



MINUTES
NVT COMMISSION MEETING – APRIL 9, 2015
FIRST FLOOR CONFERENCE ROOM – NAVY LEAGUE BUILDING
ARLINGTON, VIRGINIA

The meeting of the Northern Virginia Transportation Commission was called to order by Chairman Snyder at 8:05 P.M.

Members Present

Richard Black
Sharon Bulova
John Cook
Jim Corcoran
Jay Fisette
Jeff McKay
John Foust
Mary Hynes
David LaRock
James LeMunyon
J. Randall Minchew
Ken Reid
Thomas D. Rust
David F. Snyder
J. Walter Tejada
Jennifer Wexton

Members Absent

William Euille
Jeff Greenfield
Catherine Hudgins
Paul Smedberg

Staff Present

Doug Allen (VRE)
Karen Finucan Clarkson
Kelley Coyner
Rhonda Gilchrest
Scott Kalkwarf
David Koch
Kate Mattice
Aimee Perron Siebert (Hillbridge Group)
Joe Swartz (VRE)
Melissa Walker

Oath of Office

Chairman Snyder announced that Speaker of the House Howell appointed Delegate David LaRock to serve on NVTC. Chairman Snyder administered the oath of office to Delegate LaRock and Commissioners welcomed him to NVTC.

Report of the WMATA Board Chairman

Mrs. Hynes introduced Mort Downey, WMATA's Board Chairman, who has a long history in transit. He is a federal appointee to the WMATA Board and became the Chair in January 2015.

Mr. Downey thanked the Commission for inviting him to brief them on WMATA issues. WMATA has some challenges ahead but is seeing significant progress in a number of areas. He announced that on Tuesday, April 14th, WMATA will put into service the first of the new 7000-series railcars on the Blue Line leaving from the Franconia-Springfield station. NVTC Commissioners should have received an invitation to the April 13th celebration and preview ride for the region's stakeholders. These new railcars will become the safest and most reliable in the fleet. Another 64 railcars will arrive by the end of the year with an additional 500 by 2018.

In regards to the Capital Funding Agreement (CFA), Mr. Downey explained that the recommendation is to keep the CFA for FY2011-FY2016 in place and not renew it now and take time during 2015 to revisit the capital program and its management and priorities and then adopt a CFA for FY 2017-2022. However, WMATA is still contemplating exercising the option to purchase an additional 220 railcars, using a contract vehicle that expires in July 2015. It would require additional funding commitments over a several year period.

In response to a question from Senator Black, Mr. Downey stated it is a good idea to include options in railcar procurement contracts to be able to lock in the original purchase price and not have to pay the current day price. By exercising the option, \$1 million in savings per railcar will be realized. The Secretaries of Transportation of Maryland, Virginia and the District of Columbia see the value in purchasing the railcars now. The issue is more about if the railcars should be used for expansion of service or for replacement of the existing fleet. WMATA has proposed keeping the fleet the existing size and replacing the 5000-series railcars rather than rebuilding them. However, there could be some federal requirements concerning the retirement of the 5000-series railcars.

Mr. Reid stated that it is his understanding that the 7000-series railcars can only run in eight-car configurations. Mr. Downey replied they can run as either four-car or eight-car configurations, although WMATA does not currently run four-car trains. Mr. Reid asked if there is traction power between Falls Church and the District and beyond to allow eight-car trains. Mr. Downey responded that there will need to be some power upgrades to the system to run eight-car trains. Mr. Downey explained that as part of the original order for 7000-series railcars, 128 cars were purchased to allow the fleet to accommodate the

additional service on the Silver Line. They were not purchased to be dedicated to that line.

Mr. Downey gave an overview of the WMATA FY2016 Budget and other related issues. He stated that a balanced operating budget, without a fare increase or service cuts, is expected to be presented to the WMATA Board of Directors for approval in May. The WMATA Board and local jurisdictions asked WMATA staff to come up with additional administrative cuts and innovative ways to balance the budget. Staff has identified nearly \$16 million in operating budget reductions. WMATA held an information session and public hearing on April 7th to receive feedback from riders on the proposed FY2016 Budget.

Mr. Downey stated FTA's Federal Management Oversight (FMO) review identified a number of financial issues that WMATA needed to address. WMATA is making progress and its financial picture is improving since last year when the FMO report was issued. WMATA has created a Corrective Action Plan (CAP) and 62 of 65 corrective actions have been submitted thus far with three remaining due June 30, 2015. He reviewed other areas of progress: WMATA has a favorable cash position and is operating within its FY2015 budget; Federal grant reimbursements have increased; WMATA has received three grant awards since January with a total federal value of \$584.9 million; and WMATA expects award of a \$148.5 million FY2014 PRIIA grant. In response to a question from Mr. Reid, Mr. Downey stated that there is no budget shortfall expected for next year.

Mr. Downey stated it was discovered that WMATA had not applied for federal grants for FY2013 and FY2014 funds. In response to a question from Mrs. Bulova, Mr. Downey explained that WMATA did not lose any federal funding. As of today, WMATA has received all federal grants for these years (\$733 million). However, WMATA is looking for ways to use funding from a TIGER grant before the funding expires at the end of FY2016.

Mr. Corcoran observed that Commissioners may not be aware of the financial management changes at WMATA. Mr. Downey stated that WMATA has a new Chief Financial Officer, Controller, Treasurer, Chief of Grants Management, and Chief of Procurement, as well as a newly established Division of Financial Management.

Mr. Reid asked how WMATA's bond rating downgrade will impact its ability to borrow for railcar purchases. Mr. Downey responded that the impact will be marginal and it is estimated that it could add \$200,000 a year in additional interest costs. He stated that WMATA's bond rating is still equivalent or better than any other transit agency that issues transit bonds.

Mr. Downey stated that he is aware that a number of NVTC Commissioners have asked about the status of WMATA's FY2014 audited financials. He assured the Commission that the WMATA Board also wants to receive this information. As soon as it is available, it will be widely distributed and will include a plan to address any identified deficiencies. Mr. Corcoran stated, as Vice-Chairman of the WMATA Audit Committee, he has seen significant improvements and the auditors are working hard. WMATA hired a new auditor this year. An outside forensic accounting firm was also hired to perform a thorough review of the FY2014 capital project charges to ensure accuracy and proper charging. Based

on the results of the forensic accounting work, WMATA made some corrections to ensure accurate, auditable financial records and then provided them to the auditors. Mr. Corcoran stated that the auditors are working towards an April 30th completion date since WMATA does not want to risk further decline in its bond rating. In response to a question from Delegate LeMunyon, Mr. Downey stated that for FY2014 WMATA may receive a qualified opinion from the auditors. There also may be questions raised about the FY2013 and FY2012 financials.

Mr. Downey reviewed safety issues and what has been done since the accident at L'Enfant Plaza on January 12, 2015. The National Transportation Safety Board's (NTSB) investigation is still underway and WMATA is cooperating completely. NTSB will hold a public hearing on June 23-24 to review the incident and make recommendations. By federal law, WMATA is not allowed to discuss the accident. WMATA has already identified and ordered 10 early-action safety actions to improve emergency response and the system's state of good repair and these actions were shared with the NTSB investigation team. He also reviewed a number of other external safety reviews underway, including a FTA Safety Management Inspection, an American Public Transportation Association (APTA) week-long Peer Review of the Rail Operations Control Center starting on April 21st, a Government Accountability Office audit of compliance with NTSB recommendations, and a Metropolitan Washington Council of Governments (MWCOG) Study on Radio Communications. WMATA also recently released a safety video designed to show riders what they should do in the event of an emergency involving smoke or fire. The video, produced in English and Spanish, will be aired on local television stations as Public Service Announcements. WMATA will also purchase some paid advertising.

Mrs. Bulova asked about the electric third track. Mr. Downey stated that the most important issue is public safety. If there is any doubt, the third track should be turned off. There are switches that allow first responders to turn off the third track power. He further reviewed safety protocols, recommendations and safety related issues. Ms. Bulova stated that she is pleased to hear that there will be coordinated emergency drills. Mr. Downey agreed that there has been excellent cooperation among the region in safety and emergency preparedness.

Chairman Snyder announced that on April 8th the Washington Metropolitan Council of Governments agreed to work to help establish a more robust safety regulatory agency under FTA. He stated that since localities play a key role in funding Metro, it is important for them and NVTC to have a voice in creating this agency.

Mr. Cook and Mr. McKay both spoke about the importance of not only taking corrective action following an accident, but also being proactive and taking preventative actions. Mr. Cook suggested a safety system audit to identify potential problems. Mr. Downey stated that in regards to safety, WMATA is far better off than it was five years ago, but not where it should be. He reviewed the improvements to WMATA's Safety Department, including 30 professional staff added (compared to five years ago when the department had only six non-professional staff); the department now reports directly to the CEO/General Manager; and the department provides monthly reports to the Safety and Security Committee on safety progress and corrective action proposals. Over the last five years, 770 actions plans have been implemented. As result of the January incident, WMATA is

looking at how to be preemptive and accelerate the schedule to replace old cable with smokeless cable.

Chairman Snyder asked how long it took for first responders on January 12th to understand the situation. Mr. Downey replied that he cannot comment on the accident before the NTSB hearing. Chairman Snyder emphasized the importance of communication protocols.

Mr. Reid stated that a recent Washington Post article reported that last year WMATA failed to spend \$207 million (or 21 percent) of its FY2014 capital budget for maintenance, program management and fuel. He observed that maintenance is linked to safety. Mr. Downey explained that it is important to look at what WMATA has accomplished and not just what has been spent. When the current six-year capital funding plan was adopted, WMATA shifted to a process of funding projects upfront and then spending down over a period of time on the full project. He stated the question is how much can be absorbed within the system in any given year. WMATA has spent less than anticipated because there is a physical limit to what can be accomplished on a daily basis. The funds are still available in next year's budget.

Mr. Downey then gave a brief update on the search for a new General Manager. He announced that Jack Requa is serving as the Acting General Manager. Mrs. Hynes stated that WMATA will continue to take comments through the end of the month on the criteria and skills people are looking for in a new General Manager. There is also an online survey. She encouraged the jurisdictions to publicize this to their constituents. Mr. McKay stated that it would be beneficial for WMATA to cast a wide net in the search for a new General Manager to include transit and non-transit professionals.

Mr. Reid said that instead of the WMATA Board spending more time in outreach efforts to the public about criteria of a new General Manager, he hopes the Board will spend more time looking at the budget and capital funding. There are internal issues WMATA needs to focus on, including union issues, work rules and FTA issues.

Mr. Downey noted that for the first time in many years, WMATA signed and ratified a contract with its main unions without requiring arbitration. For many years the practice was to go to the bargaining table and attempt to negotiate and when that was unsuccessful, turn it over to arbitration. By federal law, it must go to arbitration if an agreement cannot be reached. Workers are not allowed to strike and WMATA has no right to lock out workers.

Mr. Reid asked how much the pay raise is over the three-year contract. Mr. Downey replied that it is about a one percent pay increase, but also includes a pension contribution by the workers of one percent. Mr. Downey noted that the workers basically got a raise and had to pay it back as a pension contribution.

Mr. Downey also observed that no one contributes enough to the future of health care costs for their workers. WMATA pays for retiree health care through its operating budget. People are now living longer and retiring earlier and health care costs are continuing to rise. WMATA began with last year's budget to starting funding some of this through a

trust. Mr. Downey stated stewardship needs to be applied to short-term costs, not just to meeting the budget, and it is important to make it a sustainable long-term operation.

Delegate Minchew raised a question about whether the Commonwealth budget includes a provision that if WMATA's financial statement with an unqualified opinion is not tendered to the WMATA Board and then to the Chairmen of the Senate Finance and House Appropriations Committees by July 1, 2015, state assistance would be cut off for WMATA. He asked if there is a contingency plan if the audit is not completed by then. Mr. Downey replied that the auditors are trying to get it done as soon as possible.

Note: *The amendment as proposed would have suspended state funding. The Commonwealth budget as enacted modified this amendment to require an action plan to address deficiencies within 30 days and did not suspend state assistance. The amendment as approved follows:*

Item 439 #1c

Transportation

Department Of Rail And Public
Transportation

Language:

Page 405, line 1, after "B." insert "I."

Page 405, after line 10, insert:

"2. To ensure that all revenues provided to support the Washington Metropolitan Area Transit Authority (WMATA) are used efficiently and appropriately, the WMATA Board of Directors shall submit to the Director, Department of Rail and Public Transportation, and the Chairmen of the House and Senate Transportation Committees and the House Appropriations and Senate Finance Committees, a report on the actions taken to address all the recommendations cited in the Federal Transit Administration of the U. S. Department of Transportation's "Full Scope of Systems Review of the Washington Metropolitan Transit Authority" dated June 10, 2014. Such reports shall be submitted no more than 30 days after the close of each quarter of the fiscal year, and shall include any further findings issued by the appropriate compliance officer of the Federal Transit Administration. In addition, the WMATA Board of Directors shall provide, immediately upon its issuance, a copy of the audited financial statements for FY 2014 and shall submit a plan to remedy any deficiencies without 30 days of receipt of the report."

Delegate LaRock stated that he would like to be better informed on Metro issues, including Silver Line issues and the 7000-series railcar purchase. He asked for a point of contact at WMATA to get this type of information. Mr. Downey stated that the new railcars will be spread throughout the system, including the Silver Line. Gregory Potts, WMATA's Virginia Government Relations Officer, was identified as a good point of contact.

Chairman Snyder thanked Mr. Downey for coming. He stated that Commissioners who have additional questions should contact staff. Mrs. Hynes stated that it would be helpful to coordinate questions so that all Commissioners can see the answers. Chairman Snyder stated that jurisdictions are free to ask questions directly but he agreed that it would be helpful for everyone to see the answers. Ms. Coyner suggested staff solicit Commissioners' questions.

Report of the Virginia Members of the WMATA Board of Directors

Mrs. Hynes stated that if Commissioners wish to have other WMATA information included in the regular monthly agenda item, to let the WMATA Board Members know. Due to the lateness of the hour, she directed Commissioners to the written report.

Mr. Reid asked for a discussion of Loudoun County's letter to NVTC requesting the CFA be decoupled from the 220 railcar option. It is his understanding that the CFA is expected to be adopted on May 15, 2015. Mr. Downey again stated that the recommendation is to hold off on action of a new CFA and keep the current FY2016-FY2021 CFA in place and then vote next year on a new CFA for FY2017-2022. In addition, if agreement can be reached, the 220 railcar option would be exercised and the work needed to support them. He assured Mr. Reid that the CFA and the railcar option have already been decoupled.

In response to a question from Mr. Reid, Mr. Corcoran stated that there is no doubt that Virginia needs expansion of the number of railcars. It is an open discussion at this point and no decision has been made. Mr. Downey stated that the information about the railcar option was provided to the jurisdictions in the last week. He agreed it is an open process.

Delegate Rust stated that he spoke directly with Secretary of Transportation Aubrey Layne and he is confident that the Commonwealth feels strongly that these railcars are needed for eight-car train service. He also observed that the Loudoun County letter was written prior to the purchase option plan to decouple it from the CFA. Mr. Reid stated then the Commonwealth should pay for the railcars. Loudoun County is looking at \$5 million in expenditures for FY2019. He stated that the County is fully aware that it will be part of WMATA and will have to pay subsidy and pay its share into the entire system's capital needs. Loudoun County just wants to be apprised. He asked for consensus that when it comes to any kind of Metro expense in the out years, including capital and the CFA, that Loudoun staff are informed. (Note: Loudoun County staff serves on the Joint Coordinating Committee and on the Capital Funding Agreement working group alongside other the staff of other jurisdictions as well as NVTC staff.) He also stated that it is important that NVTC have a work session on the CFA and suggested it be done in the winter. He noted a FOIA request for the CFA and also asked to see the documentation on the CFA. Regina Sullivan from WMATA noted that Loudoun County staff have attended all the CFA meetings.

Mrs. Bulova observed that Northern Virginia is seeking growth in the Metro system and for years Virginia contributed to Metro's growth throughout the system into Maryland and the District. All three jurisdictions (Maryland, Virginia and the District of Columbia) have paid into the system. It doesn't make sense for Virginia to object now that expansion is happening in Virginia.

Minutes of NVTC's February 5, 2015 Meeting

Mrs. Bulova moved, with a second by Mr. McKay, to approve the minutes of the February 5, 2015 NVTC Meeting. The vote in favor was cast by Commissioners Bulova, Cook,

Corcoran, Fisette, McKay, Snyder and Wexton. Commissioners Black, Foust, Hynes, LaRock, LeMunyon, Minchew, Tejada, Reid and Rust abstained.

Consent Agenda

Delegate Rust moved, with a second by Mrs. Hynes, to approve the following Consent Agenda:

- Authorize the Chairman or His Designee to Comment on the HB2 Implementation Policy Guide Before the Commonwealth Transportation Board
- Authorize the Chairman or His Designee to Submit Testimony on the Preliminary Six-Year Improvement Program (SYIP) for FY2016-2021 at the Commonwealth Transportation Board Public Hearing
- Authorize the Chairman to Submit a Letter to the Virginia Congressional Delegation on Commuter Tax Benefit Parity
- Resolution #2270: Authorize the Executive Director to Negotiate and Execute a Contract for NVTC Financial Auditing Services with PBMares, LLP
- Authorize the Chairman to Submit a Letter to the Virginia Congressional Delegation on Trust Fund Solvency
- Authorize the Chairman or His Designee to Request that the WMATA Acting General Manager Address Concerns with Respect to the New Electronic Payments Program (NEPP)
- Authorize the Executive Director to Submit Comments to the Office of Intermodal Planning and Investment (OIPI) on VTRANS 2040
- Authorize the Executive Director to Submit Comments to the Federal Transit Administration on Proposed Policy Guidance on the FTA Capital Investment Grant Program

Delegate LeMunyon asked if there is a process in place for sharing drafts of comments to Commissioners. Ms. Coyner stated that draft letters were provided if possible. The NEPP letter has been provided as a blue item because it was only drafted today. She explained that the HB2 comments are subject to coordination with NVTa and the jurisdictions, but they can certainly be circulated to Commissioners before they are submitted. She explained that the challenge with the SYIP testimony is that the draft SYIP is not released until right before the hearing. For that reason, staff prepared and provided a comprehensive list of issues and positions that might be included in the testimony.

Chairman Snyder requested that the staff circulate the HB2 comments a week in advance of submitting them to the Commonwealth Transportation Board. For SYIP testimony, Commissioners can continue to provide comments up to a week before the hearing. Mrs. Hynes asked if there is a way to allow the Legislative and Policy Committee members to give final approval. Delegate LeMunyon stated that he has personally made comments on HB2. He is not trying to change NVTC comments but he does not want to vote on comments that could conflict with the comments he has already made.

The Commission then voted to approve the Consent Agenda. The vote in favor was cast by Commissioners Black, Bulova, Cook, Corcoran, Fisette, Foust, Hynes, LaRock, LeMunyon, McKay, Minchew, Reid, Rust, Snyder, Tejada and Wexton. (A copy of Resolution #2270 is attached.)

Virginia Railway Express (VRE)

VRE CEO Report. Mr. Allen reported that VRE received the Transportation Security Administration's (TSA) Gold Standard Award, the highest standard of excellence. VRE participated in a security assessment known as a Baseline Assessment for Security Enhancement, which resulted in overall scores exceeding 90 percent across all categories. Mr. Allen also reported VRE will begin beta testing of the Mobile Ticketing System, which is targeted for full roll-out for all customers in mid-May. He stated that overall on-time performance for March was 92 percent and ridership remained strong at 18,500 average daily riders.

Senator Black left at 9:52 P.M. and did not return.

Mr. Allen stated he, along with DRPT Director Jennifer Mitchell and Deputy Secretary of Transportation Nick Donohue, met with the District of Columbia's Department of Transportation Director Leif Dormsjo and Deputy Director Greer Gillis to discuss coordination on the Long Bridge Project.

Mr. Allen reported that the annual Meet the Management events will begin at the end of April starting with an event at Union Station on April 29th. He also reported that the Spotsylvania Station is on target for opening this summer. Mr. Allen explained that there were safety violations by the contractor doing the third track work. Therefore, at its last meeting the VRE Operations Board took action to authorize him to terminate the contract with Abernathy Construction. He expects resolution of this issue will be completed by April 20th. Safety is VRE's number one priority.

Delegate LeMunyon asked if the drop in fuel prices has a significant enough impact on VRE to reconsider the proposed fare increase. Mr. Allen stated that there is little impact since VRE participates in a fuel hedging program that locks in fuel prices.

VRE Action Items. Mr. Cook moved, with a second by Mrs. Bulova, the following action items:

- Resolution #2271: Amendment to the Rail Enhancement Fund Agreement for the VRE Gainesville-Haymarket Extension Phase II – Environmental Assessment of Preliminary Design
- Resolution #2272: Authorization to Execute a Contract with AECOM for Planning and Engineering Consultant Services for the Gainesville-Haymarket Extension
- Resolution #2273: Authorization to Execute an Agreement with Amtrak for Access and Storage at Washington Union Terminal

The vote in favor was cast by Commissioners Bulova, Cook, Corcoran, Fisette, Foust, Hynes, LaRock, LeMunyon, McKay, Minchew, Rust, Snyder, Tejada and Wexton. Mr. Reid was not in the room during the vote. (Copies of the resolutions are attached.)

I-66 Inside the Beltway

Renee Hamilton, Deputy District Administrator for VDOT's Northern Virginia District, provided a briefing on the I-66 Multimodal Improvements Inside the Beltway Project. She stated the I-66 Multimodal Study (Inside the Beltway) was completed in June 2012. In January 2015, a process began to incorporate both I-66 Inside and Outside the Beltway into the Constrained Long Range Plan (CLRP). The Transportation Planning Board (TPB) has now adopted a resolution that incorporates them into the CLRP. She reported that the environmental assessment has been put on hold and will be pursued in the future as part of the widening.

Ms. Hamilton reviewed the key components of the I-66 Inside the Beltway project. The multimodal solutions are grouped into three categories: multimodal solutions done concurrently with tolling (2017), additional multimodal solutions (2025) and more improvements including consideration of widening (2040). VDOT plans to manage and operate the toll facilities. All toll revenue will be used within the designated corridor to offset design, construction, operations and maintenance costs as well as funding sources for multimodal improvements that benefit I-66 users.

Ms. Hamilton explained that as recommended by Arlington County, Fairfax County and the City of Falls Church, Secretary of Transportation Aubrey Layne has designated NVTC as the regional partner to help implement the multimodal components of the I-66 Inside the Beltway project. Mrs. Bulova reviewed NVTC's responsibilities: plan potential multimodal improvements; select multimodal improvements, in accordance with applicable laws and terms of agreement; coordinate with agencies to ensure efficient delivery of selected projects; and report to VDOT on how improvements benefit persons throughout the corridor.

Mrs. Bulova moved to direct staff to develop an appropriate framework for the governance, project selection, and financial management of the revenue of this project in order to coordinate with the appropriate and effected jurisdictions. Mrs. Hynes seconded the motion.

In response to a question from Delegate Minchew, Mrs. Hynes stated that the Arlington Transportation Commission has been asked to comment on this project. She noted there may be some objections to the widening portion of the project. Mr. Tejada stated that this study accomplishes many of the issues that have been asked for all along. Chairman Snyder stated that the Falls Church City Council has some skepticism that tolling will just push cars to other adjoining highways. Mr. Reid stated that this has happened on the Dulles Greenway where they have seen cars shift to Route 7 and Waxpool Road.

Mr. Reid stated that since the widening is not a full lane, there will still be bottlenecks where the Dulles Access Road merges into I-66. Ms. Hamilton stated that the segment

between Dulles Connector and Fairfax Drive will have full extra lanes both east and westbound. Mr. Reid stated that Loudoun County supports full widening of I-66.

Delegate LeMunyon requested the vote on Mrs. Bulova's motion be deferred since he has some serious reservations about the project since it has not been rated by HB599. Chairman Snyder clarified that the Commission is not approving the project, just that if it goes forward, NVTC will coordinate with the Commonwealth. Delegate LeMunyon stated that it is still premature and if he had a choice he would select NVTa as the agency. Delegate LeMunyon expressed his opinion that this should be a consolidated decision making process. Mrs. Bulova clarified NVTC is not taking a position tonight on I-66 Inside the Beltway. If this project goes forward and toll revenue results, NVTC would coordinate with the jurisdictions to make multimodal decisions. The three jurisdictions as beneficiaries of that toll funding have already agreed to have NVTC serve in this capacity.

The Commission then voted on the motion and it passed. The vote in favor was cast by Commissioners Bulova, Cook, Corcoran, Fisette, Foust, Hynes, LaRock, McKay, Minchew, Reid, Rust, Snyder, Tejada and Wexton. Delegate LeMunyon voted no.

Management Audit of the Virginia Railway Express

Mr. Cook provided a briefing on the Management Audit Report, which confirms the strengths of NVTC and PRTC's governance and oversight of VRE. The Management Audit Report provides a set of recommendations that will allow continuity to meet the two Commissions' responsibilities day-in and day-out, and help plan and fund the expansion of VRE over the next two decades. Under the direction of the Joint Audit Committee, NVTC and PRTC's Executive Directors designed a scope of work for a comprehensive management audit that Parsons Brinckerhoff was contracted to perform. The scope of work included examining governance, internal controls, financial management, human resource development, technology, and the provision of legal services among other topics. Mr. Cook stated that one of the goals was to look at what management VRE will need to put in place to realize the VRE System Plan.

Mr. Cook explained that each recommendation will be brought to the Operations Board during this calendar year for either action or the establishment of a schedule of action. A Financial Plan and Business Plan are also being created. The Financial Plan will help to determine how to fund the System Plan. By the end of 2015, VRE aims to issue the VRE System Plan with an attached funding plan that the jurisdictions have endorsed.

Mr. Allen reviewed some of the specific recommendations regarding Commission oversight, Operations Board oversight, VRE organization and practices, and VRE functions and processes, including purchasing/procurement, human resources, finance, legal counsel, and technology. Board orientation for new and existing Operations Board members will be expanded. Mr. Allen invited NVTC Commissioners to participate in a one-hour or three-hour VRE tour.

Mr. Cook moved, with a second by Mr. Tejada, to approve Resolution #2274 accepting the Management Audit Report. The vote in favor was cast by Commissioners Bulova,

Cook, Corcoran, Fisette, Foust, LaRock, LeMunyon, McKay, Minchew, Rust, Snyder, Tejada and Wexton. Mr. Reid abstained. Mrs. Hynes was not in the room during the vote.

Proposed NVTC Budget Process

Chairman Snyder stated that at the January meeting Commissioners requested that the budget development and approval process be updated and formalized to provide all Commissioners an opportunity to review and discuss the proposed budget. He explained that staff will continue to receive comments and if formal action is required, NVTC will take action to approve the process at the next meeting.

Mr. Foust observed that the proposed process is dramatically different than what was presented at the January meeting. He prefers the previous proposal and does not understand why jurisdictional staff have been removed from the budget process to provide input before it comes to the Commission. He has tremendous respect for the input he receives from his county staff on the issues before he comes to the Commission meetings.

Ms. Coyner stated that the draft process made available to Commissioners and staff had a provision for the Executive Committee to make budget guidance in August and then a session or more with the Management Advisory Committee (MAC). She received considerable feedback that many Commissioners want the decisions and work sessions that shape the budget to be at the full Commission level and not at the Executive Committee nor at the staff level (MAC). This process is not intended to take jurisdictional staff out of the discussion of the budget. She suggested staff come back next month with a revised process that makes it more explicit on how jurisdictional staff is included in the budget process. Mrs. Bulova asked staff to look at how the budget process at VRE is done since it is important to engage jurisdictional staff.

Chairman Snyder directed staff to make the process clearer and then bring a revised budget process back for Commission action at the next meeting. There were no objections.

NVTC FY2016 General and Administrative Budget

Chairman Snyder observed that NVTC has a lot of new opportunities but there needs to be resources to do the job right.

Mrs. Bulova moved, with a second by Mrs. Hynes, to approve NVTC's FY2016 Budget.

Mr. Reid expressed his concern about the furniture and equipment; contract services; conference and professional development line items. Ms. Coyner explained that procurement and human resources are part of the contract services line item. NVTC has had no procurement or human resources function. In contrast, city and county counterparts have access to the jurisdictions for procurement and human resources

support. The budget line item is designed to strengthen and support NVTC's human resources function and to bring procurement up-to-date.

Mr. Reid moved, with a second by Mr. Foust, to amend the budget to reduce the contracting services line item back to the FY2015 level of \$110,000.

Mr. Foust stated that this budget is not realistic. Salaries are increased by 44 percent and the overall budget increased by 67 percent over a two year period.

The Commission then voted on the amendment and it failed. The vote in favor of the amendment was cast by Commissioners Foust, Minchew and Reid. The vote in opposition was cast by Commissioners Bulova, Cook, Corcoran, Fisette, Hynes, LaRock, LeMunyon, McKay, Rust, Snyder, Tejada and Wexton.

Mr. Reid moved, with a second by Delegate Minchew, to amend the budget to return the conferences and professional development line item back to the FY2015 level.

Ms. Coyner stated that staff did make some adjustments in this line item and reduced the travel and training by deferring half of representational travel, which means staff will not be able to participate in industry associations that are commonly participated by VRE, WMATA and other agency staff. NVTC needs professionally trained staff. Included in this line item is training, such as CPA recertification for Mr. Kalkwarf.

Mr. Reid expressed his opinion that NVTC is getting astray from the goal of looking at the efficient use of funds. Mr. Fisette stated that budget note #11 explains these costs. For county and city government budgets, percentage changes mean something else. NVTC has had such a small budget. Regarding the conference and professional development line item, he observed that if NVTC is not at these events, NVTC is not participating in the discussion. Mr. Fisette stated that while he is respectful of looking for big percentage changes in a budget that is stable and established, it is unfair today to do the same for NVTC's budget.

Delegate LeMunyon stated that he thought there was a sentiment at the January meeting that a budget increased by 67 percent over two years was too much and he was expecting a reduced budget at this meeting. He stated that the revenue increase is exclusively from state aid. He asked if the localities think these things are so important why won't they at least match the increase.

The Commission then voted on the amendment. The vote in favor was cast by Commissioners LaRock, LeMunyon, Minchew and Reid. The vote in opposition was cast by Commissioners Bulova, Cook, Corcoran, Fisette, Foust, Hynes, McKay, Rust, Snyder, Tejada and Wexton. The amendment failed.

In response to a question from Mr. Reid about the furniture and equipment line item, Ms. Coyner explained that for expansion of staff last year, the office build-out expenses were split over a two-year period. It is not a reoccurring expense.

Mr. Cook asked what the proposed salary increase range is for existing employees in this budget. Ms. Coyner stated that there is a performance component of about three percent plus benchmarking to bring salaries to mid-range and to institute a pay plan this next year. There is no cost of living increase in the budget.

Mr. Reid moved to amend the budget to restore the furniture and equipment line item to FY2015 levels. There was no second and the amendment failed.

Mr. Foust asked about the new proposed staff position and observed that the justification in the budget noted efforts to address emergency planning, regional bus and transit funding resources `could be compromised if adequate resources were not provided. Mr. Foust noted Fairfax County staff believes that this new position is not needed; county staff can coordinate with the other jurisdictions for emergency planning activities. Also, jurisdictions will be discussing coordination of bus service as part of the Transit Development Plan.

Mr. Foust moved, with a second by Mr. Reid, to delete the additional staff position from the budget.

Ms. Coyner stated that these activities were identified are part of the strategic planning process. With respect to emergency planning, through NVTC's Fellows Program, NVTC was able to bring on staff a very high level senior emergency planning member of Governor O'Malley's cabinet to get NVTC started on emergency planning. It is simply not the case that these emergency sessions can be completed in a few sessions.

The Commission then voted on the amendment and it did not pass. The vote in favor was cast by Commissioners Foust, LaRock, Reid and LeMunyon. The vote in opposition was cast by Commissioners Bulova, Cook, Corcoran, Fisette, Hynes, McKay, Minchew, Rust, Snyder, Tejada and Wexton.

The Commission then voted on the main motion to approve the FY2016 Budget and it passed with a 9-6 vote. The vote in favor was cast by Commissioners Bulova, Cook, Corcoran, Fisette, Hynes, McKay, Rust, Snyder and Tejada. The vote in opposition was cast by Commissioners Foust, LaRock, LeMunyon, Minchew, Reid and Wexton.

Executive Director Report

Ms. Coyner announced that NVTC's Forum: Transit Means Business! will be held on May 8th at the Greensboro Conference Center adjacent to the Silver Line in Tysons Corner. Instead of NVTC conducting a business meeting the night before on May 7th, the Commission will conduct a short meeting following the Forum at noon.

State and Federal Legislative Update

Chairman Snyder announced that NVTC is creating a task force to look at Loudoun County's request to look at NVTC membership. He stated that NVTC is seeking members to serve on the task force. Mr. Reid volunteered.

NVTC Annual Agenda

Ms. Coyner stated that the 2015 Annual Agenda provides a calendar of major issues to be addressed by the Commission at its monthly meetings. It will be updated each month and NVTC's committee activity and issues will be added. The Annual Agenda is not meant to duplicate all the items in each month's agenda.

Commonwealth and Regional Agency Reports

Department of Rail and Public Transportation (DRPT). Commissioners were provided with an updated DRPT report with corrected information pertaining to the WMATA CFA.

Northern Virginia Transportation Authority (NVTA). Mr. Snyder reported that on March 25th NVTA held a public hearing on its Draft Two-Year Program. There is approximately \$351 million in available funding and 18 highway and 16 transit projects were recommended for funding.

Financial Items for January and February 2015

The financial reports were provided to Commissioners and there were no questions.

Adjournment

Mrs. Hynes moved, with a second by Mr. Cook, to adjourn. Without objection, Chairman Snyder adjourned the meeting at 10:52 P.M.

Approved this 8th day of May, 2015.

David F. Snyder
Chairman

Jeffrey McKay
Secretary-Treasurer



Northern Virginia Transportation Commission

RESOLUTION #2270

SUBJECT: Authorize the Executive Director to Negotiate and Execute a Contract for NVTC Financial Auditing Services

WHEREAS: On November 6, 2014, the Commission approved a request to issue a Request for Proposals for financial auditing services for NVTC jointly with VRE and PRTC for a base period of three years, with options for two additional two-year periods;

WHEREAS: On February 2, 2015, NVTC issued a Request for Proposals for financial auditing services on behalf of both Commissions and VRE;

WHEREAS: Five proposals were received and ranked by the selection committee in accordance with the guidelines specified in the RFP;

WHEREAS: The selection committee recommends that the contract be awarded to the PBMares, LLP, the highest ranked proposing firm; and

WHEREAS: The NVTC Executive Committee, acting as the audit committee, recommended approval of this contract award.

NOW, THEREFORE, BE IT RESOLVED that the Northern Virginia Transportation Commission hereby authorizes the Executive Director to negotiate and execute a contract with PBMares, LLP for NVTC financial auditing services for a base period of three years with options for two additional two-year periods, at a cost for the first audit year of the contract not to exceed that provided for in the FY 2016 budget, with remaining years subject to appropriation.

Approved this 9th day of April 2015.


Jeffrey McKay
Secretary-Treasurer


David F. Snyder
Chairman



Northern Virginia Transportation Commission

RESOLUTION #2271

SUBJECT: Authorization to Execute an Amendment to the Rail Enhancement Fund Agreement for the VRE Gainesville-Haymarket Extension Phase II – Environmental Assessment and Preliminary Design

WHEREAS: The Department of Rail and Public Transportation (DRPT) and the Virginia Railway Express (VRE) entered into a Rail Enhancement Fund (REF) Agreement Number 76509-02 on November 12, 2009 for funding of environmental and engineering services for the VRE Gainesville-Haymarket Extension;

WHEREAS: The agreement was amended May 27, 2010 to extend the grant to April 30, 2013;

WHEREAS: VRE was unable to obtain a commitment of the required local match contribution by that date and the grant subsequently expired;

WHEREAS: VRE has now obtained a commitment from the Northern Virginia Transportation Authority (NVTA) to provide the local match for the REF grant;

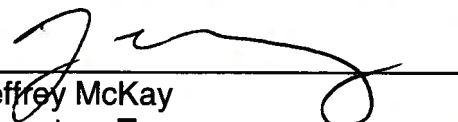
WHEREAS: DRPT and VRE have reached agreement on the terms for an amendment of the REF Agreement to reflect the current Scope of Work and the Milestone Schedule for the environmental and engineering services that will be completed using the grant; and


WHEREAS: The VRE Operations Board recommends the following action.

NOW, THEREFORE, BE IT RESOLVED that the Northern Virginia Transportation Commission hereby authorizes the VRE Chief Executive Officer (CEO) to execute the Second Amendment to REF Agreement Number 76509-02 for the VRE Gainesville-Haymarket Extension Phase II – Environmental Assessment and Preliminary Design.

BE IT FURTHER RESOLVED that NVT authorizes the VRE CEO to execute any future amendments to the scope or schedule on behalf of the Commissions.

Approved this 9th day of April 2015.


Jeffrey McKay
Secretary-Treasurer


David F. Snyder
Chairman



RESOLUTION #2272

SUBJECT: Authorization to Execute a Contract for Planning and Engineering Consultant Service of the VRE Gainesville-Haymarket Extension

WHEREAS: The VRE System Plan 2040 recommends extending VRE service to the Gainesville-Haymarket area of Prince William County to improve regional travel choice and mobility,

WHEREAS: The VRE Operations Board authorized a Request for Proposals (RFP) on April 18, 2015 for consultant services to assist in undertaking the planning and engineering activities to advance the project development for the VRE Gainesville-Haymarket extension;

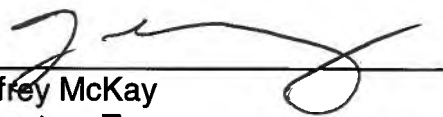
WHEREAS: On December 22, 2014 VRE issued an RFP and five (5) responses were received on February 18, 2015;

WHEREAS: Subsequent to a review by the Technical Evaluation Committee (TET), the TET unanimously recommended that the VRE Operations Board award a contract with AECOM Technical Services, Inc., of Arlington, Virginia;

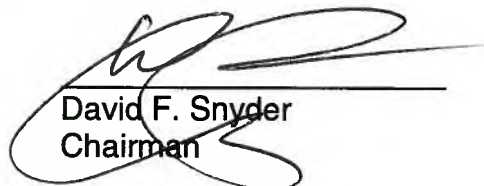
WHEREAS: The VRE Operations Board recommends the following action.

NOW, THEREFORE, BE IT RESOLVED that the Northern Virginia Transportation Commission hereby authorizes the VRE Chief Executive Officer (CEO) to execute a Contract with AECOM Technical Services, Inc. for planning and engineering services for the Gainesville-Haymarket Extension project in the amount of \$3,968,330, plus a 10 percent contingency of \$396,833, for a total amount not to exceed \$4,365,163.

Approved this 9th day of April 2015.



Jeffrey McKay
Secretary-Treasurer



David F. Snyder
Chairman



RESOLUTION #2272

SUBJECT: Authorization to Execute a Contract for Planning and Engineering Consultant Service of the VRE Gainesville-Haymarket Extension

WHEREAS: The VRE System Plan 2040 recommends extending VRE service to the Gainesville-Haymarket area of Prince William County to improve regional travel choice and mobility,

WHEREAS: The VRE Operations Board authorized a Request for Proposals (RFP) on April 18, 2015 for consultant services to assist in undertaking the planning and engineering activities to advance the project development for the VRE Gainesville-Haymarket extension;

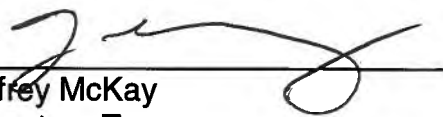
WHEREAS: On December 22, 2014 VRE issued an RFP and five (5) responses were received on February 18, 2015;

WHEREAS: Subsequent to a review by the Technical Evaluation Committee (TET), the TET unanimously recommended that the VRE Operations Board award a contract with AECOM Technical Services, Inc., of Arlington, Virginia;

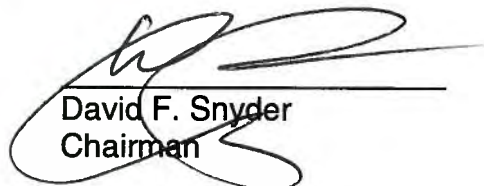
WHEREAS: The VRE Operations Board recommends the following action.

NOW, THEREFORE, BE IT RESOLVED that the Northern Virginia Transportation Commission hereby authorizes the VRE Chief Executive Officer (CEO) to execute a Contract with AECOM Technical Services, Inc. for planning and engineering services for the Gainesville-Haymarket Extension project in the amount of \$3,968,330, plus a 10 percent contingency of \$396,833, for a total amount not to exceed \$4,365,163.

Approved this 9th day of April 2015.



Jeffrey McKay
Secretary-Treasurer



David F. Snyder
Chairman



Northern Virginia Transportation Commission

RESOLUTION #2273

SUBJECT: Authorization to Execute an Agreement with VRE and Amtrak for Access and Storage at Washington Union Terminal

WHEREAS: VRE's current access and storage agreement with Amtrak expires June 30, 2015;

WHEREAS: The current agreement includes access and mid-day storage at Washington Union Terminal (WUT);

WHEREAS: VRE and Amtrak staff have been negotiating a new access and storage agreement since February 2014;

WHEREAS: A new agreement has been reached for an initial five-year term with an option to extend the term an additional five years upon advanced written notice to Amtrak;

WHEREAS: The new agreement will provide VRE with continued access and id-day storage at Washington Union Terminal (WUT); and

WHEREAS: The VRE Operations Board recommends the following action.

NOW, THEREFORE, BE IT RESOLVED by the Northern Virginia Transportation Commission hereby authorize the VRE Chief Executive Officer to enter into a five-year agreement with Amtrak for access and mid-day storage at Washington Union Terminal. The total payment will not exceed \$10,685,184, plus a \$300,000 contingency, for total amount not to exceed \$10,985,184 during the first year, and will be subject to escalation in each successive year according to the Association of American Railroads (AAR) Quarterly Index of Chargeout Prices and Wage Rates (Table C) and a three-year rolling average of actual costs for those charges subject to Section 212 of the Passenger Rail Improvements and Investment Act of 2008 (PRIIA).

Approved this 9th day of April 2015.

A handwritten signature in black ink, appearing to read "Jeffrey McKay", is written over a horizontal line.

Jeffrey McKay
Secretary-Treasurer

A handwritten signature in black ink, appearing to read "David F. Snyder", is written over a horizontal line.

David F. Snyder
Chairman



Northern Virginia Transportation Commission

RESOLUTION #2274

SUBJECT: Acceptance of the Management Audit Report of VRE

WHEREAS: The Virginia Railway Express (VRE) Operations Board, after discussing the Virginia Auditor of Public Accounts report "Review of the Governance Structure Over the Virginia Railway Express," recommended the Northern Virginia Transportation Commission and the Rappahannock Transportation Commission (the "Commissions") establish a Joint Audit Committee (JAC) and that the Commissions provide for an outside management audit of VRE;

WHEREAS: The Commissions recognized that a management audit of VRE was desired;

WHEREAS: The Commissions each passed resolutions creating the JAC and directed the JAC to carry out a management audit of VRE;

WHEREAS: The Commissions jointly procured and authorized the award of a contract to the highest ranked proposer Parsons Brinckerhoff to provide management audit services;

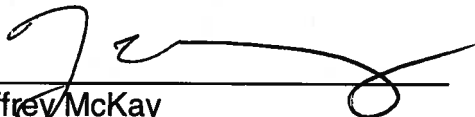
WHEREAS: The JAC discussed and accepted the final Management Audit Report and recommended it be accepted by the VRE Operations Board and the two Commissions;

WHEREAS: The VRE Operations Board accepted the Management Audit at its January 16, 2015 meeting; and

WHEREAS: The VRE Operations Board recommends the following action.

NOW, THEREFORE, BE IT RESOLVED that the Northern Virginia Transportation Commission hereby accepts the Management Audit Report.

Approved this 9th day of April 2015.


Jeffrey McKay
Secretary-Treasurer


David F. Snyder
Chairman