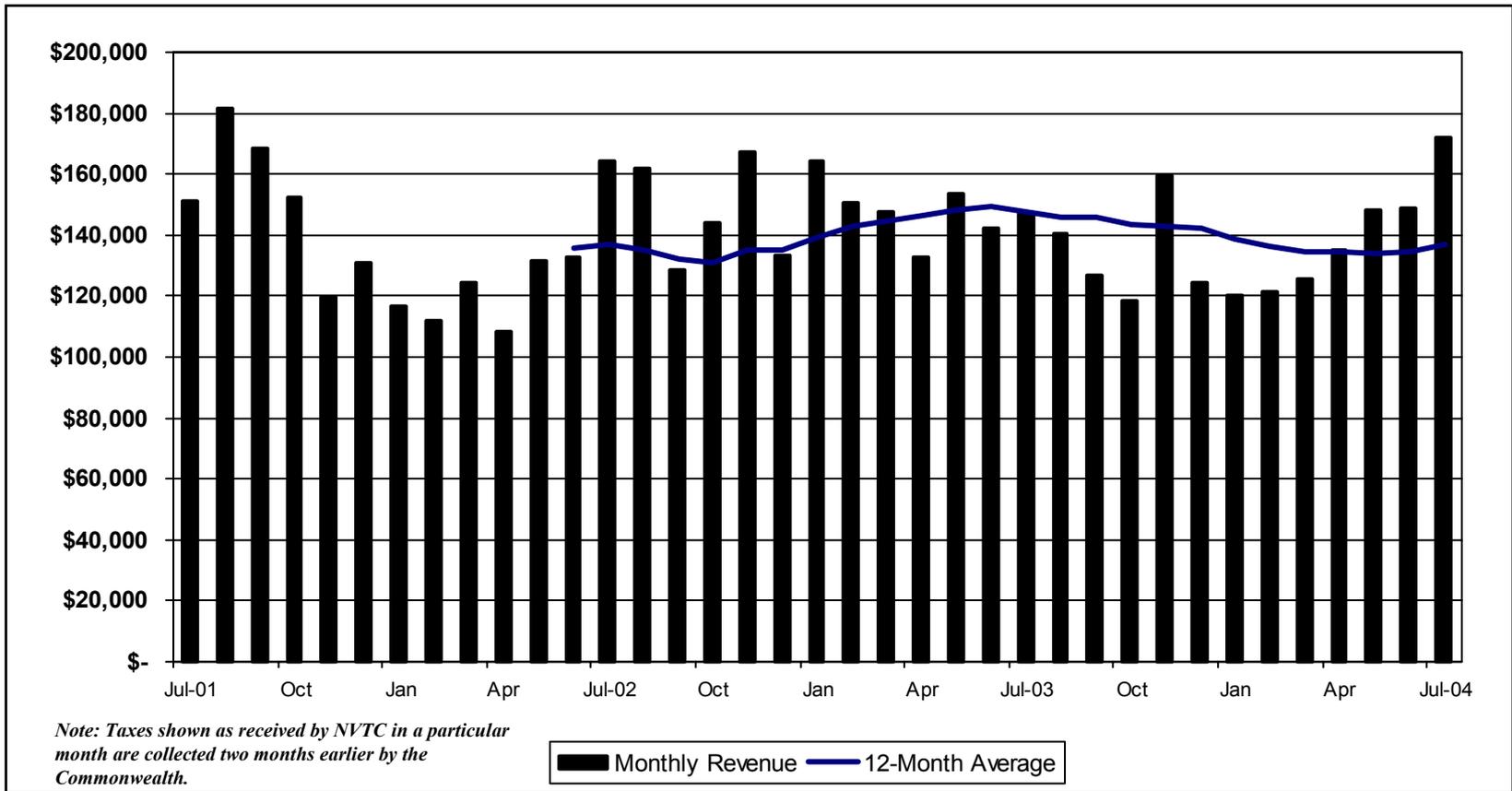
NVTC MONTHLY GAS TAX REVENUE ALL JURISDICTIONS FISCAL YEARS 2001-2004



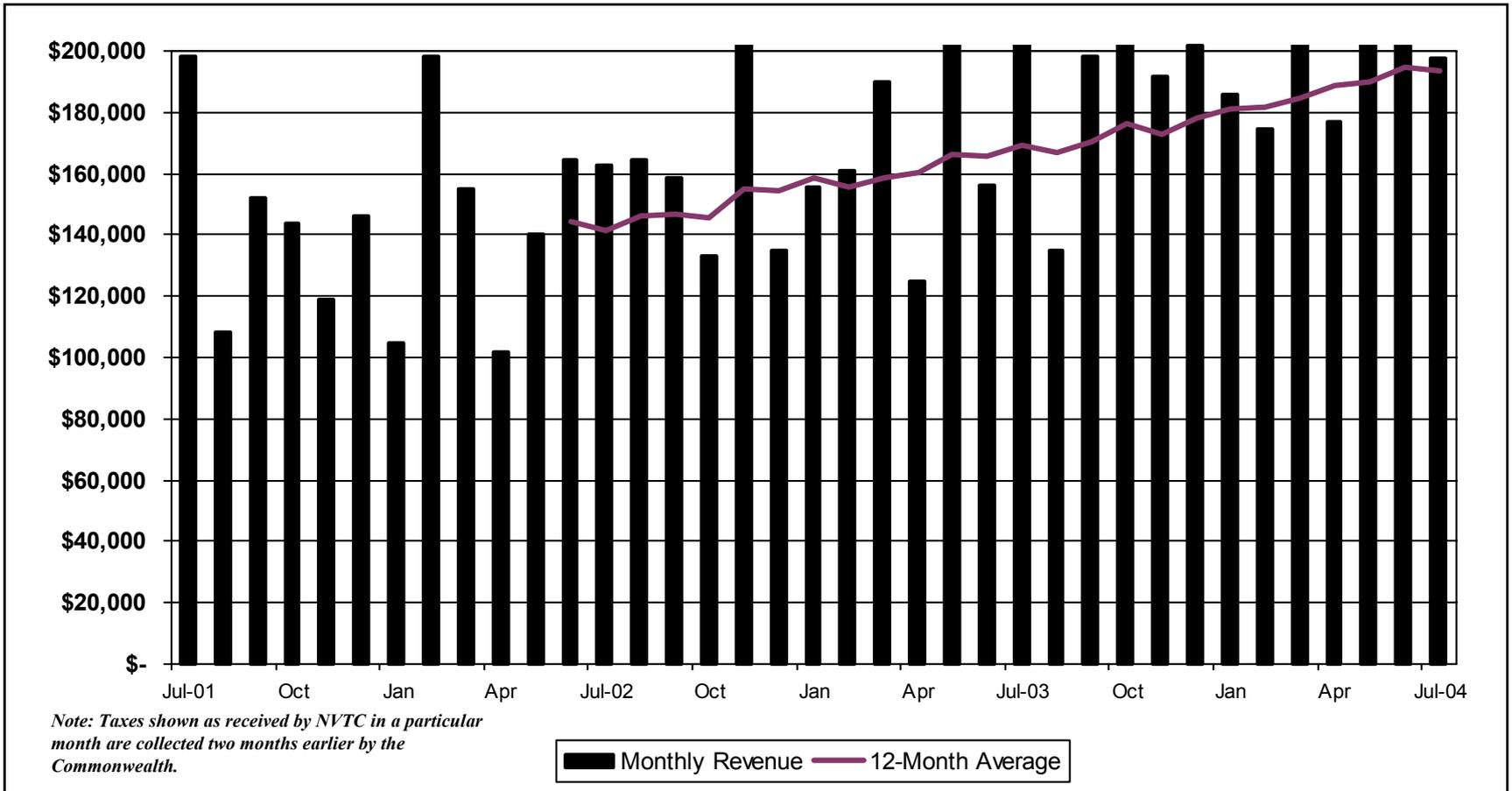
NVTC MONTHLY GAS TAX REVENUE FAIRFAX COUNTY FISCAL YEARS 2001-2004



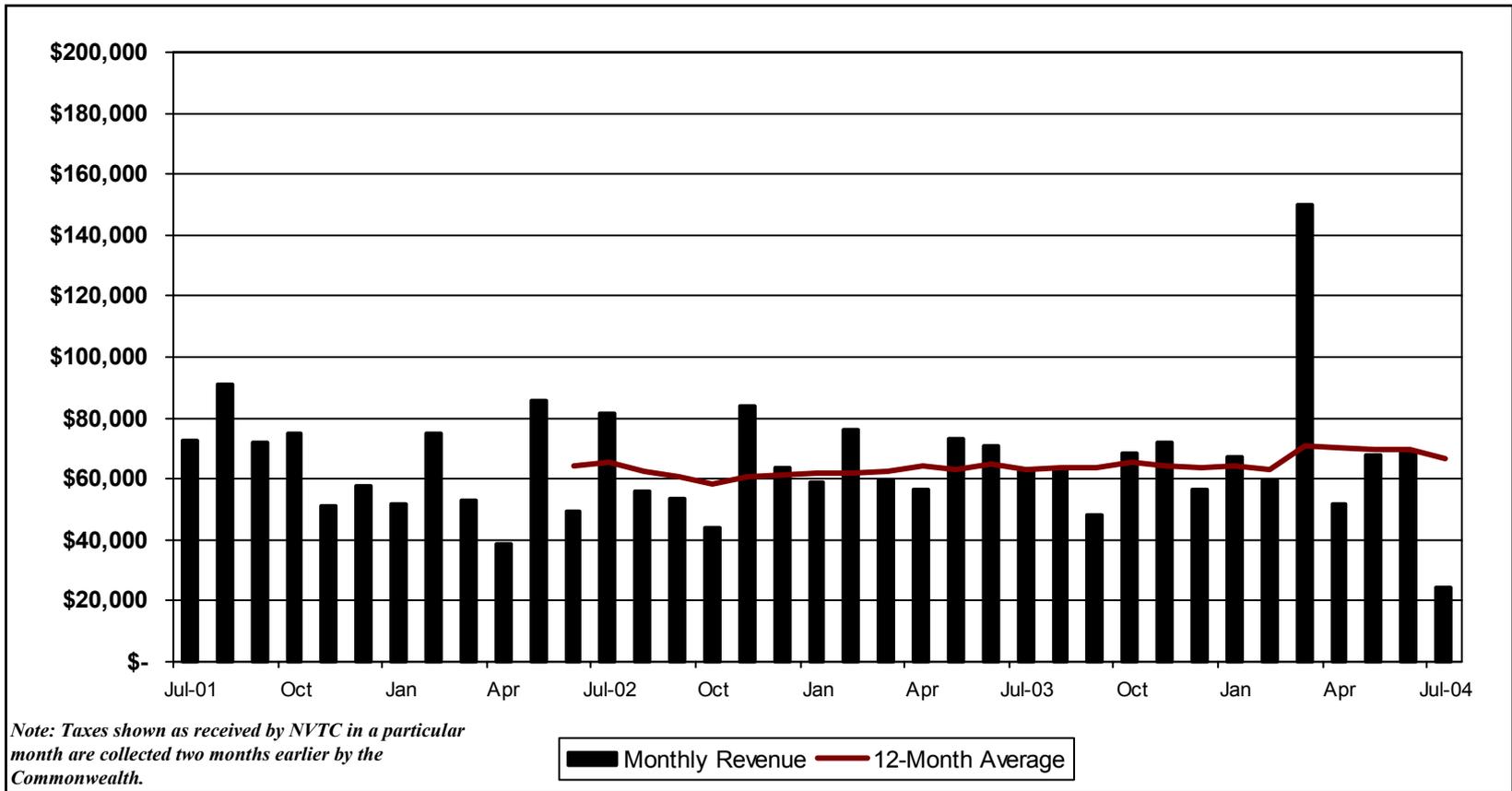
NVTC MONTHLY GAS TAX REVENUE CITY OF ALEXANDRIA FISCAL YEARS 2001-2004



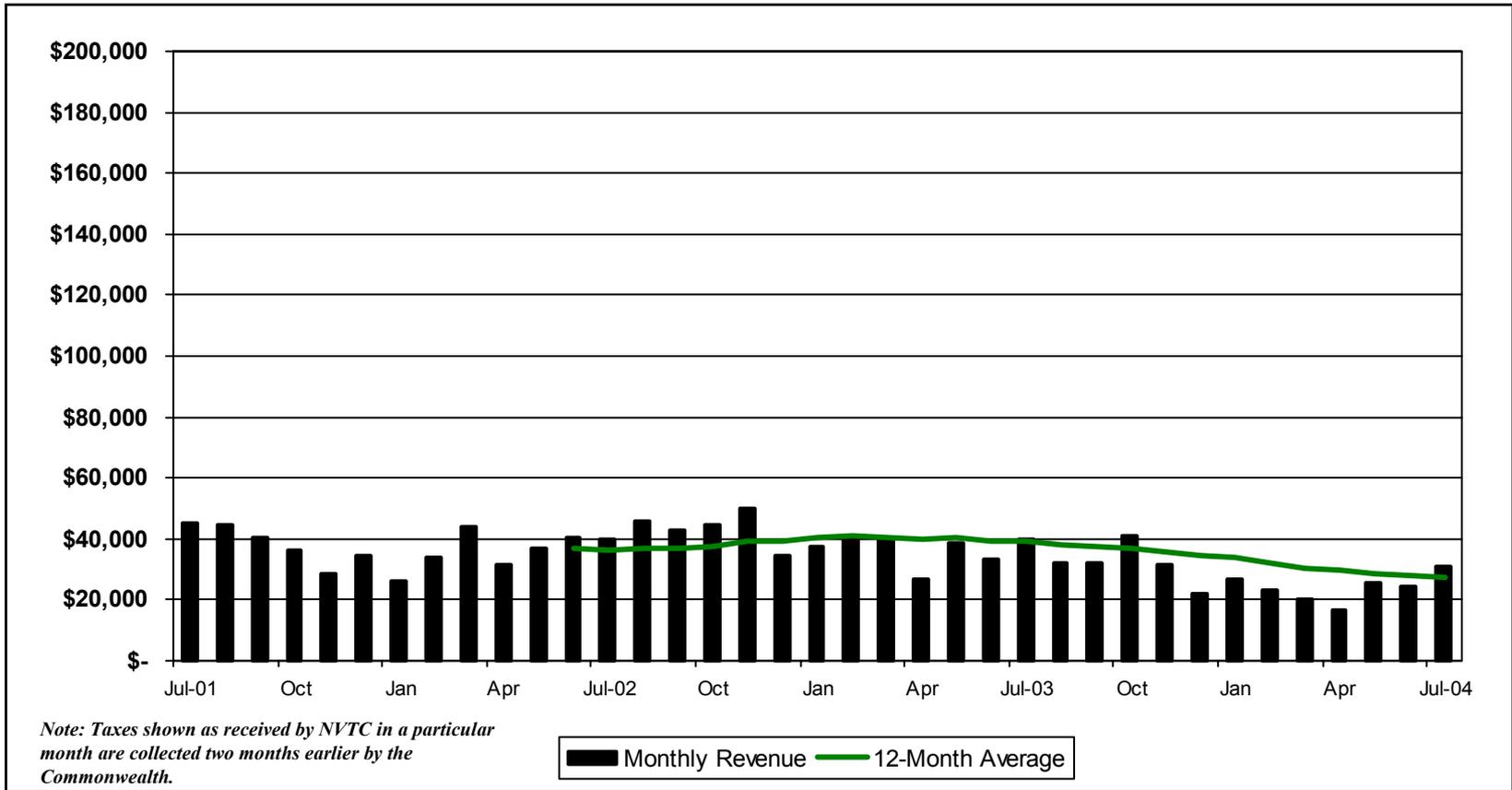
NVTC MONTHLY GAS TAX REVENUE ARLINGTON COUNTY FISCAL YEARS 2001-2004



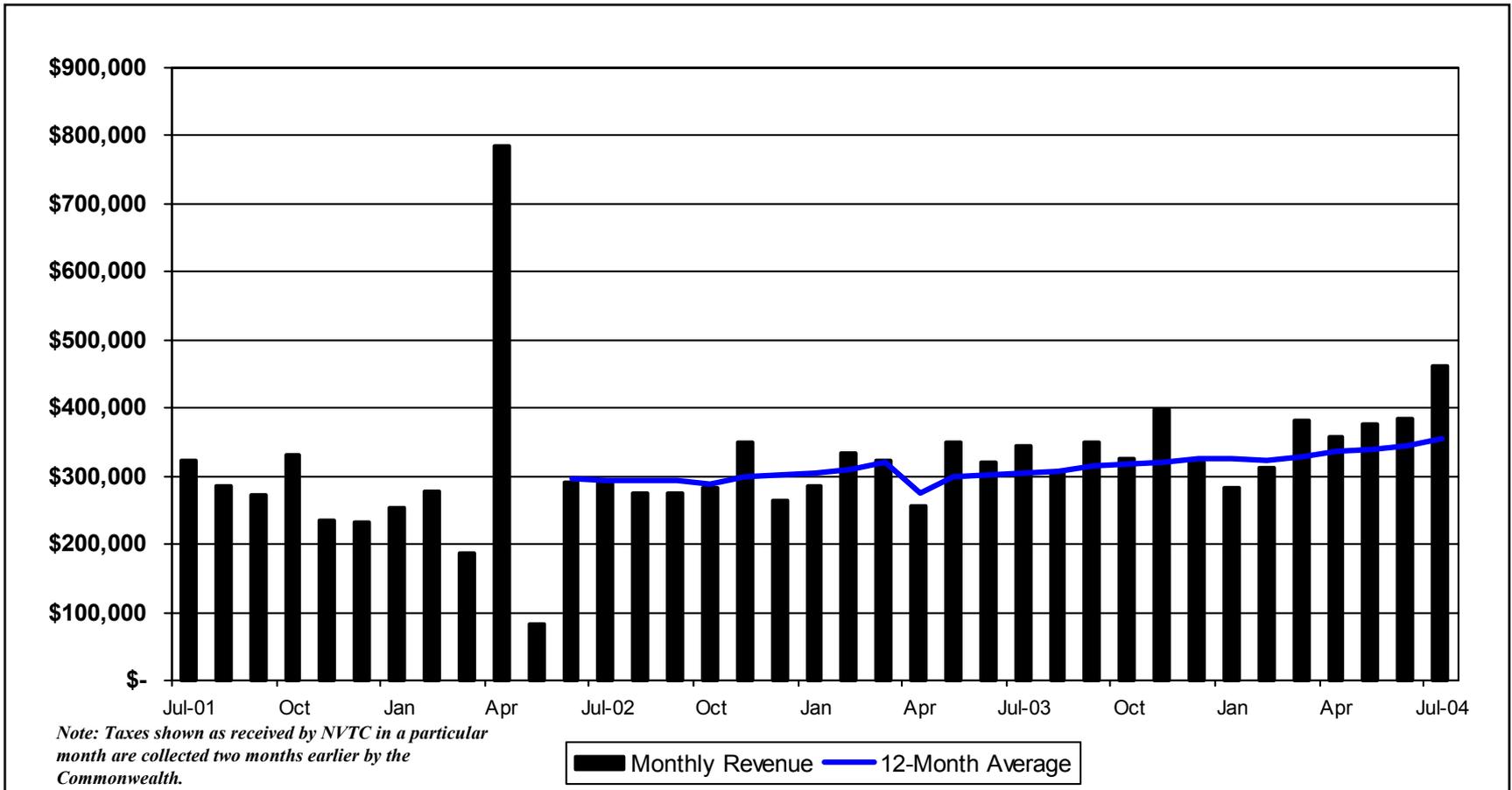
NVTC MONTHLY GAS TAX REVENUE CITY OF FAIRFAX FISCAL YEARS 2001-2004



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: August 26, 2004
SUBJECT: VRE Items

- A. Report from the VRE Operations Board (including minutes of the meeting of August 20, 2004) and from the VRE CEO—Information Item.
- B. Preliminary FY 2006 Budget Recommendations—Action Item/Resolution #1039.
- C. Equipment Specialist and Purchasing Administrator—Action Item/Resolution #1040.
- D. Service Contract for SmarTrip Project Engineer—Action Item/Resolution #1041.
- E. Renewal of Line of Credit—Action Item/Resolution #1042.
- F. Construction Contact Award for Broad Run Pit—Action Item/Resolution #1043.
- G. Construction Contract Award for Quantico Station—Action Item/Resolution #1044.
- H. Contract Award for Facilities Maintenance—Action Item/Resolution #1045.
- I. Contract Award for Integrated Financial Management Software—Action Item/Resolution #1046.
- J. Contract Award for Locomotive Fuel Supply—Action Item/Resolution #1047.
- K. Task Order to Rail Plan International—Action Item/Resolution #1048.
- L. Customer Opinion Survey (May, 2004)—Information Item.

Item #14A

Report from the VRE Operations Board and CEO

Minutes are attached from the board meeting of August 20, 2004. Also attached are excerpts from VRE's CEO's report as well as news articles of interest.



CHIEF EXECUTIVE OFFICER'S REPORT

August 2004

THE "SEPTEMBER SURGE"

Each September as everyone goes back to work and school, VRE experiences what staff has affectionately dubbed the "September Surge." Traditionally, Metro Washington workers going back to their regular, non-summer routines fuel this surge. With Congress back in session and school resuming, traffic worsens. The surge begins about the second week of September and lasts through September and October. Additionally, we expect even more riders this year as those being delayed at checkpoints look for alternative transportation modes.

In previous years, the "surge" caused our ridership to rise 15% or more. However, the difference between 2004 and previous years is our current inability to handle the influx. In earlier years, we have been able to absorb these surges and welcomed them because we had excess capacity that we were glad to fill. However, as trains have become fuller and parking scarcer, this may not be a possibility. Consequently, the September surge could bring some significant dissatisfaction among our riders.

Generally, this dissatisfaction comes from the closer-in riders who cannot find a seat, or the more distant train riders who cannot find parking. Additionally, several afternoon trains are already at capacity with more than 100 standees daily. These trains are the biggest train sets we operate and we cannot add any more cars to them at this time. As a result, more people may be standing or worse not be able to get on board.

I am bringing the "September Surge" possibility to the Board's attention because, although VRE looks forward to welcoming new and old riders, extremely crowded conditions will create concerns amongst our ridership and questions about increasing capacity. As the fall progresses, we will continue to keep the board updated on the affects of the September surge and keep our eyes open for even more ways to accommodate our riders, both old and new alike.

SUMMER RIDERSHIP TRENDS

Ridership has continued to increase during June and July 2004, eclipsing all previous ridership numbers. In previous years VRE once saw moderate growth while school was out and families took vacations, but this year VRE posted daily ridership numbers higher than anytime in our history. As a matter of fact, twice during June ridership eclipsed 16,000 and that total has only been achieved on two other occasions in our history.

VRE made 30,794 more passenger trips in June of 2004 than we did in June 2003.

To clearly see the positive growth of our system, one needs only to look at the fact that we posted over 325,000 passenger trips during the month. That ridership number is the highest one-month total ever for the month of June.

MONTHLY REVIEW OF RIDERSHIP	AVERAGE DAILY RIDERS
VRE June 2004 Average Daily Riders	14,804
VRE June 2003 Average Daily Riders	14,042
PERCENTAGE INCREASE	5.4%

As for July, a month that usually sees an easing of demand on the system as more people opt into vacations and use flex time to be with their families, we again posted exceptional numbers breaking 15,000 daily as the average for the month.

Again, we saw twelve days where service was above 15,000 cresting near 16,000 several times. And the comparables show that we made 13,000 more passenger trips in July 2004 than in July 2003 – with one less service day.

MONTHLY REVIEW OF RIDERSHIP	AVERAGE DAILY RIDERS
VRE July 2004 Average Daily Riders	15,051
VRE July 2003 Average Daily Riders	13,904
PERCENTAGE INCREASE	8.3%

To see the continued positive growth of our system as we head into the new fiscal year, one needs only to look at the fact that we posted almost 317,000 passenger trips during the month. That ridership number is the highest one-month total ever for the month of July.

ON-TIME PERFORMANCE

On time performance for June and July has remained varied and has not shown significant improvement or decline as compared to prior months. The Manassas Line trains continue to outperforms the Fredericksburg Line trains its, with on-time percentages of 92 and 94 percent for June and July, respectively. The Fredericksburg Line continued to be plagued by delays and was on time 75 percent of the time in June and only 68 percent in July.

MONTHLY ON-TIME PERFORMANCE	ON-TIME PERCENTAGE
VRE June 2004 Fredericksburg OTP Average	75%
VRE June 2004 Manassas OTP Average	92%
VRE JUNE 2004 OVERALL ON-TIME PERFORMANCE	84%

MONTHLY ON-TIME PERFORMANCE	ON-TIME PERCENTAGE
VRE July 2004 Fredericksburg OTP Average	68%
VRE July 2004 Manassas OTP Average	94%
VRE JULY 2004 OVERALL ON-TIME PERFORMANCE	81%

Principal among the causes of delay, especially on the Fredericksburg line, are continued interference from freight trains. Between 50 and 70 percent of train delays—roughly 22-23 percent of all delays—are a result of freight delays. These figures speak to a larger problem of railway crowding and demonstrate the need for capital improvements to the rail system to aid in alleviating this trouble.

Second to train interference delays, are those caused by heat restrictions. They are also seen more often on the Fredericksburg line, accounting for as many as 30 percent of delays, particularly in July. While this summer has been quite warm, it has not been significantly hotter than others on record, and delays due to weather are in-line similar past summers.

June 2004 Train Delays	REASON	TOTALS	PERCENT
	Signal/Switch Failure	22	21%
	Slow Orders	2	2%
	M/W	4	4%
	Train Interference	46	43%
	AMTRAK	10	22%
	Freight	25	54%
	VRE	11	24%
	Mechanical Failure	8	7%
	Late Turn	1	1%
	PAX Handling	1	1%
	Weather	15	14%
	Crew Related	0	0%
	Other	8	7%
TOTAL	107	100%	

July 2004 Train Delays	REASON	TOTALS	PERCENT
	Signal/Switch Failure	5	5%
	Slow Orders	13	12%
	M/W	2	2%
	Train Interference	42	32%
	AMTRAK	9	21%
	Freight	29	69%
	VRE	4	10%
	Mechanical Failure	5	5%
	Late Turn	0	0%
	PAX Handling	6	5%
	Weather	31	28%
	Crew Related	0	0%
Other	6	5%	
TOTAL	110	100%	

VRE's on-time performance is one of the chief means by which our service is valued by customers and the public at-large. It is crucial to customer satisfaction, continued system growth, and the larger successes of public transportation as a regional transit solution. As such, every attempt is continually made by the VRE staff to strive to reduce delays and maintain a more rigid schedule. As you are aware, rail system improvements are currently being planned and implemented and efforts to work with our host railroads to most efficiently use the existing infrastructure (including the reduction of interference delays) are continually explored.

FARE RESTRUCTURING UPDATE

The fare restructure went into effect on June 28th, adding the five day pass to VRE's ticket options and changing certain ticketing incentives, as well as the expiration dates on tickets. I am happy to report that the change went smoothly with no technical or other glitches marring the changeover.

More importantly, the first month's sale of five-day passes was even stronger than we expected given the very heavy purchase of ten-trip tickets in June. Nearly 8% of the total ticket sales for the month of July were people using this new product for their commute. Again, since many riders "stocked" up on ten-ride passes before the fare increase, the true usage of five day passes will not be felt for several months.

Negotiations are continuing with Amtrak on the "step-up" fare issue. As discussed with the Operations Board previously, last minute roadblocks set up by Amtrak prevented the implementation of the \$1 step up fare. Because of the protracted nature of negotiations with Amtrak, I do not have a specific date when an agreement will be in place to start the

implementation of the step up fare. I will advise the Operations Board of the progress as we move forward.

JULY 4TH "FIRECRACKER" TRAINS

Based on ridership trends in previous years, we decreased the number of trains running from the outer stations downtown from two on each line to one. This proved to be a fortuitous decision as the weather further dampened ridership and kept many people home this year. However, despite soggy conditions and the potential for more rain, 1,129 riders did take a chance and rode the Firecracker trains to see the national fireworks. Trains ran on time and the weather held off making an enjoyable trip for all.

QUANTICO BRIDGE UPDATE

Construction of the Quantico Creek Bridge is planned to begin by the end of August 2004. Fiber utility relocation work, which will allow for construction of the bridge to begin, started early July and is to be completed by the middle of August. A preconstruction meeting to kick off the bridge project is scheduled for August 31, 2004.

As authorized at the June/July Board and Commissions meetings, the VRE is negotiating a contract with Ralph Whitehead and Associates to provide construction engineering and inspection services for the thirty-month duration of the project. The scope of services will include full time construction monitoring and testing to insure contract and regulatory standards are met.

Currently, VRE is finalizing an agreement with CSX Transportation to perform work incidental to the bridge project. Once finalized, authorization to execute the force account agreement will be sought at the Board and Commission level. This agreement will incorporate the scope of work to be provided by CSXT, such as flagging, signal work, supplying track materials and construction of North Possum Point interlocking. Although the majority of the force account work will not be required for approximately 18 months, the VRE is attempting to solidify the provisions of the agreement prior to the start of construction.

MEETINGS WITH SPOTSYLVANIA COUNTY

VRE has made substantial strides in developing a meaningful dialogue with Spotsylvania County on ways to potentially bring commuter rail service to this community. Last month I met with Supervisor Yakabouski and Supervisor Onorato to hear their thoughts and concerns regarding VRE service making its way to the County. The discussion was extremely positive and focused primarily on trying to provide direct and honest answers to the officials and the residents about the cost and obligations included in VRE service. This was a similar theme that I had heard previously when I spoke with Chairman Hagan who expressed interest in knowing all of the particulars necessary to make VRE happen.

These efforts were followed up when, at the request of the Chair and County Administrator, VRE staff attended the Spotsylvania County Transportation Committee meeting on July 12. The Committee received a full overview of what VRE is, our current operating procedures and ridership, as well as some of the obstacles preventing us from doing more in their community. The Committee is chaired by Supervisor Connors, who sought additional information to fully address the issue before the full Transportation Committee. We are currently working to provide answers to those questions posed by the Committee, and will present them in September.

In the meantime, I will continue to work toward meeting with the remaining members of the Board to hear their thoughts and concerns regarding transportation issues facing the County, particularly those involving VRE.

VRE TALKS “HOT” LANES

VRE is positioned to be a critical element in the necessary multimodal equation of any and all “HOT” lane proposals submitted to the Commonwealth. There are two proposals that will be considered by the Secretary, the Commonwealth Transportation Board, and, ultimately, the Governor. I have examined the data closely and found that given projected traffic demands within the region, potential housing construction outside the beltway, and the job creation within the Central Business District, VRE plays an important role in this transportation option.

I firmly believe that in the end, we will need any and all transportation options; HOT lanes, additional secondary road construction, BRT, standard commuter buses, van pools, slugging and of course, VRE, to try and present an effective mixture of commuting alternatives in the coming years.

BURKE STATION PARKING UPDATE

Recently it was announced that the Fairfax County Board of Supervisors would be moving a bond initiative to the voters to address a multitude of issues, one of those being transportation. Thanks to the leadership of our three VRE Operations Board members, Supervisors Bulova, Kauffman, and McConnell, as well as Chairman Connelly, the Burke Centre parking deck will be one of those initiatives included.

If the November ballot question is successful, one of the major hurdles cited in the VRE Phase 2 Strategic Plan will have been largely cleared: specifically, a shortage of parking. This is not to say that the Burke project eliminates all other needs, but it does go a long way in providing riders readily available parking for the foreseeable future.

The project, which is estimated to cost approximately \$25-30 million, has been funded over the past several years by earmarks from our Congressional delegation, CMAQ funds, and matching

funds from the County. The bond initiative's passage would be critical to VRE and this project at a time when it is needed the most.

PUBLIC OUTREACH CAMPAIGN

In June, VRE distributed the new Annual Report to the Board and Commissions.

Since that time, I have distributed a copy to all members of Congress that deal with appropriations and/or authorization of transportation funding, as well as to the entire Virginia Congressional delegation. I wanted to take every step possible to ensure that when these members vote on funding public transportation they were aware of VRE and its benefits.

Copies were also distributed to all members of the Virginia Senate and House of Delegates. We have received positive feedback from members thanking us for sharing a copy of the report with them.

VRE PARTICIPATES IN CONGRESSIONAL THREAT ASSESSMENT

Congress has recently taken considerable interest in rail security, particularly passenger rail security issues. The initiative is being led by Senators Snowe (R-ME) and Boxer (D-CA), and Congressmen Quinn (R-NY) and Castle (R-DE), who have tasked the United States Government Accountability Office (GAO) with preparing a report on their findings for Congress.

The main focus of the GAO are accounts of the rail industry's coordination with government entities, including DHS, TSA and FTA. The GAO is looking at what threat and vulnerability assessments have been conducted by transit agencies and railroads, what measures have been taken or are planned to secure rail systems, and what measures foreign countries are using for rail security.

VRE has been asked to participate in this process, and will be working with the GAO as they develop their findings for Congress.

VRE-US CUSTOMS JOINT EXERCISE



On July 13th, VRE, in cooperation with US Customs, held unannounced inspections for all trains entering the Alexandria station.

Customs officials using highly trained bomb-sniffing dogs canvassed each train during the morning commute. The walk-throughs took only a few minutes, and were very well received by our riders. Because of the heightened state of alert in which we currently live,

we felt that this program would be a good way to deter our system as a target in the future.

Given the positive response of this initial demonstration, as well as the fact that the Department of Homeland Security has kept us on a heightened security threat level since this summer, I am implementing this as a random program in the fall. We will utilize the services of federal, state, and local law enforcement, which all have specialized K-9 bomb units.

We will begin communications to our customers next week on this new program. While we will not let them know when the random searches will occur, we want to give them a “heads up” that they are coming so they will not be alarmed. As part of the message, we will highlight the fact that these searches are part of our security program and not a response to a specified threat. We expect that they will be pleased both with the program and with our advance communications.

CUSTOMER SERVICE TRAINING

On Columbus Day, October 16, VRE will conduct a Customer Service workshop for all its on-board Amtrak crews. The focus of this day will be to reemphasize customer service techniques as we move into our high ridership season. Additionally, we plan to have security experts from CSX and Norfolk Southern present to conduct a briefing and VRE staff will provide updates on future plans for VRE service.

As we no longer operate on holidays, this is an opportunity to get the entire group of Conductors and Engineers together at one time for a customer service refresher.

CSXT RAPID RESPONSE TEAM

CSXT has recently organized a Rapid Response Team (RRT) of railroad police officers to be deployed to areas throughout the system when there is a real or perceived threat to railroad infrastructure. During the week of June 28- July 2, Dave Snyder was invited to train with these officers (along with a police officer from Maryland Transit and one from Amtrak) in classroom and field exercises conducted in Richmond, VA. ITI (International Training Inc.) Armor Group conducted the events that covered counter surveillance, surveillance detection, and perimeter analysis. CSXT hired this firm based on their reputation in teaching both international business and military groups using retired US intelligence and military operatives. A certificate of completion was issued.

This training proved beneficial as VRE has already coordinated security efforts with the CSXT officers on July 4, when CSXT deployed a team of police officers to the Arlington-L'Enfant line to protect against possible terrorism during the holiday festivities.

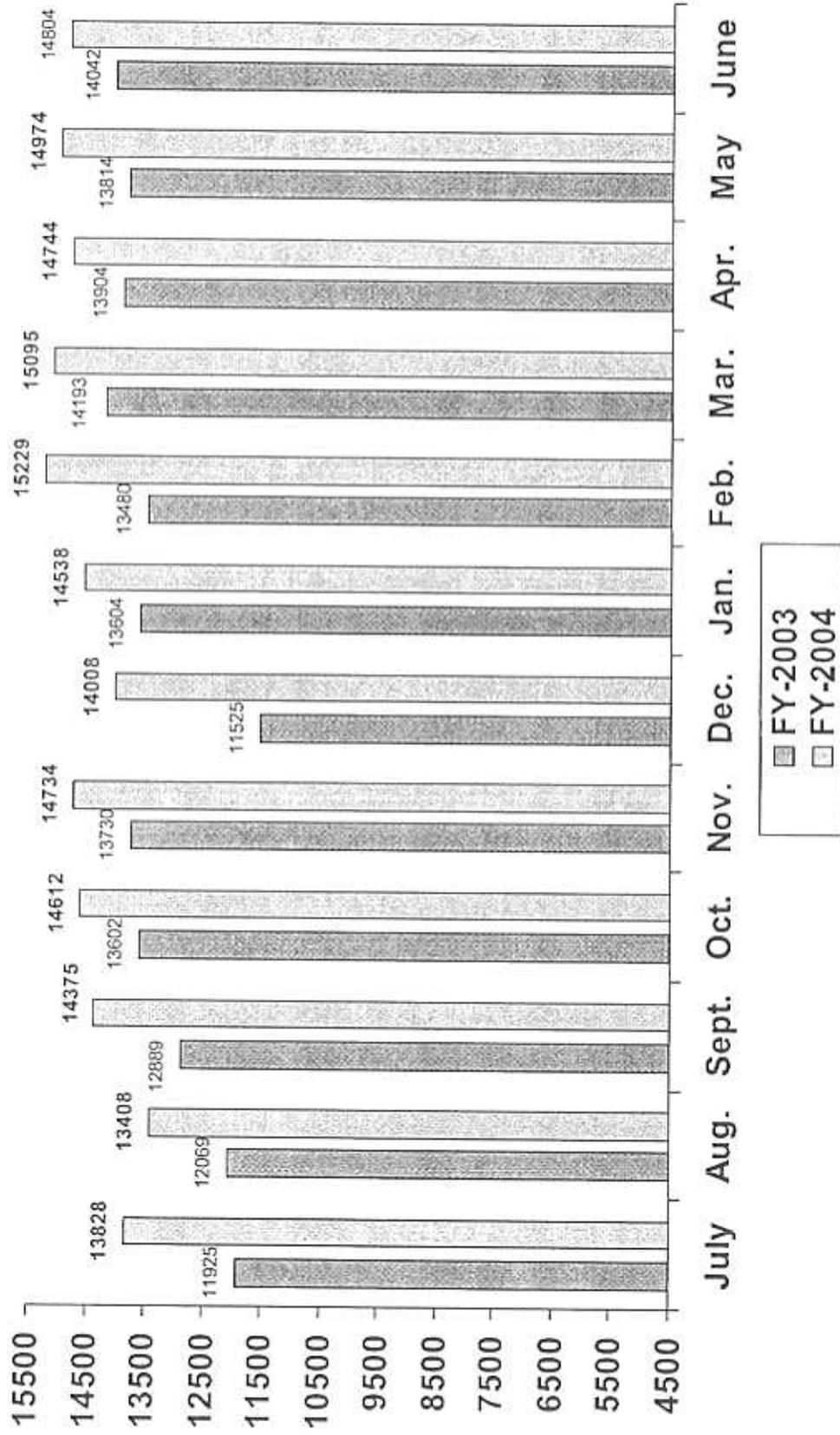
REAUTHORIZATION REMAINS IN LIMBO

With Congress now recessed until September 7th, most observers believe that the Transportation Reauthorization legislation will not move in this Congress. As I have shared previously with the Operations Board, there also continues to be speculation that Congress might work on reauthorization legislation during a lame duck session after the elections in November.

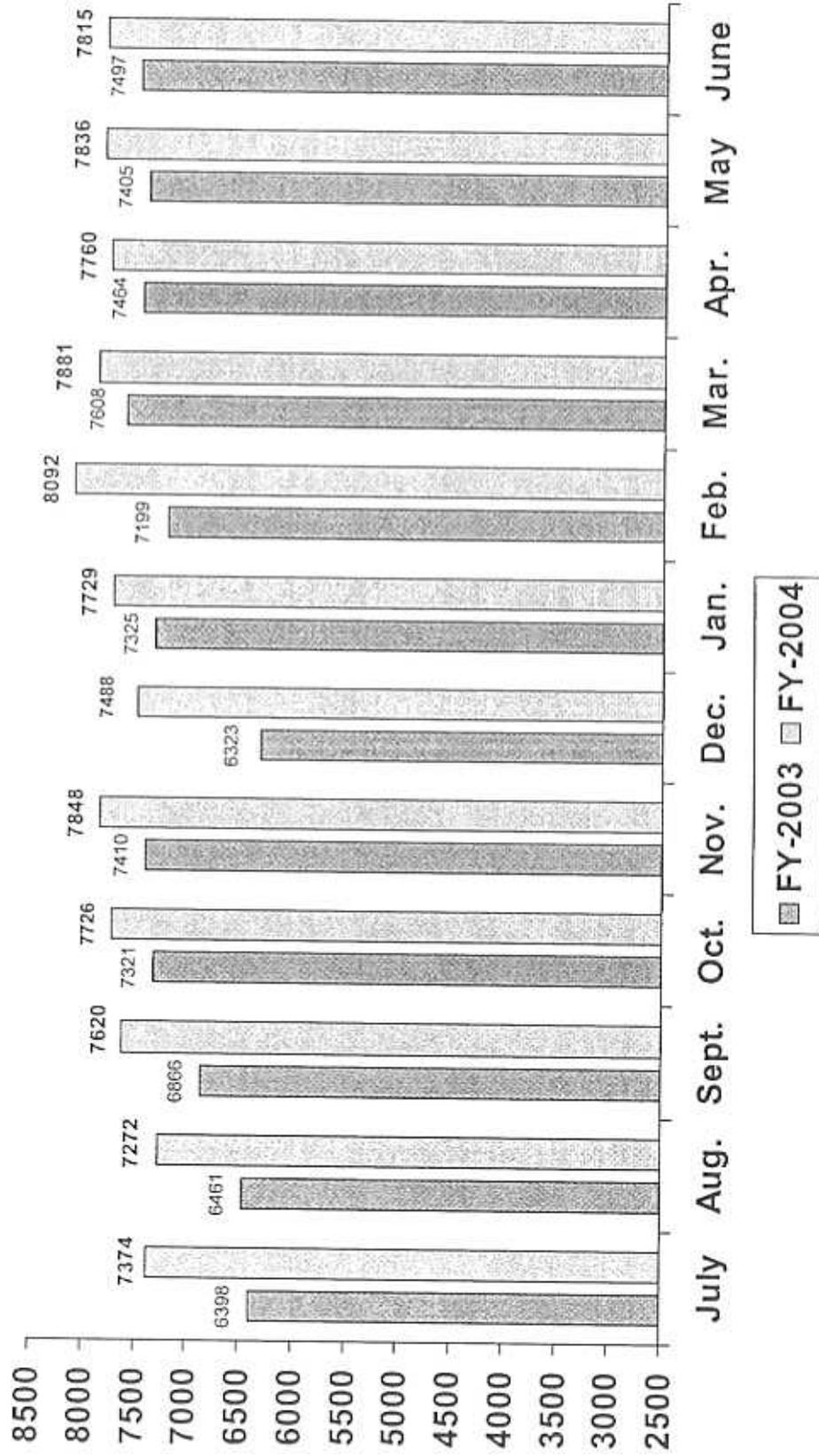
In addition to disparity between funding levels between the Senate, the House and the Administration, this legislation is competing with a number of other priorities during the closing days of the 108th Congress, including completion of work on the many annual appropriations bills that are now in various stages of development. To add to the confusion, Congress will also be addressing legislation stemming from the 9/11 Commission Report after Labor Day.

What is known is that as soon as Congress resumes its work in September, transportation leaders will immediately have to confront the next extension of the existing TEA-21 law. Before the recess, Congress moved to extend all TEA-21 programs, except the highway programs, through September 30. The highway programs were extended only through September 24, presumably giving transportation leaders the opportunity to address a number of issues before the current fiscal year expires. Among legislators' concerns are addressing member project earmarks and proposals to redress funding inequities, including decisions on the Fiscal Year 2004 Appropriations bill.

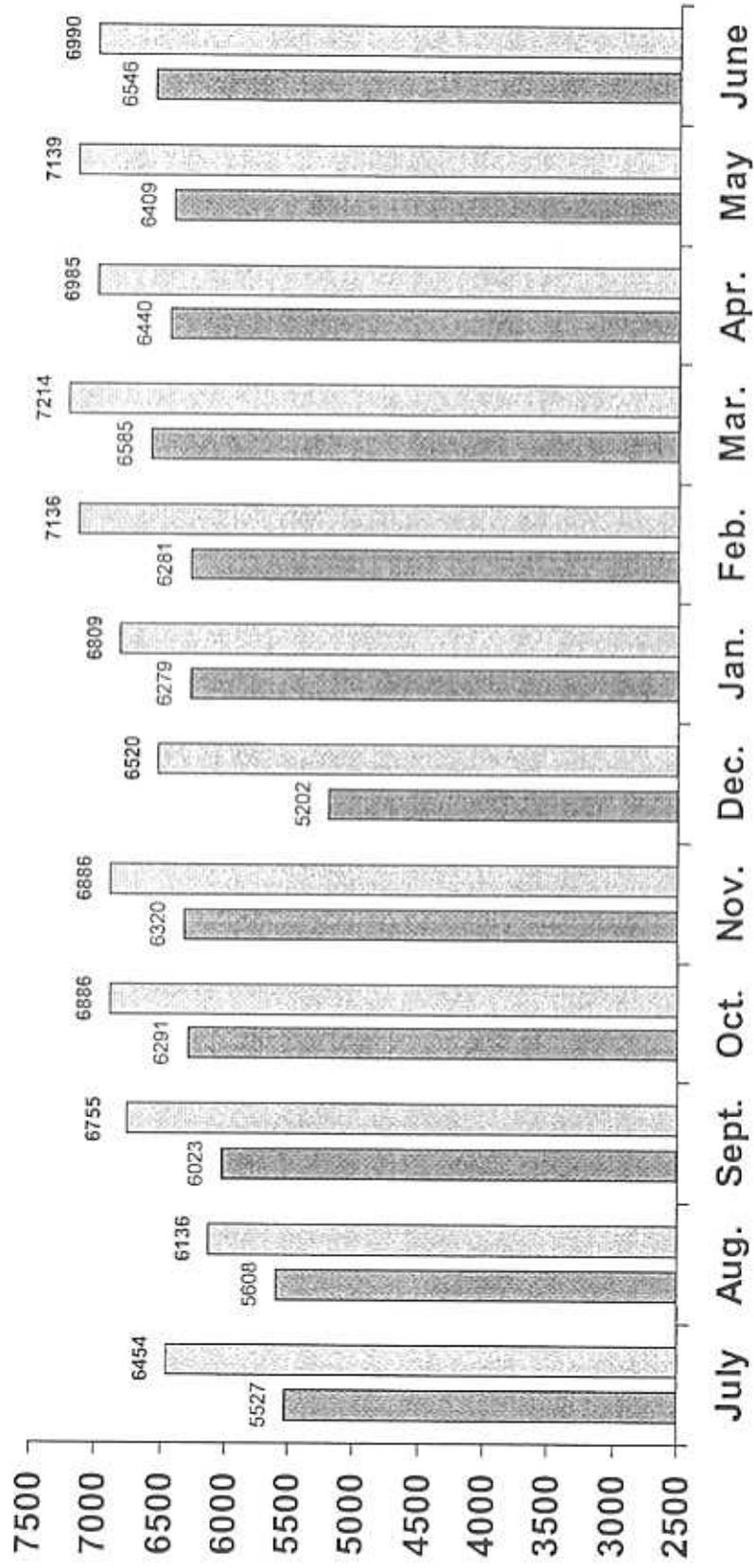
VRE Total Average Daily Ridership



VRE Average Daily Ridership Fredericksburg Line

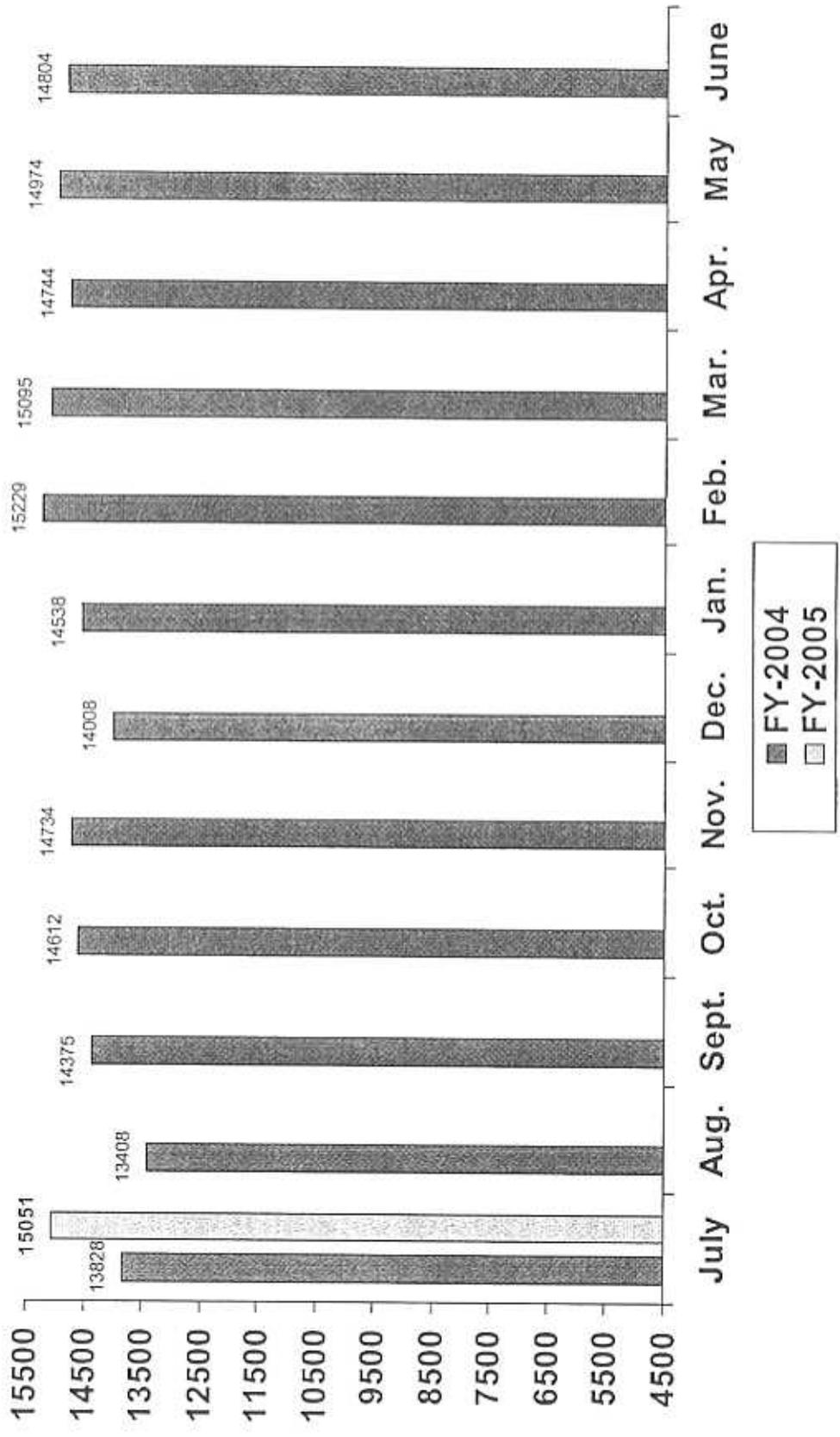


VRE Average Daily Ridership Manassas Line

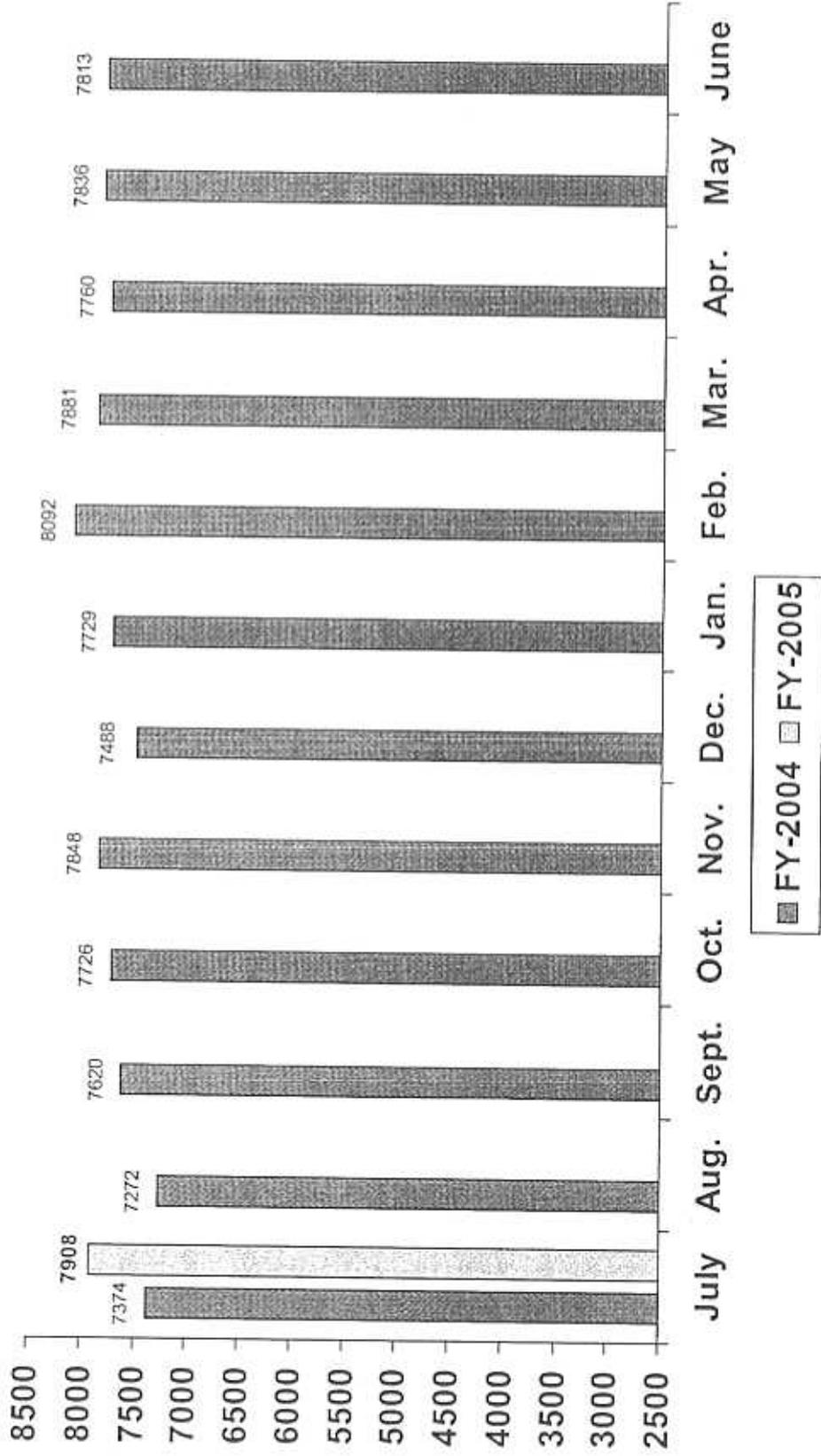


FY-2003
 FY-2004

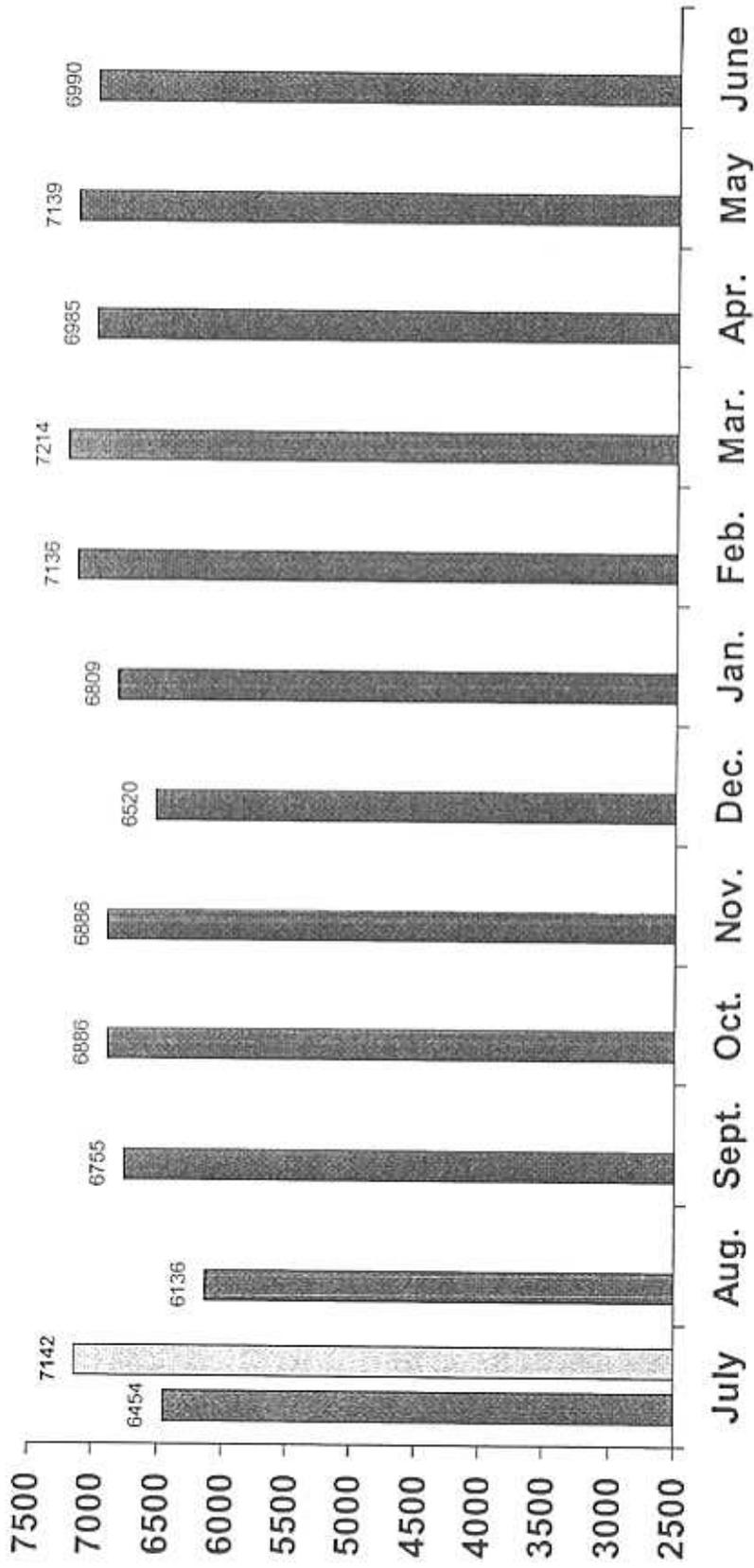
VRE Total Average Daily Ridership



VRE Average Daily Ridership Fredericksburg Line



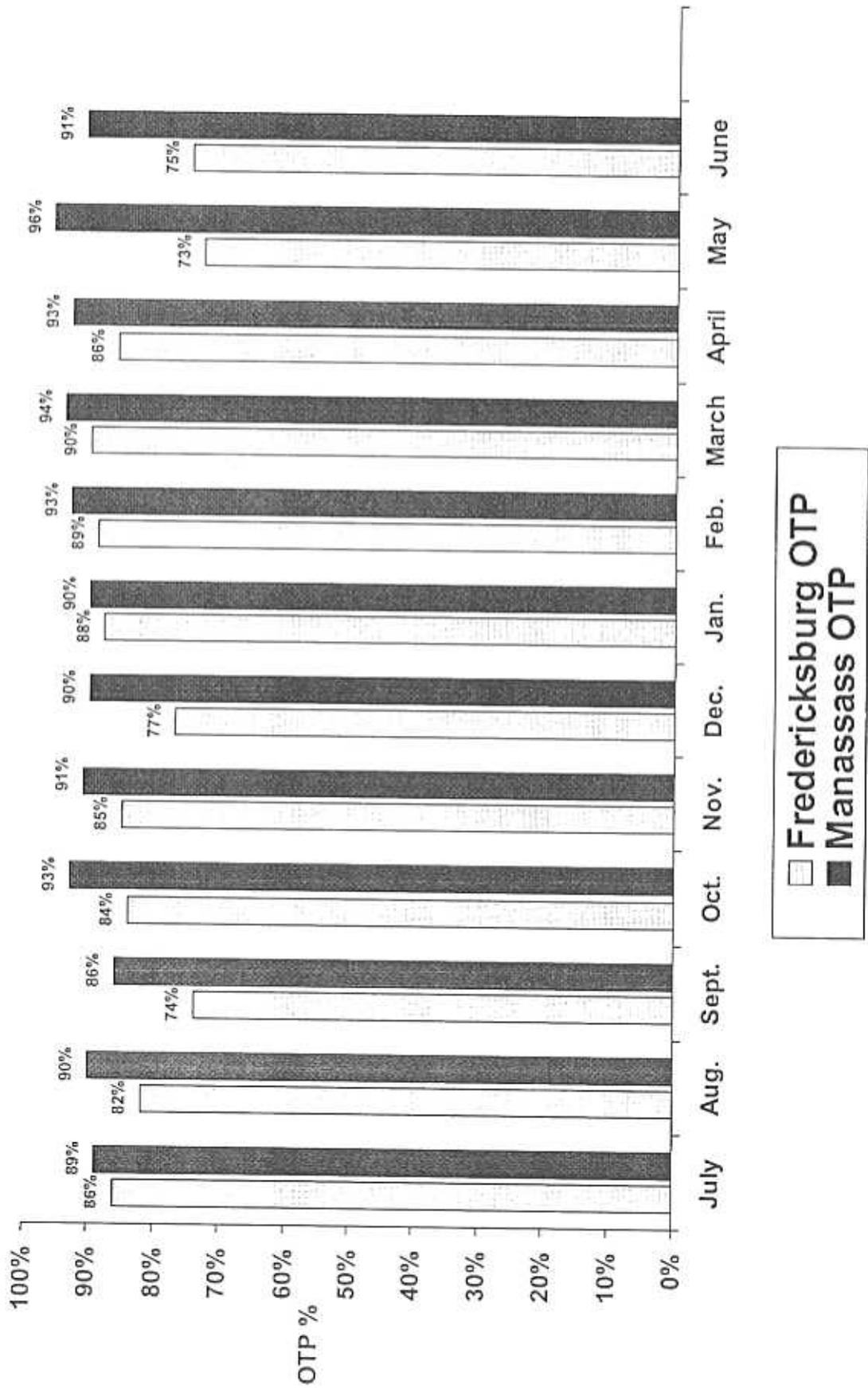
VRE Average Daily Ridership Manassas Line



■ FY-2004 □ FY-2005

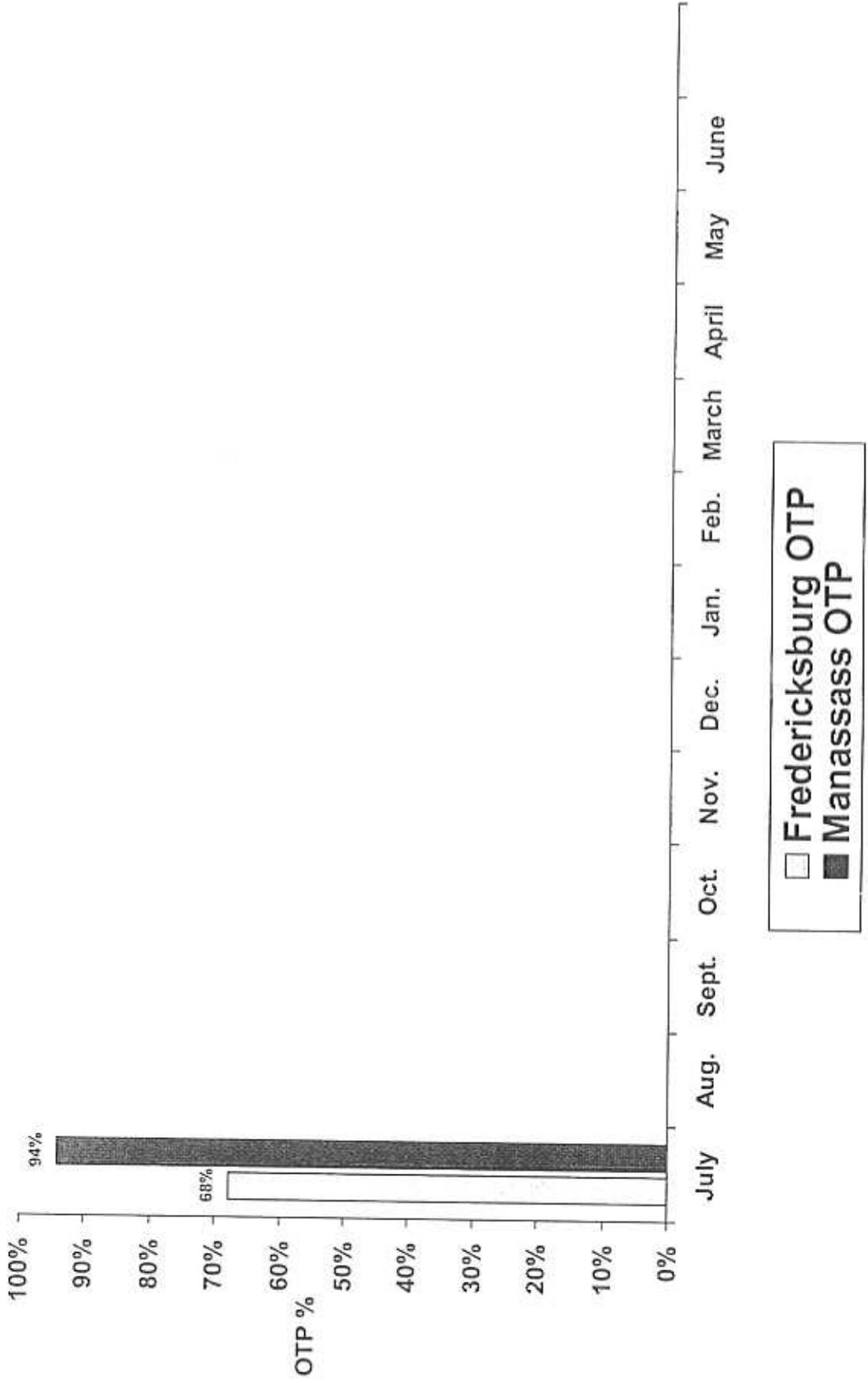
Average On-Time Performance

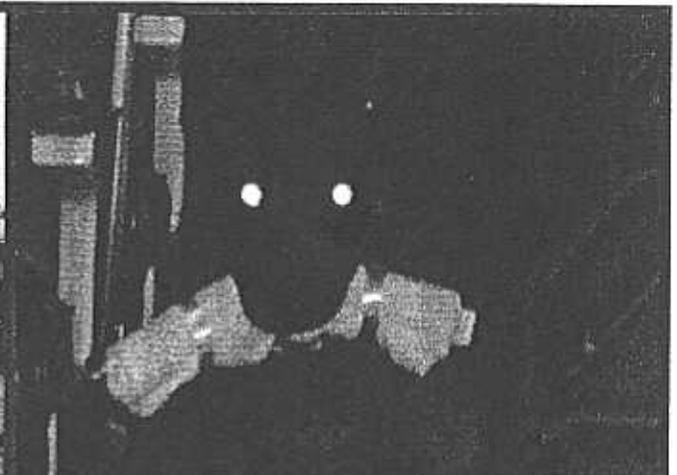
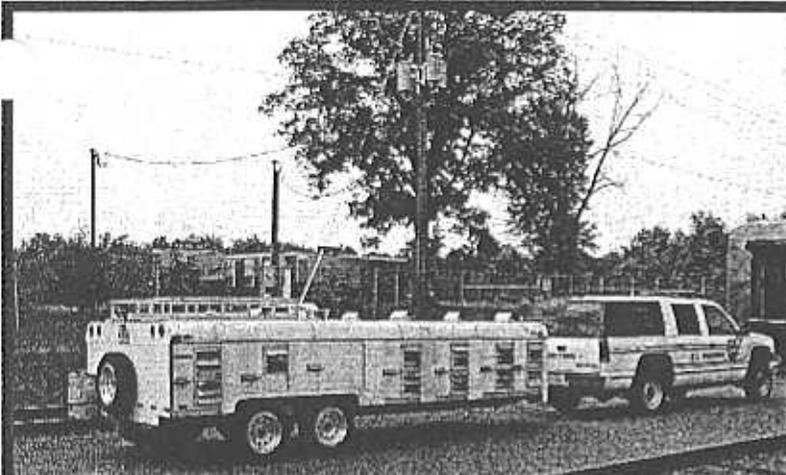
FY-2004



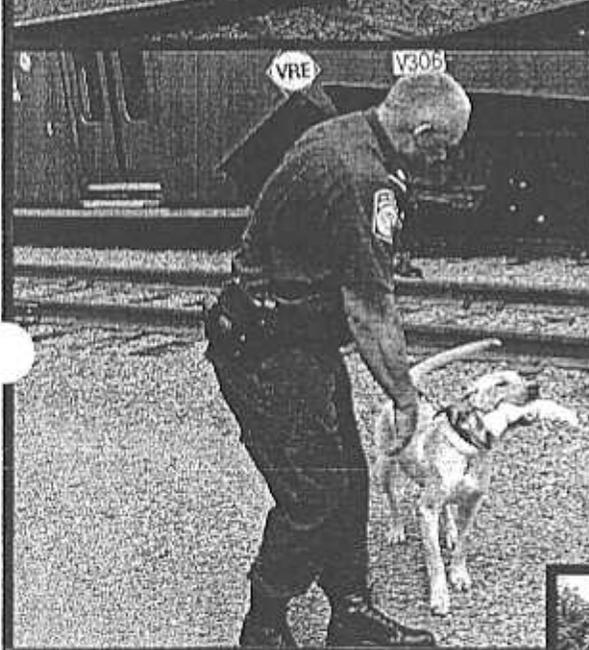
Average On-Time Performance

FY-2005





Canine training



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Friday, July 23, 2004

NS gets on track for passenger rail

"We have changed our outlook," on passenger rail, a Norfolk Southern spokesman said.

By [Lois Caliri](#)

lois.caliri@roanoke.com

981-3117



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Norfolk Southern, taking a 180-degree turn, is negotiating with several states, including Virginia, to run passenger trains on its tracks.

Rail officials have been negotiating with state leaders about difficult issues, including safe operations, delays of freight trains, costs of upgrading tracks and how much NS should be paid for the use of its tracks - concerns that have bogged down discussions in the past.

Details have yet to be ironed out. But talks have progressed to the point that NS has offered to supply locomotives and run the passenger trains from Bristol to Washington, D.C., through Roanoke, on the proposed TransDominion Express.

One lobbyist estimates a passenger rail could be on the tracks in about 24 months.

At first blush, the deal looks something like this: The state would collect the fares and pay NS or another operator a contracted fee to operate the trains. That's similar to an arrangement Virginia Railway Express already has with NS and CSX.

VRE, a passenger rail line in Northern Virginia, pays NS about \$2.1 million a year to use its tracks, said VRE Chief Executive Officer Dale Zehner. It pays CSX about \$3.9 million a year to use its tracks.

NS is also looking at running passenger trains in Atlanta and Charlotte, N.C.

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"What we're looking at is a public-private partnership," said NS spokesman Robin Chapman.

But there's still one major obstacle to making all this happen in Virginia : money.

By one consultant's estimate, which NS does not dispute, it would cost about \$120 million to upgrade tracks. An additional \$4 million to \$5 million a year is needed to subsidize the service because passenger fares won't cover the full cost. Unlike planes and ports, there's no federal source of funding solely dedicated to passenger rail infrastructure between cities - a bone of contention among passenger rail advocates.

Amtrak relies on political whims for its federal funding. There is federal money for commuter rail, trains designed to carry large numbers of people over short to medium distances, generally between home and work.

In Virginia, finding more money for projects will be difficult, said Alan Tobias, manager of passenger rail for the Virginia Department of Rail and Public Transportation.

But one lobbyist said the estimated \$120 million in rail upgrades is "about the cost of one cloverleaf interchange on an interstate or building 10 miles of straight new highway."

"It's a drop in the bucket," said Barbara Hartley, lobbyist for the Committee to Advance the TransDominion Express, an advocacy group for passenger rail.

Glimmers of hope keep the project alive.

Gov. [Mark Warner](#) formed the Governor's Commission on Rail Enhancement for the 21st Century, which has already had its first meeting. The members, all non legislators, were told to find creative ways to find money for freight and passenger rail. They're expected to complete their report by Dec. 1.

[Sen. John Edwards](#), D-Roanoke, proposed creating a rail authority, which failed in the [General Assembly](#). He plans to try again in the next session.

NS can't raise the money by itself, so a public-private partnership is essential for improving rail infrastructure, he said.

A rail authority could issue bonds to upgrade freight and passenger tracks. A surcharge tacked on to freight customers' bills and passenger tickets would help repay the bond. "We would hope there would be some

federal money as well," Edwards said.

Discussions have centered on phasing in the train service. The Roanoke-to-Bristol leg is a critical issue for NS because that section needs much improvement. Many curves and grades on that section of track would slow down a passenger train. The Roanoke-to-Lynchburg-to-Washington leg is likely to be established first.

The Committee to Advance the TransDominion Express recently announced it has five passenger cars on hold for purchase. The 12-year-old cars, which come from the Virginia Railway Express, would form a "starter train" for TransDominion.

In 2000, the [General Assembly](#) appropriated \$9.3 million to the TransDominion Express, but that's not nearly enough, said Tobias. About \$200,000 was spent on a pre-engineering study.

Supporters are forging ahead, though.

TransDominion and NS are trying to cut a deal so NS would supply and operate the locomotives for the starter train. NS has already agreed to research the cost to refurbish the five cars. "If the state wants us to provide the locomotives, we can do that," Chapman said.

A partnership would give NS public money to upgrade the tracks for a passenger train and the state benefits from having public rail, Chapman said. "We're confident we can reach an agreement on liability insurance with the state."

NS officials have been upfront about being in business to make money for their stockholders. "That's not unreasonable," Tobias said.

He also said NS would have an easier time getting federal funds with its proposed projects in Atlanta and Charlotte because there's set-aside money for commuter rails.

NS has recognized the existing political will to make passenger rail a reality. In the past, the company has said freight and passenger rail don't mix.

"We have noticed their attitude has changed; they're much more willing to work to make it happen," Tobias said.

"We have changed our outlook," Chapman said. "We see potential business opportunities in operating passenger trains. And, of course, there is still the 'but-if.' We still need to protect our freight franchise."

NS said it wants first crack at bidding for the job to operate the trains.

State officials are also looking at Amtrak, which has recently rolled out a five-year strategic plan, including a demonstration project using state and federal money to operate existing rail passenger corridors.

What gives Amtrak an edge is that it already has liability insurance, Tobias said. He welcomes competitive bidding.

"That will give us a better price."

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Norfolk Southern rejects offer for light rail right-of-way

By DEBBIE MESSINA, The Virginian-Pilot

© August 13, 2004

Last updated: 2:28 AM

Plans to bring light rail to Norfolk suffered a blow Thursday when Norfolk Southern Corp. ended negotiations to sell its Norfolk-Virginia Beach rail corridor to Hampton Roads Transit, saying the agency's offer was too low to be taken seriously.

The development could derail HRT's proposal for a "starter" light rail line in Norfolk. More than half of the proposed route follows the Norfolk Southern freight line. The setback also could scuttle any chance of a future extension of the Norfolk line into Virginia Beach, as well as that city's interest in potentially using the corridor for express buses.

HRT, negotiating on behalf of Norfolk and Virginia Beach, offered \$2.7 million for the 15.4 -mile right-of-way. The land recently was appraised at \$48.4 million.

H. Craig Lewis , Norfolk Southern's vice president for corporate affairs, said the railroad doesn't consider it a serious offer, adding that HRT's handling of the negotiations is "befuddling."

"I've never encountered anything like this," said Lewis, who has been involved in dozens of transactions between the railroad and transit agencies.

"We can't give you a donation of \$45 million ," Lewis said, referring to HRT.

Michael S. Townes, HRT's president and CEO, said in a statement, "Public airing of negotiations by Norfolk Southern is nothing but an attempt to extract a value beyond reason in a community that Norfolk Southern calls home."

Townes said HRT's offer is "fair and reasonable" and "responsible to the citizens and taxpayers of our region." He said Norfolk Southern's asking price "is not consistent with the real value of the rail line."

Although Lewis compared the status of the negotiations to an obituary, Townes does not think the issue is dead. He said HRT plans to continue discussions with the railroad but "will not be conducting negotiations with Norfolk Southern via the media and has no further comment."

Lewis provided examples of recent sales of its rail lines for other transit projects. In the late 1990s , it sold 32 miles in New Jersey for \$67.5 million . In December, 3 miles in Charlotte went for \$14.75 million. The railroad is currently discussing selling 1.7 miles in Pennsylvania for \$4.5 million.

"We want a fair price," Lewis said. Norfolk Southern is a business that must look after its shareholders and asset values, he said, adding that selling the property far below value would set a bad precedent.

But HRT is basing its offer, in part, on another transaction – a 1997 sale of 1.14 miles of railroad corridor near the resort area to Virginia Beach for \$255,000. That was about \$224,000 per mile. HRT's current offer is about \$175,000 per mile, which the transit agency said is fair because the property under negotiation is not as valuable.

Lewis, however, characterized the earlier Virginia Beach sale as "a substantial charitable contribution" because the assessed value was \$760,000 . "It's a classic example of no good deed ever goes unpunished," Lewis said.

Two appraisals have been conducted on the corridor property. HRT paid for the initial one in February 2000 that came in at \$38.6 million. Norfolk Southern paid for an updated one a year ago that valued the property at \$48.4 million.

HRT said its offer is substantially lower than the appraisals because of the property's size, shape, easements and other encumbrances. For example, Dominion Virginia Power lines run much of the corridor's length, as do some water and sewer lines.

Norfolk Southern officials said they have welcomed and even encouraged HRT and the cities to condemn the property to help establish a fair price, but HRT has not chosen that route.

For years, HRT has counted on using Norfolk Southern's corridor for light rail before any numbers were put on the table.

From the start, Norfolk Southern worried that HRT was making too many assumptions. In 1996, the company criticized HRT for seeking approval from the cities on specific rail routes without engaging the railroad in discussions about the feasibility of using the rail lines.

Lewis noted that in February this year – the same month that HRT made its offer of just more than 5 percent of the appraised value – the transit agency published a light rail brochure showing the route along the Norfolk Southern tracks.

"We need to set the public record straight," Lewis said. HRT's literature makes it "appear this thing is going to happen."

Norfolk's \$198.5 million starter light rail line has not won approval from the Federal Transit Administration, a critical step for receiving federal funding.

The FTA asked HRT to refine its cost-benefit analysis, which did not meet federal thresholds, before deciding whether to recommend the project. The project rated medium to medium-high on other measures such as land use, financing plan and local financial commitment.

The updated proposal HRT will submit to the FTA this month sets aside \$10.5 million for property acquisition. The 7.5-mile line includes 4.8 miles of Norfolk Southern track. HRT will not disclose its estimated payment to Norfolk Southern.

"Nothing will ever succeed unless both parties are winners," Lewis said.

Virginia Beach Mayor Meyera E. Oberndorf said she was stunned by the news. "I have great confidence that a corporation that has been so philanthropic in this region, if they stop and think about it ... will reconsider."

Reach Debbie Messina at 446-2588 or debbie.messina@pilotonline.com

Preliminary FY 2006 Budget Recommendations

The VRE Operations Board recommends approval of Resolution #1039 by which the commission would forward the attached preliminary VRE budget to the jurisdictions for review and comment.

The attached preliminary budget assumes a continuation of 32 daily trains and average daily ridership of 15,600 (4 percent growth from FY 2005). It includes a new reserve and accommodates a transition to budgeting federal grants a year later than has been the practice (since delayed appropriations and a lengthy application process result in actual receipt of federal funds beyond the year in which VRE has previously budgeted).

To fund the budget various combinations of \$600,615 of fare and local subsidy increases are proposed. The budget is subject to change, as the review process will continue until the VRE Board is asked to act in December, 2004 and forward a final budget to the commissioners for consideration in January, 2005.

RESOLUTION #1039

SUBJECT: Preliminary FY 2006 VRE Budget.

WHEREAS: The VRE Master Agreement requires that the commissions be presented with a preliminary fiscal year budget for their consideration at their respective September meetings prior to the commencement of the subject fiscal year;

WHEREAS: The VRE Chief Executive Officer has provided budget alternatives for the preliminary FY 2006 Operating and Capital Budget within the guidelines developed in concert with the jurisdictional Chief Administrative Officers;

WHEREAS: Staff recommends budget alternatives built on an average daily ridership of 15,600 average daily riders; and

WHEREAS: The budget alternatives will be updated with additional ridership and cost data and further refined through the CAO Budget Task Force review during the fall of 2004.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission hereby refers the FY 2006 VRE Operating and Capital budget alternatives to the local jurisdictions for review and comment; and

BE IT FURTHER RESOLVED that VRE staff is directed to consider and address comments by the jurisdictions and to forward a final recommended budget to the VRE Operations Board at the December, 2004 meeting for consideration and referral to the commissions for adoption in January, 2005.

Approved this 2nd day of September, 2004.

William Euille
Chairman

Gerald Connolly
Secretary-Treasurer

AGENDA ITEM 8-B
ACTION ITEM

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: AUGUST 20, 2004

SUBJECT: REFERRAL OF PRELIMINARY FY 2006 VRE OPERATING AND CAPITAL BUDGET TO THE COMMISSIONS

RECOMMENDATION:

Staff requests that the VRE Operations Board refer the Preliminary FY 2006 VRE Operating and Capital Budget to the Commissions for their consideration, and that the Commissions, in turn, refer these recommendations to the jurisdictions for their formal review and comment.

This preliminary budget offers three budget alternatives as follows:

Alternative	Fare Increase		Subsidy Increase		Ridership
1	3.50%	\$677,778	0.00%	\$0	15,600
2	0.00%	\$0	10.70%	\$682,585	15,600
3	2.00%	\$387,303	4.63%	\$295,282	15,600

BACKGROUND:

In accordance with the VRE Master Agreement, which outlines the process for annual budget approval, the preliminary FY 2006 VRE Operating and Capital Budget is attached for review. This document follows the adopted guidelines of the Board developed in concert with jurisdictional Chief Administrative Officers (CAO). The major issues confronted with the FY 2006 Budget are addressed below:

1. To continue current service and cover contractually set increases, additional operating funds are necessary. The budget alternatives shown above include an increase in fare revenue, an increase in local subsidy, or a combination of both. All three include reductions in selective operating costs, to provide a balanced budget. At this time, an increase in state operating funding in FY 2006 is not anticipated.
2. The Reserve Fund should be increased to maintain the balance required per the Reserve Policy, pending adoption by the Operations Board. Interest revenue in the amount of \$130,000 is allocated for this purpose.
3. Initiatives proposed or approved for FY 2005 are fully incorporated in all three FY 2006 budget alternatives.
4. For the first time, grant funded capital and operating expenditures are aligned with the VRE fiscal year in which the funds are anticipated to be received. The FY 2005 grant application includes a six-month reserve for track lease payments. Matching funds for projects included in the FY 2005 budget are not being requested as part of the FY 2006 budget.
5. Additional earmarks are anticipated for the Burke Centre parking structure project. Since the match is being provided by Fairfax County, this project is not included in the budget documents. This project is however, included in the VRE capital program.

An eleven-year historical perspective of the increases in the local subsidy and fare prices compared to the Consumer Price Index is shown in the attached chart. Actual increases in the local subsidy and fare prices have been below the increase in CPI for most of the eleven-year period.

DISCUSSION: Three budget alternatives are presented for FY 2006. It is assumed under these proposals VRE will continue to operate a 32-train schedule and achieve an average daily ridership of 15,600.

As a part of the continuing budget review with the CAO Budget Task Force, additional funding solutions will be explored. The following budget alternatives are preliminary and will change as additional cost savings and/or revenues are identified.

Alternative 1 includes a fare increase of 3.50%, which provides an increase of \$677,778 in fare revenue to fund both operating and capital requirements in FY 2006.

Alternative 2 includes a local subsidy increase of \$682,585 (10.70%.)

Alternative 3 includes a 2% fare increase to approximately reflect the Consumer Price Index (CPI), resulting in \$387,303 in revenue, with the remainder funded through an increase of \$295,282 (4.63%) in the subsidy from the participating jurisdictions.

Each budget alternative assumes the match for the federal capital program can be provided with local and state subsidies. However, additional federal earmarks could become available in FY 2006 that could require matching funds. Matching funds are currently not available in the VRE budget and would require Board action allocating funds from the reserve fund. All reasonable operating expenses are budgeted to permit the existing level of customer service. Marketing and advertising expenses are budgeted below the FY 2004 actual and 2005 budget levels.

FISCAL IMPACT

The budget alternatives include either an increase in fares or the local subsidy.

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD
FROM: DALE ZEHNER
DATE: AUGUST 20, 2004
RE: REFERRAL OF PRELIMINARY FY 2006 VRE OPERATING AND CAPITAL BUDGET TO THE COMMISSIONS

**RESOLUTION
8B-08-2004
OF THE
VIRGINIA RAILWAY EXPRESS
BOARD OF DIRECTORS**

WHEREAS, the VRE Master Agreement requires that the Commissions be presented with a preliminary fiscal year budget for their consideration at their respective September meetings prior to the commencement of the subject fiscal year; and,

WHEREAS, the VRE Chief Executive Officer has provided the VRE Operations Board three budget alternatives for the preliminary FY 2006 Operating and Capital Budget within the guidelines developed in concert with the jurisdictional Chief Administrative Officers; and,

WHEREAS, staff recommends budget alternatives built on an average daily ridership of 15,600 average daily riders; and,

WHEREAS, subject to the direction provided by VRE Operations Board, the budget alternatives will be updated with additional ridership and cost data and further refined through the CAO Budget Task Force review during the fall of 2004.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board refer the preliminary FY 2006 VRE Operating and Capital Budget alternatives to the Commissions for their consideration; and,

BE IT FURTHER RESOLVED THAT, the VRE Operations Board recommend that the budget be forwarded to the jurisdictions for further formal review and comment; and,

BE IT FURTHER RESOLVED THAT, staff is directed to consider and address comments by the jurisdictions and to forward a final recommended budget to the VRE Operations Board at the December 2004 meeting for consideration and referral to the Commissions for adoption in January 2005.

VRE - FY06 Preliminary Budget

		FY02Actual	FY03 Actual	FY04 Actual*	FY05 Budget	FY06 Operating	FY06 Capital
SOURCE OF FUNDS:							
000	VRE - Non-Departmental						
	Passenger revenue	-12,753,214	-15,048,262	-16,938,644	-18,620,298	-19,365,110	0
	Equipment rentals & other	-206,796	-292,086	-188,256	-103,200	-301,200	0
	Local Jurisdictions	-5,544,951	-5,534,554	-6,123,632	-6,123,632	-564,581	-5,559,051
	Contributing Jurisdictions	-207,939	-218,336	-229,258	-240,721	0	-252,757
	In-Kind Contributions	-699,375	-457,149	-2,862,785	0	0	0
	Federal operating grants	-5,143,950	-7,168,237	-5,817,214	-7,576,324	-5,879,241	0
	Virginia operating grants	-5,366,332	-5,002,085	-7,453,276	-7,239,772	-5,400,000	-1,800,000
	Federal Capital Grants	-11,080,201	-8,597,822	-6,606,474	-12,360,800	-1,268,800	-9,289,197
	Virginia Capital Grants	-7,915,624	-6,150,235	-4,238,109	-3,882,294	0	-3,257,534
	Interest income - Bond/Project	-157,732	-47,569	-33,222	-12,000	-160,000	-130,000
	Interest income - DSRF/Oper.	-78,756	-40,240	-11,169	-30,000	-15,000	0
	Interest income - Restricted funds	-1,180,707	-1,171,667	-577,736	0	0	0
	TOTAL 000	-50,335,577	-49,728,243	-51,079,774	-56,189,041	-32,953,932	-20,288,539
	Total SOURCE OF FUNDS	-50,335,577	-49,728,243	-51,079,774	-56,189,041	-32,953,932	-20,288,539

VRE - FY06 Preliminary Budget

		FY02Actual	FY03 Actual	FY04 Actual*	FY05 Budget	FY06 Operating	FY06 Capital
USE OF FUNDS:							
000	VRE - Non-Departmental						
	Depreciation	5,261,679	5,837,560	6,652,209	0	0	0
	Insurance	2,413,640	2,429,993	3,241,935	0	0	0
	Budgeted CIP & Reserves*	0	0		13,885,102	0	7,377,000
	Bond interest & financing costs	4,902,136	4,559,116	4,323,776	9,008,284	8,000	11,111,539
	Capitalized Interest (contra)	0	0	0	0	0	0
	Gain/(loss) on Sale/Value of	0	0	0	0	0	0
	Bond interest/financing costs &	1,348,345	-598,270	0	0	0	0
	TOTAL 000	13,925,801	12,228,400	14,217,920	22,893,386	8,000	18,488,539
001	Office of the Chief Executive Officer						
	Salaries & benefits	338,024	471,674	168,306	279,893	293,887	0
	Travel, training, & Empl expenses	52,599	62,409	25,071	30,900	20,700	0
	Board Member expenses	1,850	2,000	2,100	4,500	3,800	0
	Legal and audit services	53,400	125,988	204,942	100,000	167,000	0
	Consulting & Professional	562,192	501,448	180,203	250,000	150,000	0
	TOTAL 001	1,008,065	1,163,519	580,622	665,293	635,387	0
002	Administration						
	Salaries & benefits	100,757	61,855	219,767	255,273	272,537	0
	Travel, training, & Empl expenses	6,513	13,346	10,823	4,500	9,400	0
	Communication & Other	154,180	124,857	109,118	113,400	113,300	0
	Office administrative expenses	232,320	272,902	185,520	228,600	203,800	0
	TOTAL 002	493,770	472,960	525,228	601,773	599,037	0
003	Budget & Finance						
	Salaries & benefits	418,908	458,954	475,995	489,691	514,176	0

* Preliminary, unaudited

VRE - FY06 Preliminary Budget

	FY02Actual	FY03 Actual	FY04 Actual*	FY05 Budget	FY06 Operating	FY06 Capital
Travel, training, & Empl expenses	8,014	10,387	14,377	10,700	11,500	0
Legal and audit services	27,825	28,100	63,835	40,000	60,000	0
Other repairs and maintenance	0	0	0	0	0	0
Consulting & Professional	4,960	4,725	0	5,000	0	0
Ticket sales commissions &	522,716	716,824	582,775	529,000	584,000	0
Bank discounts & settlement fees	147,812	153,179	166,917	164,000	180,600	0
TOTAL 003	1,130,235	1,372,169	1,303,900	1,238,391	1,350,276	0
004 Marketing, Planning & Public Relations						
Salaries & benefits	555,951	642,568	714,961	732,979	769,628	0
Travel, training, & Empl expenses	15,784	22,200	25,705	34,000	27,600	0
Contract operations & maintenance	2,018	7,660	85,908	70,000	0	0
Other repairs and maintenance	67	49	0	0	0	0
Bus Services	266,820	137,488	3,860	0	8,000	0
Marketing & PR expenses	879,223	612,127	538,872	590,000	594,950	0
Consulting & Professional	5,627	19,715	46,045	10,000	50,300	0
TOTAL 004	1,725,489	1,441,806	1,415,352	1,436,979	1,450,478	0
005 Facilities & Equipment						
Salaries & benefits	58,122	116,700	140,208	113,129	231,041	0
Travel, training, & Empl expenses	29,249	26,728	18,921	27,000	22,000	0
Contract operations & maintenance	0	58,970	93,452	451,356	550,456	0
Other repairs and maintenance	481,632	779,577	1,159,546	724,500	830,400	0
Communications	0	0	400	0	0	0
Utilities	189,518	274,217	263,877	273,000	290,000	0
Fuel	897,198	1,156,996	1,414,188	1,200,000	1,500,000	0
Materials & Supplies	16,646	72,532	29,610	0	37,000	0
Property leases & access fees	1,105,109	1,780,967	1,673,534	1,800,000	151,200	1,800,000
Consulting & Professional	640,637	839,505	841,020	1,140,000	913,000	0

VRE - FY06 Preliminary Budget

	FY02Actual	FY03 Actual	FY04 Actual*	FY05 Budget	FY06 Operating	FY06 Capital
TOTAL 005	3,418,111	5,106,190	5,634,756	5,728,985	4,525,097	1,800,000
006 Communications & Info. Technology						
Salaries & benefits	248,619	253,872	321,565	255,345	268,113	0
Travel, training, & Empl expenses	13,866	28,012	34,532	24,000	38,300	0
Communication & Other	136,450	126,954	88,914	59,000	99,000	0
Office administrative expenses	78,155	149,710	101,897	50,000	60,000	0
Other repairs and maintenance	79,034	438,370	153,248	285,000	304,700	0
Communications	197,566	246,192	186,941	197,000	236,900	0
Materials & Supplies	24,250	109,187	60,870	25,000	40,000	0
Consulting & Professional	0	0	2,438	0	0	0
TOTAL 006	777,940	1,352,298	950,404	895,345	1,047,013	0
007 PRTC						
Commissions--Salaries, benefits,	314,484	285,617	180,589	236,087	199,090	0
Travel, training, & Empl expenses	5,831	7,340	7,169	3,100	7,300	0
Consulting & Professional	0	0	0	0	0	0
TOTAL 007	320,315	292,957	187,758	239,187	206,390	0
008 NVTC						
Commissions--Salaries, benefits,	115,724	74,738	1,452	89,500	0	0
Travel, training, & Empl expenses	2,238	269	122	500	0	0
Consulting & Professional	0	0	90,000	0	80,000	0
TOTAL 008	117,962	75,007	91,574	90,000	80,000	0
009 Amtrak						
Contract operations & maintenance	12,340,903	12,764,286	13,835,523	13,226,091	13,395,760	0
Railroad Payments	49,200	0	-1,420	0	0	0
Utilities	60,699	38,214	30,844	38,000	34,000	0

VRE - FY06 Preliminary Budget

	FY02Actual	FY03 Actual	FY04 Actual*	FY05 Budget	FY06 Operating	FY06 Capital
Fuel	22,121	19,577	26,494	24,000	28,500	0
Property leases & access fees	861,370	925,871	1,179,270	974,762	1,500,000	0
Ticket sales costs	0	0	0	0	0	0
TOTAL 009	13,334,293	13,747,948	15,070,711	14,262,853	14,958,260	0
010 Norfolk Southern						
Contract operations & maintenance	0	0	0	0	0	0
Railroad Payments	22,232	16,857	20,304	21,000	22,500	0
Other repairs and maintenance	0	461	0	1,000	0	0
Property leases & access fees	1,910,621	1,981,067	2,097,070	2,210,912	2,196,961	0
TOTAL 010	1,932,852	1,998,385	2,117,375	2,232,912	2,219,461	0
011 CSXT						
Contract operations & maintenance	269,332	264,589	0	0	0	0
Railroad Payments	468,601	65,275	330,101	324,298	361,400	0
Property leases & access fees	2,738,132	2,620,000	3,213,758	3,780,934	3,312,190	0
TOTAL 011	3,476,065	2,949,863	3,543,860	4,105,232	3,673,590	0
013 Operations & Safety						
Salaries & benefits	122,553	119,935	142,366	127,467	133,840	0
Travel, training, & Empl expenses	1,542	19,136	4,339	11,250	6,400	0
Other repairs and maintenance	46,390	153,063	335,701	0	350,000	0
TOTAL 013	170,484	292,135	482,406	138,717	490,240	0
014 Capital Programs						
Salaries & benefits	457,156	564,558	610,291	624,388	713,207	0
Travel, training, & Empl expenses	25,063	26,568	26,962	19,000	30,400	0
Other repairs and maintenance	809,025	779,516	1,024,879	950,000	1,214,700	0
Parking Fees	233,223	329,929	263,197	334,000	284,000	0

VRE - FY06 Preliminary Budget

	FY02Actual	FY03 Actual	FY04 Actual*	FY05 Budget	FY06 Operating	FY06 Capital
Utilities	88,017	90,470	81,737	72,600	88,981	0
Materials & Supplies	50,231	33,073	54,396	60,000	62,000	0
TOTAL 014	1,662,713	1,824,114	2,061,462	2,059,988	2,393,288	0
050 Grant Supported Operations						
Salaries & benefits	0	0	0	0	0	0
Recovery of capital labor	-312,577	0	0	-400,000	0	0
TOTAL 050	-312,577	0	0	-400,000	0	0
Total USE OF FUNDS:	43,181,519	44,317,750	48,183,326	56,189,041	33,636,517	20,288,539

* Preliminary, unaudited

VRE - FY06 Preliminary Budget

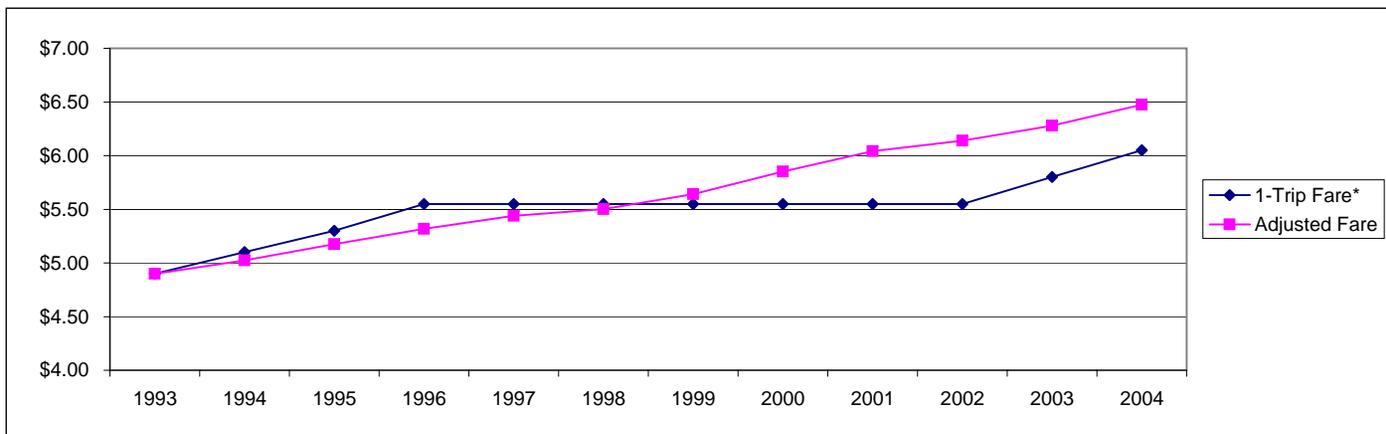
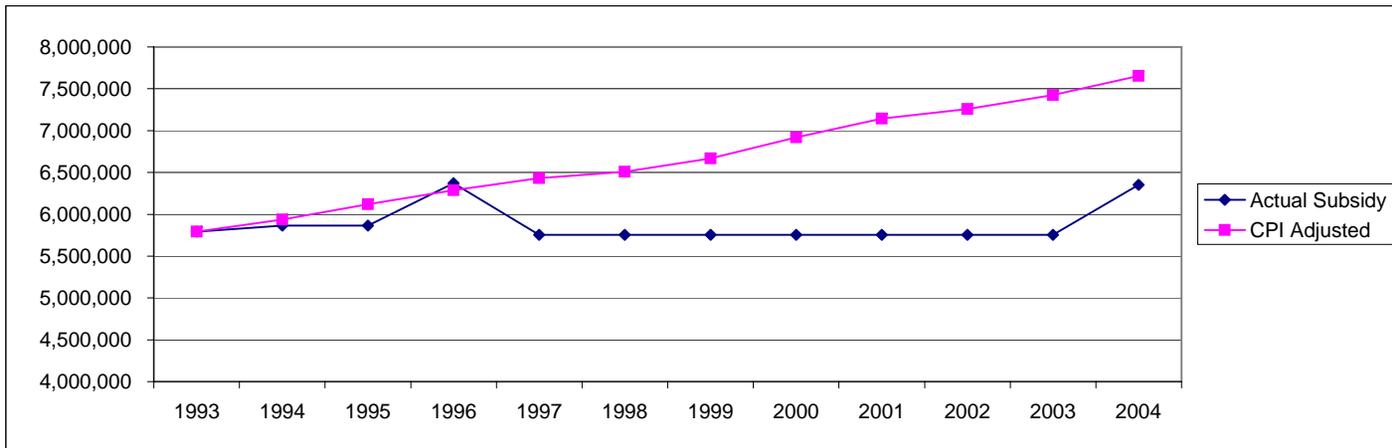
	FY02Actual	FY03 Actual	FY04 Actual*	FY05 Budget	FY06 Operating	FY06 Capital
UNFUNDED BALANCE				0	682,585	0

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Actual Subsidy	5,793,648	5,865,590	5,865,444	6,370,767	5,752,891	5,752,889	5,752,890	5,752,902	5,752,890	5,752,890	5,752,890	6,352,890
CPI Adjusted	5,793,648	5,938,489	6,118,092	6,286,108	6,430,949	6,506,267	6,668,489	6,917,616	7,143,568	7,257,865	7,424,796	7,654,965

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
1-Trip Fare*	\$ 4.90	\$ 5.10	\$ 5.30	\$ 5.55	\$ 5.55	\$ 5.55	\$ 5.55	\$ 5.55	\$ 5.55	\$ 5.55	\$ 5.80	\$ 6.05
Adjusted Fare	\$ 4.90	\$ 5.02	\$ 5.17	\$ 5.32	\$ 5.44	\$ 5.50	\$ 5.64	\$ 5.85	\$ 6.04	\$ 6.14	\$ 6.28	\$ 6.47

*zones 6 - 1

CPI rate		2.5%	3.0%	2.7%	2.3%	1.2%	2.5%	3.7%	3.3%	1.6%	2.3%	3.1%
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Note: If fare revenue matched the CPI, revenue for FY2004 would have been \$800,000 higher

Equipment Specialist and Purchasing Administration

The VRE Operations Board recommends approval of Resolution #1040. This resolution authorizes VRE's CEO to fill two new positions. Federal grants and savings in consultant fees cover most of the costs. A memo describing the positions and an organization chart are attached.

RESOLUTION #1040

SUBJECT: Equipment Specialist and Purchasing Administration

WHEREAS: The VRE Chief Executive Officer has been working to improve operational efficiency and address internal responsibility changes through streamlining staff assignments;

WHEREAS: The CEO believes that the addition of two positions, Equipment Specialist and Purchasing Administrator, will yield even greater organizational efficiency;

WHEREAS: An assessment of VRE's Fleet Management Plan shows that the knowledge, skills and abilities required for equipment management will better serve VRE if they are internal to the staff rather than obtained from consultants;

WHEREAS: The addition of an equipment specialist provides an opportunity to reduce costs of professional services needed to perform high-level technical work associated with VRE's equipment program;

WHEREAS: VRE's growing capital program has resulted in a significant procurement and purchasing backlog; and

WHEREAS: The addition of a purchasing administrator provides an opportunity to match purchasing and procurement demands with staffing levels.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission does hereby authorize the VRE Chief Executive Officer to create and fill the positions of Equipment Specialist and Purchasing Administrator.

Approved this 2nd day of September, 2004.

William Euille
Chairman

Gerald Connolly
Secretary-Treasurer

AGENDA ITEM 8-C
ACTION ITEM

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: AUGUST 20, 2004

SUBJECT: AUTHORIZATION TO CREATE POSITIONS FOR AN “EQUIPMENT SPECIALIST” AND “PURCHASING ADMINISTRATOR”

RECOMMENDATION:

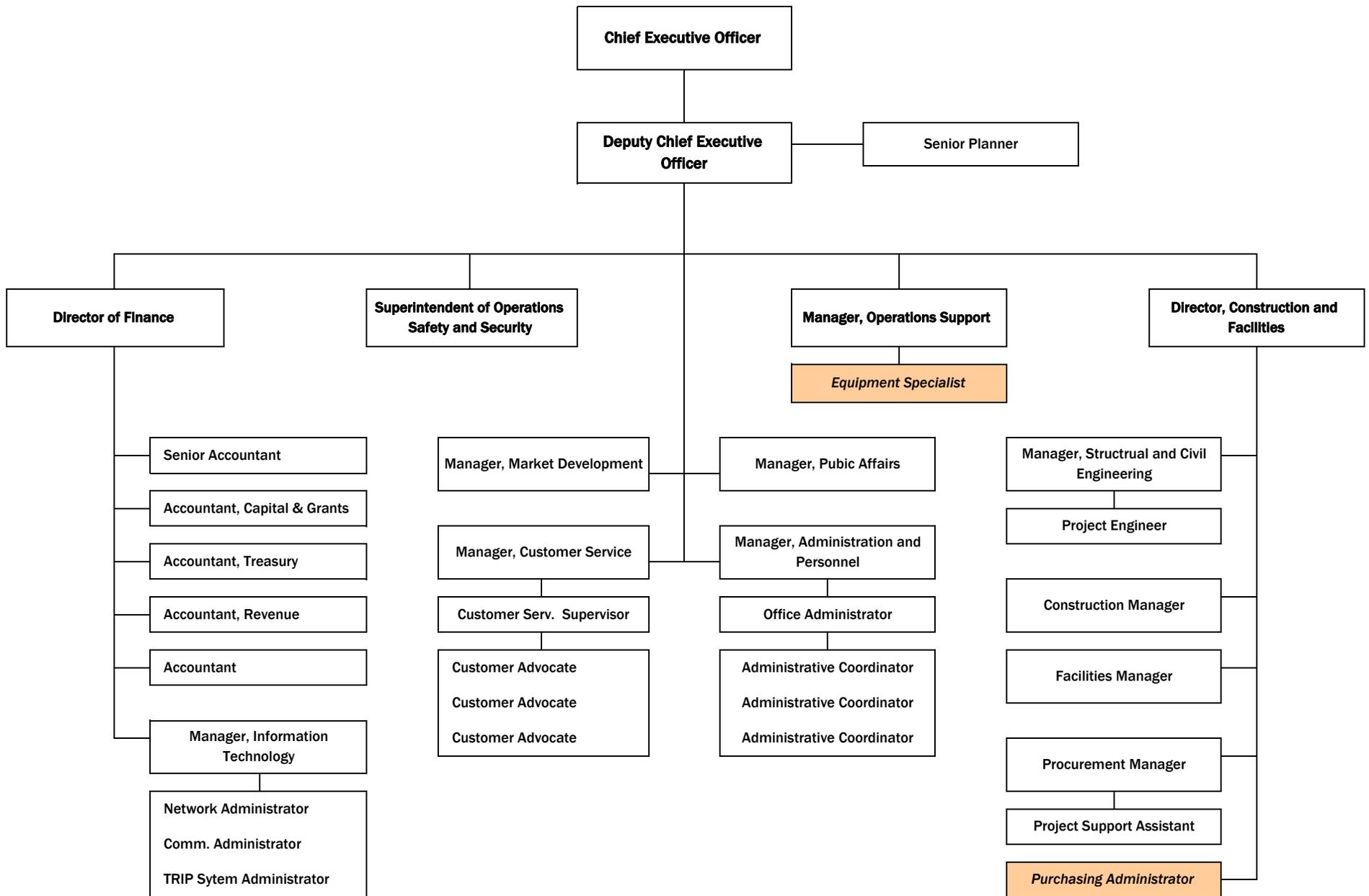
The VRE Operations Board is being asked to recommend that the Commissions authorize the Chief Executive Officer to create and hire the positions of an “Equipment Specialist” and a “Purchasing Administrator”.

BACKGROUND:

The Chief Executive Office has been working to improve operational efficiency and address internal responsibility changes through minor adjustments such as streamlining staff assignments. While these efforts have been successful, staff believes that the addition of two positions will yield even greater results. As shown in the attached organization chart, VRE currently employs 34 full-time staff. The addition of these positions will bring VRE’s total staff count up to 36 employees. Both positions are proposed to be funded primarily with federal grant funds, a practice currently underway for VRE, PRTC and NVTC staff working on federally funded projects.

The first position, Equipment Specialist, will report to the Manager of Operations Support and will oversee the increasingly technical and complex rehabilitation and maintenance work required by VRE’s older and more varied fleet as well as the design and acquisition of new coaches and locomotives. Currently, all fleet and operations work is the responsibility of the Manager of Operations Support. Due to the workload, the majority of fleet project management is outsourced to VRE’s mechanical engineering consultant. VRE has spent an average of \$1,490,000 per year for the past

Virginia Railway Express



two fiscal years for these mechanical engineering consulting services. Without the addition of this position, these expenses will increase as demands on equipment continue to grow.

The addition of an Equipment Specialist will strengthen fleet project oversight, increase maintenance efficiency and reduce consultant costs. It is estimated that between 60 and 75% of this position expense will be federal grant reimbursable.

While a significant amount of work currently being outsourced can be brought in-house at a substantial savings, some work, due to specific technical expertise, would continue to be completed by VRE's mechanical engineering consultant. However, for every 10% reduction of equipment work assigned to in-house personnel rather than outside consultants, VRE saves nearly \$150,000.

In reviewing the VRE Fleet Management plan, several upcoming work elements could be completed in-house using the Equipment Specialist position, including:

- Oversight of contractor repair activity in VRE yards
- Project management of Gallery coach qualification and repair
- Project management of Gallery coach truck rebuild
- Management of procurement for the acquisition of 11 cabs cars and 50 coaches

The second position, Purchasing Administrator, will report to the Director of Capital Programs and oversee contracts and major purchases. As VRE's capital budget grows, the number of procurements and contracts is also growing. Each year VRE receives an average of \$30 million in funding, including earmarks. This growth has resulted in a demand on the procurement staff that is exceeding reasonable levels. In FY 2003, VRE issued 12 procurements – this work doubled in FY 2004 when 24 procurements were issued. Fiscal year 2005 is expected to grow even more as 12 procurements are currently underway with nine additional procurements under development.

In addition to procurement activities, VRE manages over \$53 million in active contracts. An additional \$3.4 million is encumbered to upcoming projects, resulting in a need to manage over \$56 million in contracts. Staff resources for this work are currently limited to one full-time position.

The addition of a Purchasing Administrator will strengthen procurement and contract efficiency. In addition, this position will help improve procurement and purchasing guidelines and procedures. As VRE's grants and revenue increase, this position will permit a centralization of all purchasing (required with the installation of an integrated financial system), ensuring compliance with the Virginia Public Procurement Act and FTA Master Agreement. It is estimated that over 80% of this position expense will be federal grant reimbursable.

FISCAL IMPACT:

The grade and salary range for the Equipment Specialist is proposed at Grade Z (\$57,837 - \$92,540). This position will be funded by federal equipment grants as well as the savings achieved through a reduction in mechanical engineering consulting costs. The grade and salary range for the Purchasing Administrator is proposed at Grade O (\$34,455 - \$55,128). Approximately 80% of this position will be funded with federal grants with the remaining 20% provided from the operations budget. Both the FY2005 and FY2006 budgets have funding available for these positions.

AGENDA ITEM 8-C
ACTION ITEM

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: AUGUST 20, 2004

SUBJECT: AUTHORIZATION TO CREATE POSITIONS FOR AN "EQUIPMENT SPECIALIST" AND "PURCHASING ADMINISTRATOR"

RECOMMENDATION:

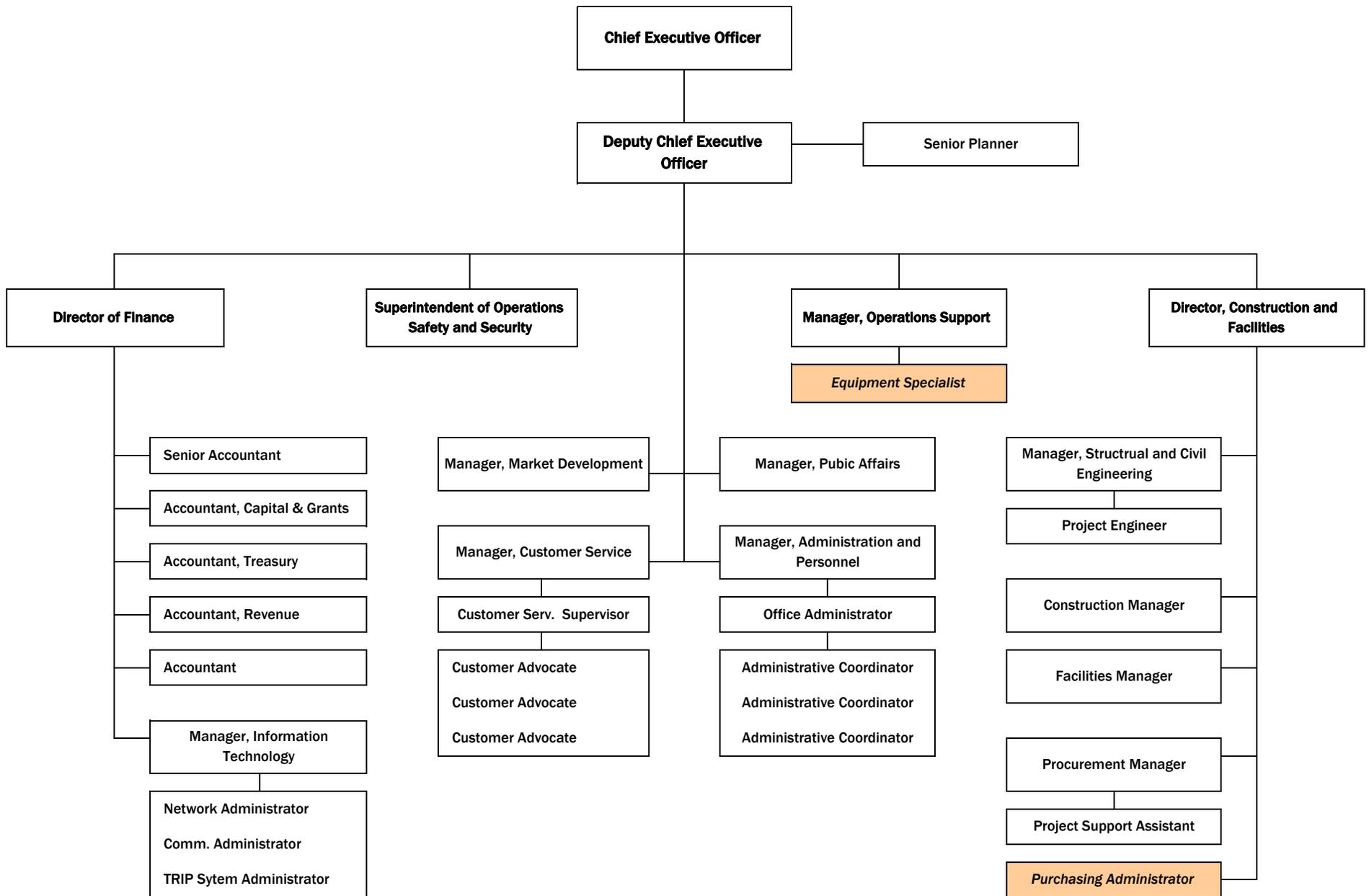
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BACKGROUND:

The Chief Executive Office has been working to improve operational efficiency and address internal responsibility changes through minor adjustments such as streamlining staff assignments. While these efforts have been successful, staff believes that the addition of two positions will yield even greater results. As shown in the attached organization chart, VRE currently employs 34 full-time staff. The addition of these positions will bring VRE's total staff count up to 36 employees. Both positions are proposed to be funded primarily with federal grant funds, a practice currently underway for VRE, PRTC and NVTC staff working on federally funded projects.

The first position, Equipment Specialist, will report to the Manager of Operations Support and will oversee the increasingly technical and complex rehabilitation and maintenance work required by VRE's older and more varied fleet as well as the design and acquisition of new coaches and locomotives. Currently, all fleet and operations work is the responsibility of the Manager of Operations Support. Due to the workload, the majority of fleet project management is outsourced to VRE's mechanical engineering consultant. VRE has spent an average of \$1,490,000 per year for the past

Virginia Railway Express



two fiscal years for these mechanical engineering consulting services. Without the addition of this position, these expenses will increase as demands on equipment continue to grow.

The addition of an Equipment Specialist will strengthen fleet project oversight, increase maintenance efficiency and reduce consultant costs. It is estimated that between 60 and 75% of this position expense will be federal grant reimbursable.

While a significant amount of work currently being outsourced can be brought in-house at a substantial savings, some work, due to specific technical expertise, would continue to be completed by VRE's mechanical engineering consultant. However, for every 10% reduction of equipment work assigned to in-house personnel rather than outside consultants, VRE saves nearly \$150,000.

In reviewing the VRE Fleet Management plan, several upcoming work elements could be completed in-house using the Equipment Specialist position, including:

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The grade and salary range for the Equipment Specialist is proposed at Grade Z (\$57,837 - \$92,540). This position will be funded by federal equipment grants as well as the savings achieved through a reduction in mechanical engineering consulting costs. The grade and salary range for the Purchasing Administrator is proposed at Grade O (\$34,455 - \$55,128). Approximately 80% of this position will be funded with federal grants with the remaining 20% provided from the operations budget. Both the FY2005 and FY2006 budgets have funding available for these positions.

Item #14D

Service Contract for SmarTrip Project Engineer

The VRE Operations Board recommends approval of Resolution #1041. This resolution authorizes VRE's CEO to advertise and award a contract for an independent contractor to serve as a project engineer for SmarTrip integration. The budgeted amount is not to exceed \$257,400 over three years. Federal grants will cover the cost, together with required state and local matching funds.

RESOLUTION #1041

SUBJECT: Service Contract for SmarTrip Project Engineer.

WHEREAS: In an effort to enhance VRE's participation in the regional SmartTrip project, a task order was awarded to HDR, with LTK as a sub-consultant in May of 2004;

WHEREAS: As this project progresses, additional consultant work is needed due to limited staff expertise;

WHEREAS: VRE does not have the resources for technical supervision, coordination of design and testing work, and participation in the numerous regional sub-committee meetings that will be required for the VRE-SmarTrip integration project; and

WHEREAS: This expertise will only be needed for the limited period of procurement and installation of the SmarTrip system and will only be required on a part-time basis during this period.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to advertise and award a contract in an amount not to exceed \$257,400 for an independent contractor to perform project engineering services related to SmarTrip.

Approved this 2nd day of September, 2004.

William Euille
Chairman

Gerald Connolly
Secretary-Treasurer

AGENDA ITEM 8-K
ACTION ITEM

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: AUGUST 20, 2004

**RE: AUTHORIZATION TO ADVERTISE AND AWARD A CONTRACT
FOR A SMARTRIP PROJECT ENGINEER**

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the VRE Chief Executive Officer to advertise and award a contract for an independent contractor to serve as project engineer for SmarTrip integration, in an amount not to exceed \$257,400 over a period of three years.

BACKGROUND:

In an effort to continue VRE's participation in the regional SmarTrip project, a task order was awarded to HDR, with LTK as a subconsultant, in May of 2004. Work elements included the design of VRE's SmarTrip hardware and software, procurement, testing and training.

As this project progresses, additional work needs to be outsourced due to limited staff time and expertise. Currently, VRE does not have the resources in-house to perform the hands-on technical supervision, coordinate the design and testing work, or participate in the numerous regional sub-committee meetings that will be required for the VRE-SmarTrip integration project. Nor does VRE have staff with experience specific to smart card technology and its unique issues. As this project is extremely sensitive and technically difficult, staff recommends obtaining this additional expertise.

Additionally, these services will only be needed for the limited period of procurement and installation of the SmarTrip system and will only be required on a part-time basis during this period. As such, this position does not lend itself to hiring a permanent, full-time engineer.

The proposed project engineer would:

- 1) Work with general engineering consultants on design, testing and implementation of the system.
- 2) Provide comment on documentation from vendors and consultants.
- 3) Coordinate technical requirements with vendors, VRE's IT and facilities departments, and the regional clearinghouse provider.
- 4) Provide day-to-day technical project management, particularly during design and testing phases.
- 5) Actively participate in the regional SmarTrip subcommittee meetings and provide support for the Regional Partners meetings.
- 6) Maintain project files.
- 7) Draft project correspondence.

The project engineer would spend the bulk of his or her time managing coordination efforts with the regional SmarTrip system. He or she will represent VRE at all of the technical subcommittee meetings, including the design review and operations subcommittees. The project engineer will also be responsible for all technical coordination with VRE's IT department regarding our existing communications systems. And finally, the project engineer will be VRE's main point of contact for the testing and installation phases of the SmarTrip implementation.

The project engineer would report to the VRE project manager, who will continue to have general oversight over the SmarTrip project. The proposed position is classified as a temporary, part-time position. The work is anticipated to be 15-20 hours per week for a period of 18 months to 3 years, depending on the schedules of both the vendor and the regional system. Staff has estimated the cost of this level of effort will not exceed \$257,400 over the three-year term.

FISCAL IMPACT:

Funds for this position are included in VRE's Capital Improvement Program (CIP) as part of the SmarTrip project. Funding is made up of SSTP and CMAQ monies, with the match provided by state and local funds.

Renewal of Line of Credit

The VRE Operations Board recommends approval of Resolution #1042. This resolution authorizes renewal by NVTC of a \$1 million VRE line of credit at SunTrust Bank. This overdraft protection is used occasionally by VRE when receipt of grants is delayed.

RESOLUTION #1042

SUBJECT: Renewal of Line of Credit.

WHEREAS: The VRE banking services contract with SunTrust executed in 2003 provided for a line of credit not to exceed \$1,000,000; and

WHEREAS: This line of credit must be renewed on an annual basis.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes staff to renew for VRE the line of credit at SunTrust for an additional year.

Approved this 2nd day of September, 2004.

William Euille
Chairman

Gerald Connolly
Secretary-Treasurer

AGENDA ITEM 8-D
ACTION ITEM

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: AUGUST 20, 2004

RE: RENEWAL OF LINE OF CREDIT

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Northern Virginia Transportation Commission authorize a renewal of the line of credit with SunTrust Bank for a second year. Annual renewal is required to maintain the line of credit.

BACKGROUND:

The line of credit was approved by the Operations Board on June 20, 2003, as part of VRE's banking services contract with SunTrust Bank. The overall banking contract is for three years with two possible one-year extensions. The line of credit, however, must be renewed annually to remain available for use.

The banking services agreement provides for overdraft protection not to exceed \$1 million. Although it is not VRE's intent to use such protection unless absolutely necessary, in light of increasing delays experienced in receiving reimbursements under State and Federal grants, VRE is adopting the best business practice of implementing overdraft protection. Any amounts received under the bank's overdraft protection line will be repaid upon receipt of the grant funds.

FISCAL IMPACT:

If exercised, administrative costs for exercising the line of credit are grant reimbursable.

Item #14F

Construction Contract Award for Broad Run Pit

The VRE Operations Board recommends approval of Resolution #1043. This resolution authorizes award of a contract to Chemung Contracting Corporation, Inc. of Richmond, Virginia in the amount of \$1,750,630. A new inspection pit is required because of the need to shift more maintenance work to the outlying VRE yards.

RESOLUTION #1043

SUBJECT: Construction Contract Award for Broad Run Pit.

WHEREAS: Due to a growing fleet and new inspection regulations, VRE needs inspection and maintenance facilities at the outlying yards;

WHEREAS: The addition of an inspection pit at Broad Run yard will allow greater flexibility by providing undercarriage inspection and other maintenance capabilities that currently do not exist at this location; and

WHEREAS: As previously approved by the VRE Board, the design was completed in June of 2004 and a solicitation to construct the pit was issued on July 16, 2004.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to award a construction contract for a car inspection pit at the Broad Run yard to Chemung Contracting Corporation, Inc. in the amount of \$1,750,630, which includes a ten percent contingency.

Approved this 2nd day of September, 2004.

William Euille
Chairman

Gerald Connolly
Secretary-Treasurer

AGENDA ITEM 8-F
ACTION ITEM

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: AUGUST 20, 2004

**RE: AUTHORIZATION TO AWARD A CONSTRUCTION CONTRACT
FOR THE VRE BROAD RUN YARD INSPECTION PIT**

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Chief Executive Officer to award a construction contract for a car inspection pit at the Broad Run yard to **Chemung Contracting Corporation, Inc.** in the amount of **\$1,591,482 plus up to 10 percent contingency of \$159,148 for a total amount of \$1,750,630.**

BACKGROUND:

The VRE Broad Run storage yard is located at the end of the Manassas Line, just south of the Broad Run Station. This yard consists of eight stub-end tracks that store five VRE train sets overnight.

Due to overcrowding of storage, maintenance and inspection facilities at Washington Union Terminal, VRE must shift inspection and minor maintenance activities to the outlying yards. This shift was accelerated by the January 2002 Section 238 regulation that requires passenger cars to go through a 184-day inspection, overwhelming existing Amtrak inspection facilities. The initiative to shift more fleet maintenance to outlying yards was approved by the Operations Board at the June 18, 2004, meeting.

Unlike the Crossroads Yard, there is currently no pit track at Broad Run, severely limiting any maintenance functions that can be performed on-site. The addition of

an inspection pit at Broad Run will allow greater maintenance flexibility by providing undercarriage inspection and maintenance capabilities that currently do not exist. Furthermore, as additional rehabilitated vehicles are procured by VRE, an increase in fleet maintenance capabilities will be needed and can be achieved through this project.

At the April 18, 2003, Board meeting, authorization to begin design and solicit bids to construct the inspection pit was granted. Design was completed in June of 2004 and a solicitation to construct the pit was issued on July 16, 2004. Bids were due August 18, 2004. After reviewing the bids, staff is recommending award to the lowest responsive and responsible bidder **Chemung Contracting Corporation, Inc.** Authorization is being sought in the amount of **\$1,750,630.**

FISCAL IMPACT:

Funds for the project are included in VRE's Capital Improvement Program (CIP) as part of the Broad Run Yard expansion and maintenance facility project. Funding for this project is from FY 2002 and FY 2003 federal grants. The local match is provided for using state and local funds.

Item #14G

Construction Contract Award for Quantico Station

The VRE Operations Board recommends approval of Resolution #1044. This resolution authorizes VRE's CEO to award a contract to MONARC Construction, Inc. for rehabilitation of VRE's Quantico Station. The cost will not exceed \$847,823 of grant funds included in VRE's approved CIP.

RESOLUTION #1044

SUBJECT: Construction Contract Award for Quantico Station.

WHEREAS: Remediation and rehabilitation of the Quantico Station building are needed to accommodate an increase in ridership and provide commuters with shelter during waiting periods;

WHEREAS: Remediation work was previously completed as authorized by the VRE Board;

WHEREAS: VRE has completed the design for the rehabilitation of the Quantico Station; and

WHEREAS: VRE Board action on June 18, 2004, authorized procurement of construction services and resulted in a competitive procurement.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to award a construction contract for the VRE Quantico Station Rehabilitation Project to MONARC Construction, Inc. in the amount of \$847,823, which includes a ten percent contingency.

Approved this 2nd day of September, 2004.

William Euille
Chairman

Gerald Connolly
Secretary-Treasurer

AGENDA ITEM 8-G
ACTION ITEM

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: AUGUST 20, 2004

**RE: AUTHORIZATION TO AWARD A CONSTRUCTION CONTRACT
FOR THE VRE QUANTICO STATION REHABILITATION
PROJECT**

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Chief Executive Officer to award a construction contract for the VRE Quantico Station Rehabilitation Project to **MONARC Construction, Inc.** in the amount of **\$770,748 plus up to 10 percent contingency of \$77,075 for a total amount of \$847,823.**

BACKGROUND:

As previously authorized by the Board, the asbestos and lead based paint remediation phase of the Quantico Station renovation project was completed in February 2004. As of June 2004, the VRE had completed the design for the rehabilitation phase of the Quantico Station project.

At the June 18, 2004, Operations Board meeting, authorization to solicit construction bids was granted. Following the competitive procurement process, bids were received and opened on August 13, 2004. After reviewing the bids, staff is recommending award to the lowest responsive and responsible bidder – **MONARC Construction, Inc.** Authorization is being sought in the amount of **\$847,823.** Construction is scheduled to begin in September 2004 and be completed by the end of the year.

FISCAL IMPACT:

Funds for the project are included in VRE's CIP as part of the Quantico Station renovation project. Funding for this element of the project is from FY 2001 and FY 2002 federal grants. The local match is provided for using state and local funds.

Contract Award for Facilities Maintenance

The VRE Operations Board recommends approval of Resolution #1045. This resolution authorizes VRE's CEO to award a contract for facilities maintenance to NV Enterprises, Inc. in an amount not to exceed \$2 million annually for five years (base year plus four, one-year options). This action covers only the first year of the contract. This resolution is based on reissuance of the request for proposals following a protest by one of the firms that led to cancellation of the original procurement.

RESOLUTION #1045

SUBJECT: Construction Contract Award for Facilities Maintenance.

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

WHEREAS: The existing facilities maintenance contract is currently on a month-to-month basis; and

WHEREAS: A procurement has been completed for facilities maintenance services over a period of five-years, including a base year, plus four one-year renewable options.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to award a construction contract for facilities maintenance to NV Enterprises, Inc. not to exceed \$2 million for the first year of a five year contract including, four, one-year options, with each of the options to be separately authorized by the commissions.

Approved this 2nd day of September, 2004.

William Euille
Chairman

Gerald Connolly
Secretary-Treasurer

AGENDA ITEM 8-H
ACTION ITEM

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: AUGUST 20, 2004

**RE: AUTHORIZATION TO AWARD A CONTRACT FOR FACILITIES
MAINTENANCE SERVICES**

RECOMMENDATION:

The VRE Operations Board is being asked to recommend to the Commissions that the VRE Chief Executive Officer be authorized to award a contract for facilities maintenance services to **NV Enterprises, Inc.** in an amount not to exceed \$2 million per year.

BACKGROUND:

On June 18, 2004, the Operations Board authorized the Chief Executive Officer to enter into a five-year contract with Lakewood Maintenance. Following this authorization for award, a protest was filed. After consultation with VRE counsel, it was decided that a clarification regarding license requirements was necessary. The procurement was subsequently canceled and reissued with this change incorporated.

As of August 1, 2004, the facilities maintenance contract has been on a month-to-month basis. A "Request for Proposals" for facilities maintenance services was issued on July 6, 2004. Two proposals were received on August 6, 2004. Following selection committee review, and pending contract negotiations, staff is recommending award to **NV Enterprises, Inc.**

The procurement was designed to allow for a five-year contract (base year, plus four one-year renewable options) and include facilities maintenance as well as

task order repairs and new work. The base year and each renewable option year may not exceed \$2 million per year for both maintenance and task order work.

The facilities budget is financed with both operating and capital funds. The FY 2005 facilities maintenance budget includes just over \$1 million in operating funds for general facilities maintenance (i.e. cleaning, landscaping and repairs). The remaining million dollars of contract authorization is funded through specific capital projects and managed through task orders. Examples of such previous work includes installation of razor wire at Crossroads and installation of security gates at both yards. Upcoming task order work will include efforts such as station painting, installation of emergency phones and construction of stairs at the Fredericksburg station.

FISCAL IMPACT: This contract is funded through the facilities line item of the FY 2005 VRE Operating Budget and project specific grants in the VRE Capital Budget.

Contract Award for Integrated Financial Management Software

The VRE Operations Board recommends approval of Resolution #1046. This resolution authorizes VRE's CEO to execute a contract with Mitchell Humphrey to provide an integrated financial system at a price not to exceed \$350,000. VRE's auditors have recommended such a system. Federal grant funds are included in VRE's approved CIP.

RESOLUTION #1046

SUBJECT: Contract Award for Integrated Financial Management Software.

WHEREAS: VRE advertised and received six responsive proposals for an integrated financial system under RFP#04-012;

WHEREAS: The selection committee has reviewed and rated proposals, conducted intensive interviews, queried references and made site visits;

WHEREAS: The selection committee has determined that the software proposed by Mitchell Humphrey is best suited for the requirements of VRE; and

WHEREAS: Funding is provided in the FY 2005 capital budget.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to execute a contract with Mitchell Humphrey in an amount not to exceed \$350,000 for integrated financial system software.

Approved this 2nd day of September, 2004.

William Euille
Chairman

Gerald Connolly
Secretary-Treasurer

AGENDA ITEM 8-I
ACTION ITEM

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: AUGUST 20, 2004

RE: AUTHORIZATION TO AWARD A CONTRACT TO MITCHELL HUMPHREY FOR INTEGRATED FINANCIAL SYSTEM SOFTWARE

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Chief Executive Officer to execute a contract with Mitchell Humphrey to provide an integrated financial system as quoted in RFP # 04-012. The contract shall not exceed \$350,000. There is no contingency requested for this contract.

BACKGROUND:

VRE's financial system software was purchased in 1992 and no longer meets VRE's organizational or financial needs. As a result, staff has recommended pursuing a replacement system. This recommendation was strongly supported by VRE's independent auditors after the FY 2003 audit. Subsequently, VRE advertised and received six responsive proposals for integrated financial system software as specified in VRE RFP # 04-012. The selection committee has reviewed the proposals, queried references, and interviewed and rated the two top firms on both oral and written presentations as well as made visits to sites in Virginia to view software in actual operation. The selection committee was made up of staff from VRE, NVTC and PRTC who will be using the system once operational.

Based upon the oral and written presentations, references and site visits, the selection committee recommends that Mitchell Humphrey be awarded the contract. It is anticipated that the installation will be substantially complete by the end of the fiscal year.

FISCAL IMPACT:

Funds for the project are included in VRE's Capital Improvement Program (CIP) as part of the Accounting Management System project. Funding is from a FY 2003 federal grant. The local match is provided for using state and local funds.

Contract Award for Locomotive Fuel Supply

The VRE Operations Board recommends approval of Resolution #1047. This resolution authorizes VRE's CEO to award a contract not to exceed \$1,070,000 for the first year to Quarles Petroleum of Fredericksburg for diesel fuel delivered to Crossroads yard. VRE uses about 800,000 gallons at that yard each year. This item is a second request as no bids were received earlier this year. The contract has a five-year term including four, one-year options.

RESOLUTION #1047

SUBJECT: Contract Award for Locomotive Fuel Supply.

WHEREAS: VRE consumes approximately 800,000 gallons of fuel each year at Crossroads yard;

WHEREAS: VRE currently purchases all of its fuel on the spot market.

WHEREAS: VRE is capable of purchasing fuel for a reduced price when under contract; and

WHEREAS: Following a competitive procurement, one bid was received for fuel delivery at the Crossroads yard.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to award a contract to Quarles Petroleum of Fredericksburg, Virginia for the delivery of diesel fuel at the Crossroads yard in an amount not to exceed \$1,070,000 for the first year of the contract, with four subsequent one-year options to be separately authorized by the commission.

Approved this 2nd day of September, 2004.

William Euille
Chairman

Gerald Connolly
Secretary-Treasurer

AGENDA ITEM 8-J
ACTION ITEM

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: AUGUST 20, 2004

**RE: RECOMMENDATION TO AWARD A CONTRACT FOR
LOCOMOTIVE FUEL SUPPLY AT THE CROSSROADS YARD**

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Chief Executive Officer to award a contract to Quarles Petroleum of Fredericksburg, Virginia for the purchase and delivery of diesel fuel to the Crossroads yard for VRE's locomotive fleet. This contract is recommended in an amount not to exceed \$1,070,000 for the first year of the contract.

BACKGROUND:

VRE locomotives require fueling every night after performing revenue service. Over the course of a year, VRE consumes approximately 800,000 gallons of diesel fuel at the Crossroads yard. VRE is currently purchasing its fuel on the spot market and receives daily invoices for deliveries. In order to add stability to the stream of payments 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 while also allowing for monthly invoicing and the ability of VRE to order the purchase of one or more futures.

In March of 2004, an RFP was posted for the purchase and delivery of diesel fuel to both the Broad Run and Crossroad yards. While contract award was made for the Broad Run yard, no bids were received for the Crossroads yard and the procurement was reissued. The Invitation for Bids was reissued on May 18,

2004, and closed on June 17, 2004. VRE received one bid for fuel purchase and delivery for which staff is recommending award. This authorization is for the first year of a one-year contract that contains four additional one-year options. VRE staff will return to the Operations Board and Commissions for authority to exercise each option year.

FISCAL IMPACT:

Funding is provided in the FY 2005 Operating Budget.

Task Order to RailPlan International

The VRE Operations Board recommends approval of Resolution #1048. This resolution authorizes VRE's CEO to amend a task order in the Mechanical Engineering II contract with RailPlan International, Inc. for general and administrative services not to exceed \$80,000. This increment brings the total task order amount to \$227,750, which should sustain these activities through February, 2005.

RESOLUTION #1048

SUBJECT: Task Order to RailPlan International.

WHEREAS: There is a continuing demand for fleet maintenance using RailPlan, to provide technical assistance for projects defined in VRE's Mechanical Engineering II contract;

WHEREAS: This task order allows for the continuation of general administrative and technical services and advice;

WHEREAS: Other components of the task order call for equipment failure evaluation, monthly progress reports and other administrative services to ensure quality service to VRE; and

WHEREAS: Based upon pending work and scheduled fleet maintenance requirements, this task order should provide VRE with support into February 2005.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to amend a task order under the Mechanical Engineering II contract with RailPlan International, Inc. to continue to provide general and administrative services in an amount not to exceed \$80,000, for a task order total of \$227,750.

Approved this 2nd day of September, 2004.

William Euille
Chairman

Gerald Connolly
Secretary-Treasurer

AGENDA ITEM 8-M
ACTION ITEM

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: AUGUST 20, 2004

**RE: AUTHORIZATION TO AMEND A TASK ORDER UNDER MEC II
TO RAILPLAN INTERNATIONAL FOR GENERAL AND
ADMINISTRATIVE SERVICES**

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Chief Executive Officer to amend a task order under the Mechanical Engineering Consultant II Contract (MEC II) to RailPlan International, Inc. for general and administrative services in an amount not to exceed \$80,000.

BACKGROUND:

On October 17, 2003, the Operations Board approved a task order for general and administrative services to RailPlan International, Inc. in the amount of \$62,750. That amount was projected to last into the first quarter of calendar year 2004 and was subsequently increased by \$85,000 in February 2004. The February 2004 Operations Board approval anticipated the task order authorization extending through the third quarter of 2004.

Therefore, due to continuing demands on VRE fleet maintenance and the uncertainties VRE faces with Amtrak in its fleet maintenance services, the continued provision of these services is necessary to support VRE operations. Specific components of the task order call for equipment failure evaluation, monthly progress reports, and other administrative services to ensure quality service to VRE.

Based upon the history of the first phase of this task order and the subsequent revisions, this amendment should sustain the forementioned activities until February 2005. If approved, the total amount of this task order will be \$227,750.

FISCAL IMPACT:

Funds for this task order are included in VRE's CIP as part of the Rolling Stock Modification Project. Funding is made up of FY 2002 and FY 2003 federal grants. Local match is provided for using state and local funds.

Customer Opinion Survey

As shown on the attachment, VRE has completed its tenth annual customer opinion survey. Overall customer satisfaction is down with primary concerns being on-time performance, crowded trains, lack of parking and increased fares. The full survey and results are available at www.vre.org as a PDF file.

AGENDA ITEM 9-A
INFORMATION ITEM

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: AUGUST 20, 2004

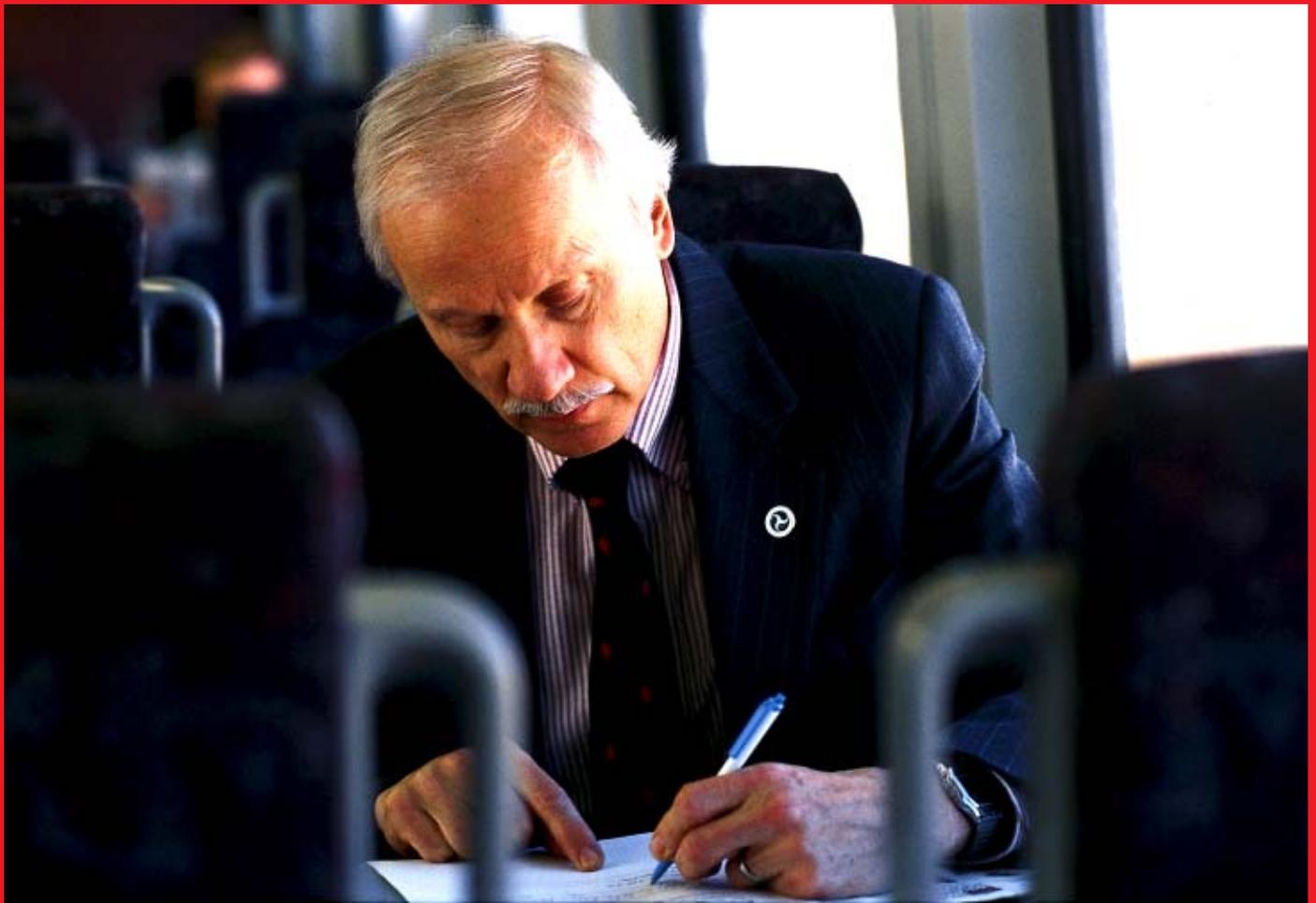
RE: REVIEW OF CUSTOMER OPINION SURVEY FROM MAY 2004

On May 13, 2004, VRE conducted its 10th Annual Customer Opinion Survey. This survey is done annually to gauge the level of satisfaction amongst our riders as well as obtain data on different elements of VRE service. This survey is not only used by VRE, but also by jurisdictional staff and VRE contractors. It is an excellent tool for planning exercises and service upgrades.

The results of this year's survey were respectable. However, overall customer satisfaction is down which reflects the frustration of many riders. Their primary concerns include on-time performance, crowded trains, lack of parking, and increased fares. Interestingly, despite the drop in overall satisfaction, 20% said service improved this year and 79% stated that they had recommended VRE to one or more persons in the past year.

Attached is a graphic summary of the rider survey. Full results of the survey will be available on the VRE website as a PDF downloadable file.

Virginia Railway Express



2004 Passenger
Survey Results

Typical VRE Passenger

Riders With :

Ten-Ride 54%
 Monthly 38%
 TLC 5%

Purchased From:

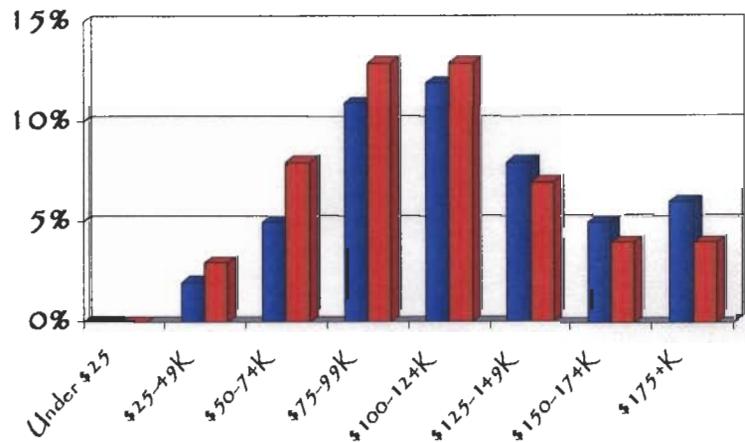
TVM 35%
 Vendor 63%
 Internet 3%



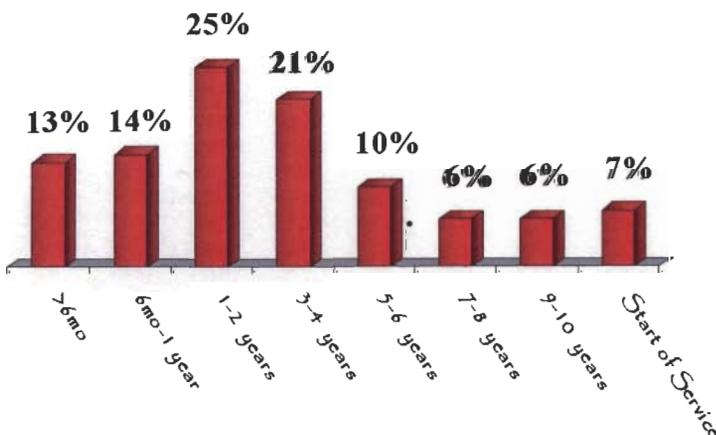
Age:

25-34 14%
 35-44 29%
 45-54 34%
 55-64 18%

Household Income by Line



How Long Riding



Top Concerns About Service

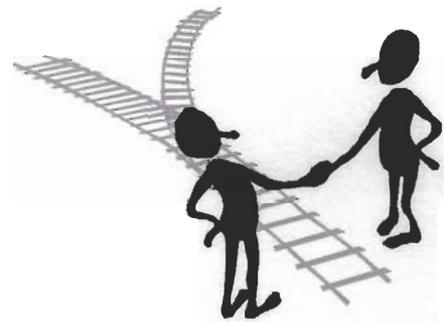
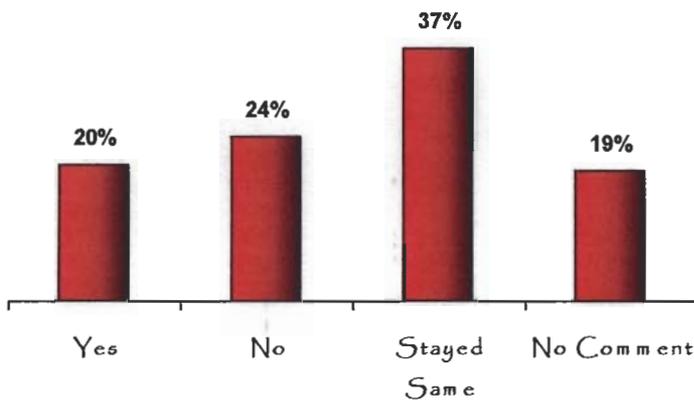
Manassas Line:

On Time Performance	20%
Lack of Parking	20%
Lack of Seating	18%
Old Equipment	12%
Cost	12%
Frequency of Service	9%
None	5%
Security	3%
Other	1%
Communication	0%

Fredericksburg Line:

On Time Performance	38%
Lack of Seating	20%
Cost	17%
Lack of Parking	5%
Old Equipment	5%
Frequency of Service	6%
None	5%
Security	3%
Other	2%
Communication	1%

Did Service Improve?

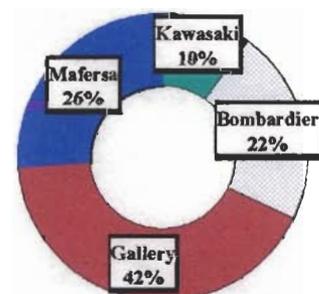


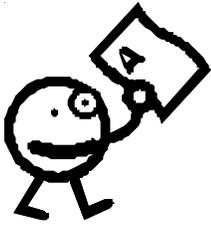
Did you Know?

- 79% Married
- 81% White
- 9% African American
- 89% Own their home
- 82% Drive to the Station
- 63% Walk to Work
- 25% Transfer to Metro
- 9% Telecommute



Least Favorite Type of Cars





VRE Report Card

Customer Service

	2004	2003
Responsiveness of VRE Staff	84%	84%
Friendliness of VRE Staff	86%	84%
VRE follow-up to Delays or Problems	59%	61%
Lost and Found	75%	39%
Timeliness of E-mail responses	57%	37%
Quality of E-mail responses	60%	37%
Quality of website	80%	42%
Timeliness of website information	71%	76%
Timeliness of Train Talk (E-mail News Service)	69%	69%
Quality of Train Talk	13%	55%
Overall Communication with Passengers	69%	70%

Train Crew Members

Are Knowledgeable About VRE Operations	90%	94%
Are Helpful	89%	94%
Are Courteous	88%	93%
Make Regular Station Announcements	81%	88%
Make Timely Delay Announcements	71%	76%
Check Tickets Regularly	72%	N/A
Present A Professional Appearance	91%	94%
Overall Crew Performance	88%	94%

VRE Operations

Convenience of Schedules	66%	71%
On-time Performance	57%	67%
Cleanliness of Trains	86%	88%
Cleanliness of Stations	82%	82%
Communication between VRE Mgmt & Passengers	71%	64%
Automated Telephone System (TRIP)	55%	27%
Reliability Of Ticket Vending Machines	41%	46%
Ease Of Buying A Ticket	67%	68%
Ease Of Using Metrocheks	62%	44%
Station Parking Availability	45%	55%
Public Address System On Train	45%	55%
Public Address System On Platform	41%	49%
Timeliness of Platform Information	34%	N/A
Personal Security At Station & On Train	55%	63%
Safety Of Train Equipment	72%	74%
Station Signage	68%	71%
Level Of Fare For Quality & Value of Service	53%	65%
Overall Service Quality	70%	79%

*Percentages represent ratings of "excellent" or "good"