



## MONTHLY COMMISSION MATERIALS

January 2015

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# TABLE OF CONTENTS

NVTC January Commission Agenda .....	1
Agenda Item 1- Elect NVTC Officers for 2015 .....	3
Agenda Item 2- Recognition of Service for 2014 Chairman and Departing Members .....	5
Agenda Item 3- December 4, 2014 NVTC Minutes .....	11
Agenda Item 4- Consent Agenda .....	21
Agenda Item 5- Selection of NVTC Representatives to Various Boards .....	35
Agenda Item 6- NVTC Implementation Plan .....	39
Agenda Item 7- FY2016 NVTC Budget.....	45
Agenda Item 8- Virginia Railway Express (VRE).....	61
Agenda Item 9- Transit Alternatives Analysis Study of Route 7 Corridor .....	146
Agenda Item 10- Executive Director Report .....	148
Agenda Item 11- Report of the Virginia Members of the WMATA Board of Directors .....	152
Agenda Item 12- Commonwealth and Regional Agency Reports .....	154
Agenda Item 13- Financial Items for November 2014 .....	158





**NVTC COMMISSION MEETING  
WEDNESDAY, JANUARY 7, 2015  
MAIN FLOOR CONFERENCE ROOM  
2300 Wilson Blvd.  
Arlington, VA 22201**

**8:00 P.M.**

**\*\*PLEASE NOTE DIFFERENT DATE\*\***

**7:00 P.M. NVTC's Executive Committee (dinner is available at that time)**

**AGENDA**

1. ACTION ITEM: Elect NVTC Officers for 2015
2. RECOGNITION OF SERVICE: For 2014 Chairman and Departing Commission Members
  - A. ACTION ITEM: Resolution Commending 2014 Chairman Paul Smedberg
  - B. ACTION ITEM: Resolution Commending Commissioner James Dyke
3. ACTION ITEM: Approve the December 4, 2014 NVTC Minutes
4. ACTION ITEM: Approve the **CONSENT AGENDA** (subject to approval by Chairman)
  - A. Resolution #2261: Approve NVTC's Official Signatories and Employees Pension Trustees
  - B. Resolution #2262: Authorize NVTC's Executive Director to Apply for a Technical Assistance Grant for NEPP
  - C. Approve the Revised NVTC Legislative and Policy Agenda
5. ACTION ITEM: Approve Resolution #2263: Selection of NVTC Representatives to Various Boards

6. ACTION ITEM: NVTC Implementation Plan
  - A. Public Comment Time
  - B. ACTION ITEM: Approve Implementation Plan
7. ACTION ITEM: Approve FY 2016 NVTC Budget
8. ACTION ITEM: Virginia Railway Express (VRE)
  - A. VRE CEO Report and Minutes
  - B. ACTION ITEM: Resolution #2264: Adoption and Referral of the VRE FY 2016 Capital and Operating Budget to the Jurisdictions
  - C. INFORMATION ITEM: 2015 VRE Operations Board Officers
  - D. INFORMATION ITEM: VRE Operations Board Member Recognition Program
9. WORK SESSION: Transit Alternatives Analysis Study of the Route 7 Corridor
10. Executive Director Report
11. INFORMATION ITEM: Report of the Virginia Members of the WMATA Board of Directors
  - A. Budget Developments
  - B. Capital Funding Agreement (CFA) Status
  - C. Financials (Dashboard)
12. INFORMATION ITEM: Commonwealth and Regional Agency Reports
  - A. Department of Rail and Public Transportation (DRPT)
  - B. Northern Virginia Transportation Authority (NVTA)
13. INFORMATION ITEM: Financial Items for November 2014

## AGENDA ITEM #1: ELECTION OF 2015 NVTC OFFICERS

**TO:** Chairman Smedberg and NVTC Commissioners

**FROM:** Kelley Coyner

**DATE:** December 29, 2014

**SUBJECT:** Election of 2015 NVTC Officers

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**RECOMMENDED ACTION:** Elect NVTC Officers for 2015.

NVTC's Executive Committee serves as the Nominating Committee and will recommend a slate of officers for 2014 at the January 7<sup>th</sup> meeting.

Chairman Smedberg will administer the following oath to the new officers:

*I do solemnly swear that I will support the Constitution of the United States and the Commonwealth of Virginia and that I will faithfully discharge all the duties incumbent upon me as an officer of the Northern Virginia Transportation Commission, according to the best of my ability.*



**Northern Virginia Transportation Commission**  
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## AGENDA ITEM #2: RECOGNITION OF SERVICE

**TO:** Chairman Smedberg and NVTC Commissioners

**FROM:** Kelley Coyner

**DATE:** December 29, 2014

**SUBJECT:** Recognition of Service

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**A. ACTION: Approve Resolution Commending 2014 Chairman Smedberg**

Outgoing Chairman Paul Smedberg will be recognized for his outstanding leadership during 2014.

**B. ACTION: Approve Resolution Commending Commissioner James Dyke**

[Governor McAuliffe appointed Mr. Dyke to the Commonwealth Transportation Board in May 2014.](#) Mr. Dyke remained on NVTC while he finished important work as Chairman of the WMATA Governance Committee. Mr. Dyke will be recognized for his three years of service on NVTC and the WMATA Board of Directors. The Governor appointed Jim Corcoran to replace Jim Dyke on NVTC and he will be sworn in as a NVTC Commissioner at the January 7<sup>th</sup> meeting.







## **RESOLUTION**

**SUBJECT:**     **Commending the Honorable Paul C. Smedberg on the occasion of his service as Chairman of NVTC for 2014**

**WHEREAS,** the Honorable Paul C. Smedberg was elected as Chairman of the Northern Virginia Transportation Commission for 2014;

**WHEREAS,** Mr. Smedberg was first elected to the Alexandria City Council in 2003 and was reelected for a fourth consecutive term in November 2012 and served as an Alternate on the Northern Virginia Transportation Commission in 2005 and became a Commissioner in October 2006;

**WHEREAS,** the Northern Virginia Transportation Commission promotes the region's transit network through effective and efficient public transit and ridesharing programs in order to promote economic vitality in the Region and the Commonwealth;

**WHEREAS,** Mr. Smedberg has represented NVTC and the City of Alexandria on many regional transportation bodies including the VRE Operations Board as one of NVTC's appointees since 2008;

**WHEREAS,** Mr. Smedberg has been an advocate of balanced transit investments in the region, emphasizing transportation infrastructure enhancements, economic development, improved transit service and to make Northern Virginia more pedestrian-friendly;

**WHEREAS,** Mr. Smedberg led NVTC during its 50th year of operations and, as Chairman, saw the region through many major milestones including the ribbon cutting on the Silver Line, the opening of a state-of-the-art multi-modal transit facility at the Wiehle/Reston Station, groundbreaking on two new VRE Stations, establishment of Metroway, the region's first Bus Rapid Transit service, adoption of a multimodal transit plan on the Route 1 corridor, and launch of the Second Phase of the Route 7 corridor study and the I-66 Multimodal Corridor Project; and

**WHEREAS,** during his tenure as Chairman, Mr. Smedberg also oversaw extension of the development and adoption of NVTC's first strategic framework, the pilot of NVTC's policy forums initiation, the laying of the groundwork for a Northern Virginia research network, launch of NVTC Transit Fellows Program, maintenance of NVTC's high standards of financial management and stewardship of public dollars, the establishment of a new regional partnership and technical assistance program in support of the evaluation and implementation of a New Electronic Payments Program, and continued strengthening of the management capacity of NVTC.

**NOW, THEREFORE, BE IT RESOLVED** that the Northern Virginia Transportation Commission commends the Honorable Paul C. Smedberg for his leadership of the Northern Virginia Transportation Commission for 2014 and his service to the citizens of Northern Virginia and to the Commonwealth of Virginia.

## RESOLUTION

-2-

**BE IT FURTHER RESOLVED** that NVTC prepare a copy of this resolution for presentation to Paul Smedberg, as an expression of the Northern Virginia Transportation Commission's gratitude and appreciation for his leadership and work on the Commission in promoting and funding public transit and ridesharing in Northern Virginia.: ;

Approved this 7th day of January, 2015.

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Paul C. Smedberg  
Chairman

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Jay Fisette  
Secretary-Treasurer



## **RESOLUTION**

**SUBJECT:** **Commending the Honorable James W. Dyke on the occasion of his departure from NVTC**

**WHEREAS:** the Honorable James W. Dyke served as Virginia's Secretary of Education under former Virginia Governor L. Douglas Wilder, as a domestic policy advisor to former Vice President Walter Mondale, as an adjunct professor at the University of Virginia's School of Law, and in numerous other civic and business roles;

**WHEREAS,** the Honorable James Dyke was sworn in by the Northern Virginia Transportation Commission on October 6, 2011 to represent the Commonwealth of Virginia on the Commission and was appointed by Virginia Governor McDonnell to be the Commonwealth's representative on the Washington Metropolitan Area Transit Authority Board of Directors;

**WHEREAS,** the Honorable James Dyke was elected Chairman of the Greater Washington Board of Trade for 2010 and co-chaired the Metropolitan Washington Council of Governments/Board of Trade Task Force on the Governance of the Washington Metropolitan Area Transit Authority which made significant recommendations that were subsequently endorsed by the Governors of Maryland and Virginia and the Mayor of the District of Columbia;

**WHEREAS,** the Honorable James Dyke was appointed as a principal member of the Washington Metropolitan Area Transit Authority Board of Directors by the Northern Virginia Transportation Commission on January 5, 2012;

**WHEREAS,** the Honorable James Dyke currently serves as Chair of the Washington Metropolitan Area Transit Authority Governance Committee and has been able to address some of the Metropolitan Washington Council of Governments/Board of Trade Governance recommendations to address state-of-good-repair, expanding transit capacity and the development of Metro's strategic plan Momentum;

**WHEREAS,** the Honorable James Dyke will continue to serve the Commonwealth as Governor Terry McAuliffe's appointee as the At-Large Urban Representative on the Commonwealth Transportation Board;

**WHEREAS,** the Honorable James Dyke will continue his support of the Northern Virginia Transportation Commission and statewide transit needs in his new role on the Commonwealth Transportation Board and looks forward to WMATA's regional cooperation efforts; and

**WHEREAS,** the Honorable James Dyke has served Northern Virginia and the Commonwealth with distinction.

**NOW, THEREFORE, BE IT RESOLVED** that the Northern Virginia Transportation Commission hereby commends the Honorable James W. Dyke for his service to NVTC, as well as his leadership and dedicated service to Northern Virginia and the Commonwealth.

## RESOLUTION

-2-

**BE IT FURTHER RESOLVED that NVTC** prepare a copy of this resolution for presentation to James Dyke, as an expression of the Northern Virginia Transportation Commission's gratitude and appreciation for his work on the Commission in promoting and funding public transit and ridesharing in Northern Virginia.

Approved this 7th day of January, 2015.

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Paul C. Smedberg  
Chairman

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Jay Fisette  
Secretary-Treasurer



### AGENDA ITEM #3

#### MINUTES NVTC COMMISSION MEETING – DECEMBER 4, 2014 NVTC CONFERENCE ROOM – ARLINGTON, VIRGINIA

The meeting of the Northern Virginia Transportation Commission was called to order by Chairman Smedberg at 8:15 P.M.

#### **Members Present**

Richard Black  
Sharon Bulova  
John Cook  
Jay Fisette  
Catherine Hudgins  
Mary Hynes  
James LeMunyon  
Jeff McKay  
David Meyer (City of Fairfax, alternate)  
J. Randall Minchew  
Jennifer Mitchell (DRPT alternate)  
Thomas Rust  
David F. Snyder  
J. Walter Tejada  
Jennifer Wexton

#### **Members Absent**

James Dyke  
William Euille  
John Foust  
Jeff Greenfield  
Ken Reid  
Paul Smedberg

#### **Staff Present**

Kelley Coyner  
Rhonda Gilchrest  
Claire Gron  
Scott Kalkwarf  
David Koch  
Jillian Linnell  
Kate Mattice  
Kala Quintana  
Marti Reinfeld  
Aimee Perron Siebert (Hillbridge Group)  
Doug Allen (VRE)  
Bryan Jungwirth (VRE)  
Steve MacIsaac (VRE)

### Oath of Office for New Commissioner

Ms. Coyner introduced David Meyer, NVTC's new alternate from the City of Fairfax. She thanked Mr. Meyer for attending to meet NVTC's jurisdictional quorum. Vice-Chairman Snyder administered the oath of office to Mr. Meyer. Commissioners welcomed him to NVTC.

### Opening Remarks

Vice-Chairman Snyder stated that Chairman Smedberg could not attend since he is out of the country. Vice-Chairman Snyder asked Ms. Coyner to recognize two staff members.

Ms. Coyner announced that Kala Quintana, Director of Communications, who has been a long-term dedicated NVTC staff member for almost 13 years, is leaving NVTC to pursue other opportunities. Ms. Quintana began her work at NVTC supporting marketing of the local transit systems and evolved into working on communication issues. She was also instrumental in setting up E-schedules (the predecessor of real-time information systems) and legislative efforts. One of her major recent tasks has been serving as the Public Information Officer (PIO) of NVTA and, for the past six months, she has been a shared resource between NVTC and NVTA.

Vice-Chairman Snyder stated that he much appreciated working with Ms. Quintana over the years with the media and legislators in Richmond. He thanked her for her years of public service to the region.

Mrs. Bulova stated that she has known Ms. Quintana before she started working at NVTC. They have worked together in Kala's capacity as a leader in her Burke Centre community and as a strong advocate for VRE and its Burke Centre station. Mrs. Bulova stated that Ms. Quintana has had a real presence at NVTC looking out for the jurisdictions and thanked her for her service.

Mr. McKay stated that he also interacts with Ms. Quintana outside of the transit world as she serves on the Fairfax County Park Authority Board. He personally thanked her for being a friend and colleague as well as her service to NVTC and NVTA. He observed that her work has made a big difference.

Mrs. Hudgins agreed with the comments made by her colleagues and also recognized Ms. Quintana's energy that she has put into her work at NVTC. Mrs. Hudgins wishes Ms. Quintana well and looks forward to continuing to work with her as a Park Authority Board Member.

Ms. Coyner also recognized Jillian Linnell, who hasn't been at NVTC for a long time, but has made a significant impact at NVTC on New Electronic Payments Program (NEPP) issues and FTA grants management. Ms. Linnell is moving to Boston, Massachusetts in December but will telework for a few months on these issues as NVTC seeks her replacement.

Ms. Mitchell introduced Todd Horsley, DPRT's new Director of Northern Virginia Transit Programs. Prior to coming to DRPT, Mr. Horsley served as the Chief Operating Officer for the Roaring Fork Transportation Authority in Aspen, Colorado. He has an extensive background in grants management, transit operations and administration, and project development. Mr. Horsley will be the new DRPT point of contact on WMATA issues and she has asked him to meet with Commissioners and their staff.

### Executive Director's Report

Ms. Coyer announced that at the January 7<sup>th</sup> NVTC meeting, Commissioners will take action on the FY 2016 General and Administrative (G&A) Budget and the NVTC Implementation Plan. NVTC staff has been working closely with the Management Advisory Committee (MAC) on the Implementation Plan and the Executive Committee on the Budget.

Ms. Coyner also reported that she and Vice-Chairman Snyder participated in the Virginia Transit Association (VTA) Board of Directors November meeting in Richmond. VTA is making good progress on issues across the Commonwealth and with DRPT. In particular, a small Advisory Working Group has been established to work on HB2.

### Approval of the Minutes

Mr. McKay moved, with a second by Mrs. Bulova, to approve the minutes of the November 6, 2014 NVTC Meeting. The vote in favor was cast by Commissioners Black, Bulova, Cook, Fisette, Hudgins, Hynes, LeMunyon, McKay, Meyer, Minchew, Mitchell, Rust, Snyder, Tejada and Wexton.

### Consent Agenda

Mrs. Hynes moved, with a second by Mrs. Bulova to approve the Consent Agenda. Delegate LeMunyon asked that the last two items (Legislative and Policy Agenda; Strategic Framework) be removed for discussion. There were no objections to amending the Consent Agenda to approve the first two items:

- Resolution #2258: Disadvantaged Business Enterprise (DBE) Goal
- 2015 Meeting Schedule

The Commission then voted to approve the amended Consent Agenda. The vote in favor was cast by Commissioners Black, Bulova, Cook, Fisette, Hudgins, Hynes, LeMunyon, McKay, Meyer, Minchew, Mitchell, Rust, Snyder, Tejada and Wexton.

### Revised Legislative and Policy Agenda

Delegate LeMunyon observed that under the state portion of the Legislative and Policy Agenda regarding HB2313 and HB2, there is no reference to congestion reduction. He asked how it can be successfully implemented without congestion reduction. He also observed that the concept of “balance between investments in roadways, transit and related infrastructure” is an interesting concept but is not found in HB2313. He stated that the document needs more work before he can vote for it.

Mr. McKay asked if Delegate LeMunyon has suggested wording changes. He explained that the Legislative and Policy Agenda is not meant to reiterate all the components of HB2313. It was understood as a given that a project has to pass a congestion threshold before it is considered for funding. However, he understands Delegate LeMunyon’s point and agrees on the importance of congestion mitigation and stated that NVTC can be more explicit on this issue in the Legislative and Policy Agenda.

In response to a question from Mr. Fisette about the list of check-marked bullets on Page 2, Ms. Coyner explained the document is a set of priorities adopted last year. It is intended to be in a very succinct form with key explanatory pieces and not the agenda, per se. She stated that in June 2013 NVTC passed a resolution that called for a balance between investments between roadways, transit and related infrastructure. This was included because it is a position of NVTC. The TransAction 2040 plan frames the foundation for a balanced transportation infrastructure. This, of course, has to take into account the congestion relief components as well as other factors. The issue of ensuring new funds raised in Northern Virginia stay in Northern Virginia reflects the important provision of HB2313 to make sure this region gets to spend the money and is not penalized. Mr. Fisette stated that if the check-marks are elements of HB2313, then staff should include congestion relief.

Delegate Minchew raised questions about the explanatory text that includes the statement “Successful implementation includes: passage of the Marketplace Fairness Act.” Mr. Fisette suggested that the formatting be changed to make it clear that these bullets are not intended to be a list of elements of the statute.

Senator Black added to Delegate LeMunyon’s comments and stated that the issue of congestion relief has garnered a tremendous amount of attention in the General Assembly and there is a strong consensus that the focus on transportation dollars to reduce congestion should be spent for commuters (transit and roadway). This is a key element of Virginia transportation and any document should reflect it as a core element of transportation planning.

Mr. McKay moved to approve the Legislative and Policy Agenda with an additional checkmark bullet referencing reducing congestion.

Delegate LeMunyon stated that he has a few additional edits including replacing the first checkmark bullet with “reducing congestion in the most cost effective manner” and striking the last checkmark bullet regarding the Marketplace Fairness Act. On page 3 under HB2 add a sentence after the Six Year Implementation Plan (SYIP) sentence: “In HB2 congestion reduction is given the highest priority.” He stated that he also does not have a clear understanding how NVTC will use this document. If it is going to be circulated to legislators outside the Northern Virginia delegation, they would question the lack of references to congestion mitigation.

Mr. McKay suggested taking these recommendations and working them into the Legislative and Policy Agenda and bring it back for action at the January 7<sup>th</sup> meeting. Ms. Coyner confirmed that the January meeting occurs before the General Assembly Session begins. Mr. McKay withdrew his motion to approve the Legislative and Policy Agenda.

Mr. McKay then moved to defer action on the Legislative and Policy Agenda until the January 7<sup>th</sup> meeting and directed staff to incorporate comments provided by Commissioners. Delegate LeMunyon seconded. The vote in favor was cast by Commissioners Black, Bulova, Cook, Fisette, Hudgins, Hynes, LeMunyon, McKay, Meyer, Minchew, Mitchell, Rust, Snyder, Tejada and Wexton.

### NVTC Strategic Framework

Mr. Fisette moved, with a second by Mr. McKay, to approve the Strategic Framework.

Delegate LeMunyon stated that as he commented at the last meeting, he is disappointed that metrics are not included because it is important to measure NVTC’s success.

The Commission then voted on the motion and it passed. The vote in favor was cast by Commissioners Bulova, Cook, Fisette, Hudgins, Hynes, McKay, Meyer, Mitchell, Rust, Snyder, Tejada and Wexton. Commissioners Black, LeMunyon and Minchew voted no.

### Financial Items

FY 2014 Audited Financial Statements and Compliance Reports. Ms. Coyner introduced Mike Garber from PBMAres LLC, NVTC’s auditors. Mr. Garber reported that he and Dwight Burbaker met with the Executive Committee prior to this meeting and gave a more detailed report on the audited financial statements. He stated that PBMAres has issued an unqualified (clean) opinion that NVTC’s financial statements, in all material respects, fairly and accurately present the financial position of NVTC. PBMAres also issued a clean report on the internal control of NVTC’s financial reporting, compliance and other matters. Because NVTC received Federal assistance during FY 2014, PBMAres also issued a report on the compliance with requirements and internal control

related to those federal funds. Commissioners were provided with copies of the audit and management letters. There were no questions.

Financial Items for October 2014. The financial report was provided to Commissioner and there were no questions.

#### New Electronic Payments Program (NEPP)

Ms. Coyner urged Commissioners to take this information back to their jurisdictions. It is her understanding that Loudoun County intends to have a NEPP status presentation at its February Board meeting and other jurisdictions may wish to do something similar. She reviewed several key issues. She stated that Accenture, WMATA's contractor for the new fare payment system, submitted a proposal to NVTC requesting to contract in early 2015 for Phase I of the Northern Virginia regional deployment. NVTC will seek FY2016 technical assistance funding from DRPT to move forward once the pilot phase is complete. For planning purposes MAC has recommended that NVTC include estimated project costs in DRPT's SYIP. Ms. Coyner recognized Jillian Linnell, NVTC's NEPP project manager, who was available to answer any questions.

Mrs. Hynes reported that the WMATA Board of Directors discussed NEPP today at its meeting. The Virginia members had a strong statement about their concerns about the cost escalation and the manner in which this project is moving forward. These concerns were shared by other jurisdictions.

Mr. McKay expressed his concern that Accenture's price does not include any of the customization that will be required for certain regional partners in Northern Virginia. Ms. Linnell explained that in cases where other transit agencies operate fares differently than WMATA, the jurisdiction will have to pay the cost to customize that system. WMATA will not be paying those costs. Mrs. Hudgins stated that the pilot phase will go through July 2015 which will provide time for WMATA to continue to work on these issues. Hopefully the lessons learned from the SmarTrip procurement will be remembered. Mr. McKay asked if there is hope that these issues will be resolved. Mrs. Hynes responded affirmatively. Mr. McKay asked if there is anything NVTC can be doing to help support the efforts of Virginia's WMATA Board members. In response to a question from Mrs. Hynes, Ms. Coyner stated that this memorandum has been shared with WMATA staff. Mrs. Hynes stated that she has hope that the technical specifications can be fixed to solve some of these issues.

Mr. Meyer asked if there is any move nationally to standardize this technology so that all major urban areas are using the same technology. Mrs. Hynes stated that this is new technology and, in theory, because smart phones will be used, the technology could be used in other areas. Mr. Meyer asked if there is any effort by USDOT to mandate a national standard. Ms. Coyner stated that USDOT has many standards concerning Intelligent Transportation Systems (ITS) and system engineering but this is cutting edge technology and Chicago is the only other city that is using it. Hopefully NEPP will be a model for other regions.

Mr. McKay stated that it is his recollection that there will be significant savings to WMATA over the long-term using this new technology. He asked if there is any effort to return some of the savings to the jurisdictions. Mrs. Hynes stated that it would be viewed as a reduction on subsidy over time.

#### Report from the Virginia Members of the WMATA Board of Directors

Mrs. Hudgins noted that NVTC has made WMATA a separate agenda item, which is designed to highlight WMATA issues.

Mrs. Hudgins reported that the WMATA budget presentation that was given today at the Finance and Administration Committee and has been provided as a Blue Item. She stated that WMATA's budget includes an increase of \$1.8 billion in operating and \$1.3 billion in capital. The budget focuses on safety and state of good repair. Subsidies are expected to increase by 10 percent as well as increases in capital commitments. Mrs. Hynes stated that this is the beginning of the budget process and with diligent work and collaboration, the budget will change. However, the region will be faced with many difficult choices. Virginia WMATA Board members expect that they will be able to report back to NVTC at its February meeting on any progress that has been made. Mrs. Hynes also noted that WMATA Board Members have not received the full budget, but it should be available soon and will be shared with Commissioners. The WMATA budget is expected to be adopted in spring 2015.

Delegate Rust stated that this is not the appropriate venue to discuss this but there have been recent media reports about contract issues. He asked WMATA Board members to look into these issues. Mrs. Hudgins stated that these are not new issues.

Mr. Fisette asked if transit parity legislation is passed how it will impact the WMATA Budget. Mrs. Hynes stated that it would certainly raise ridership which would add fare revenue to the budget.

Mr. McKay asked for clarification on the difference between "principal" and "non-principal routes" (page 53 of the budget presentation). He observed that it is important that Metrobus serve those routes that cross jurisdictional boundaries. Mrs. Hudgins stated that there may be some opportunity for jurisdictions to take some bus service back. Mrs. Hynes stated that this is new terminology and she will find out the definitions.

Mr. Snyder stated that he sees a further balkanization of bus service. It is important to see is as one regional bus system. He would like to see dialogue on how to better integrate local systems with the Metrobus system. Mrs. Hynes stated that she doesn't see it as balkanization but more of providing flexibility. There are real advantages to local systems (routes can change to meet demands without having to conduct hearings, etc). She stated that it may be helpful for NVTC to have a workshop to better understand bus integration in Northern Virginia.

Mr. Snyder stated that in his opinion the way to dramatically improve transit service is to reduce costs and to look seriously at the overall bus system. Mrs. Hynes asked if he is

referring to longer-haul service. Mr. Snyder responded yes. Mrs. Hynes stated that at its December 2013 Planning Session, NVTC discussed the importance of dedicated transit ways. WMATA does not care who runs the service, but does care that people are being moved. The Commonwealth controls the roadways so it needs to be involved in any discussions about transit ways. NVTC is the forum to have these discussions.

Delegate LeMunyon asked about the rise in crime rates at the WMATA stations and if there is an upward trend that the region should be concerned about. Mrs. Hynes stated that many of the crimes are “snatch and grab.” She stated that the last quarterly report can be provided to Commissioners. She stated that the crime rates at the stations are lower than the crime rates outside the system. Mr. McKay agreed that most of the crimes are against property and not crimes against persons. It seems to be a problem at the stations with large parking decks. WMATA has mitigated this with surveillance cameras, more monitoring by transit police, etc. He also stated that with the new WMATA Transit Police Training Facility in Franconia/Springfield, there will be a greater transit police presence on the trains and station in Northern Virginia.

Senator Black left the meeting at 9:11 P.M. and did not return.

Delegate LeMunyon asked if there is any update on audited financials. Mrs. Hudgins stated that after WMATA still expects them to be released after January 1, 2015.

#### Virginia Railway Express (VRE)

VRE CEO Report. Mr. Allen reported that on-time performance for the month of November was 93 percent with average daily ridership over 19,000. VRE conducted a successful Emergency Disaster Drill on November 7, 2014. DRPT’s High Speed Rail Initiative from Richmond to Washington DC would include track improvements that will benefit VRE, Amtrak and CSX. The VRE Operations Board is also busy working on the FY 2016 budget and the Board is expected to take action at its December 19<sup>th</sup> meeting. The budget will come before the Commissions for approval in January. The Management Audit, chaired by Mr. Cook, is winding down with a draft report to be presented to the Joint Audit Committee on December 19<sup>th</sup>. Mr. Allen also gave updates on the progress of the Spotsylvania Station and VRE’s Mobile Ticketing Project. On-line tickets sold out in eight minutes for the December 13<sup>th</sup> Santa Trains. VRE will collect toys from passengers on December 10<sup>th</sup> for the annual Toys for Tots campaign. Mr. Allen reported that VRE also received a clean audit from PBMares, LLC.

VRE 2015 Legislative Agenda. Vice-Chairman Snyder reported that the VRE Operations Board recommends Commission approval of Resolution #2259, which authorizes the VRE CEO to actively pursue the elements set forth in the Legislative Agenda.

Mr. Cook moved, with a second by Mrs. Bulova, to approve Resolution #2259 (copy attached). The vote in favor was cast by Commissioners Bulova, Cook, Fisette, Hudgins, Hynes, LeMunyon, McKay, Meyer, Minchew, Mitchell, Rust, Snyder, Tejada and Wexton.

VRE's FY2014 Audited Financial Statements and Auditor's Report. Vice-Chairman Snyder reported that the VRE Operations Board recommends Commission approval of Resolution #2260, which accepts VRE's audited Financial Statements and the associated information and authorizes VRE's CEO to forward these documents to interested groups, firms and members of the public. The audit was performed by PBMares, LLC.

Mr. Cook moved, with a second by Mrs. Bulova, to approve Resolution #2260 (copy attached). The vote in favor was cast by Commissioners Bulova, Cook, Fisette, Hudgins, Hynes, LeMunyon, McKay, Meyer, Minchew, Mitchell, Rust, Snyder, Tejada and Wexton.

Delegate Minchew left at 9:21 P.M. and did not return.

### Commonwealth and Regional Agency Reports

Department of Rail and Public Transportation (DRPT). Ms. Mitchell reported that DRPT has also been involved in the HB2 efforts. DRPT has been doing some informal outreach with VTA to update on HB2. In early January there will be some statewide stakeholder meetings on HB2.

Northern Virginia Transportation Authority (NVTa). Ms. Backmon announced that Fitch, Moody's and Standard & Poor's awarded NVTa a strong bond rating on its first bond series (AA+/Aa1/AA+). NVTa is now proceeding with its approved financing plans and the bonds will be settled in mid-December. NVTa is actively moving forward on the approved FY 2014 projects and is in the process of developing its two-year program for FY 2015 and FY 2016. NVTa is in the early process of updating the TransAction plan. NVTa conducted a Listening Session in October. NVTa meets on December 11<sup>th</sup> and will seek approval of its Legislative Program.

Transportation Planning Board (TPB). Vice-Chairman Snyder announced that the Environmental Protection Agency (EPA) has proposed strengthening the National Ambient Air Quality Standards (NAAQS) for more stringent ozone standards.

### Adjournment

Mr. McKay moved, with a second by Mr. Tejada, to adjourn. Without objection, Vice-Chairman Snyder adjourned the meeting at 9:25 P.M.

Approved this seventh day of January, 2015.

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Chairman

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Secretary-Treasurer

## AGENDA ITEM #4: CONSENT AGENDA

**TO:** Chairman Smedberg and NVTC Commissioners  
**FROM:** Kelley Coyner  
**DATE:** December 29, 2014  
**SUBJECT:** Consent Agenda

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### **RECOMMENDED ACTION: Approve Consent Agenda**

#### **A. Approve Resolution #2261: NVTC's Official Signatories and Employees Pension Trustees**

The Commission each January authorizes its Executive Director, Director of Finance and Administration and the newly elected Secretary-Treasurer to serve as signatories for financial transactions exceeding \$5,000. These persons plus the NVTC Assistant Financial Officer are selected to serve as NVTC's employees' pension trustees.

#### **B. Approve Resolution #2262: Authorize NVTC's Executive Director to Apply for a Technical Assistance Grant for NEPP**

The Commission is asked to authorize NVTC's Executive Director to apply for a Technical Assistance Grant from the Department of Rail and Public Transportation (DRPT) to support New Electronic Payments Program (NEPP) costs expected to be incurred by the Northern Virginia Regional Partners. A grant for technical assistance would enable the NVTC Regional Partners to enter into a contract with a vendor to further develop their needs assessment, functional and technical requirements and plans for deployment. These efforts would be in preparation for the regional implementation of NEPP. If the funds are awarded, a contract will not be entered into with a vendor until WMATA has successfully completed their NEPP pilot.

#### **C. Approve the Revised NVTC Legislative and Policy Agenda**

The Commission is requested to approve a revised NVTC Federal and State Legislative and Policy Agenda. The revised version incorporates comments made at the December 4<sup>th</sup> meeting. The priorities remain as follows:

1. Maintaining and expanding opportunities for dedicated, sustainable funding for transit;



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2. Using metrics to promote efficiency and maximize capital investments;
3. Promoting and strengthening regional cooperation and accountability;
4. Maximizing use of existing facilities to enhance transit performance and safety;  
and
5. Fostering innovation and technological integration that improves transit operations and expands service.



## **RESOLUTION #2261**

**SUBJECT:** Designation of NVTC Signatories and Pension Trustees.

**WHEREAS:** The Honorable \_\_\_\_\_ has been elected Secretary-Treasurer of NVTC for 2015; and

**WHEREAS:** NVTC desires that the person holding the office of Secretary-Treasurer be designated as an official signatory as well as a pension trustee.

**NOW, THEREFORE BE IT RESOLVED** that the Northern Virginia Transportation Commission hereby selects the following persons to serve as NVTC signatories (who are eligible to sign individually for any transaction of less than \$5,000 and with one other signatory for transactions of \$5,000 or greater):

Hon. \_\_\_\_\_  
Kelley Coyner  
Scott C. Kalkwarf

Secretary-Treasurer  
Executive Director  
Director of Finance and Administration

**BE IT FURTHER RESOLVED** that the individuals listed above shall serve as NVTC employees' pension trustees, with the addition of NVTC's Assistant Financial Officer, Colethia Quarles.

Approved this 7<sup>th</sup> day of January, 2015.

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Secretary-Treasurer



## **RESOLUTION #2262**

- SUBJECT:** Authorization to apply for a Technical Assistance Grant from the Department of Rail and Public Transportation for funding to support New Electronic Payments Program (NEPP) related costs.
- WHEREAS:** WMATA has selected Accenture as their contractor for the New Electronic Payments Program (NEPP), a fare collection system that will eventually replace the SmarTrip system;
- WHEREAS:** WMATA has no financial obligation to Accenture until the initial NEPP Pilot/Proof of Concept phase is successfully completed, upon which WMATA will move forward and further develop the details of the program;
- WHEREAS:** The Regional Partners, which include NVTC and its member jurisdictions (with the exception of Falls Church) as well as the Potomac and Rappahannock Transportation Commission (PRTC) and both NVTC and PRTC as owners of the Virginia Railway Express (VRE) understand and appreciate the need for a regionally integrated fare payment system;
- WHEREAS:** The Regional Partners have entered into an Memorandum of Agreement, dated May 14, 2014, which demonstrates their joint commitment to the development, testing, funding and implementation of the WMATA NEPP system;
- WHEREAS:** The Regional Partners, through NVTC, are responsible for defining and negotiating their own contract with Accenture or another potential vendor;
- WHEREAS:** Following a successful NEPP pilot and the further definition of key program details by WMATA, the Regional Partners will need to enter into a contract for the further development of their needs assessment, functional and technical requirements and plans for deployment;
- WHEREAS:** NVTC is eligible to apply for, receive and manage state transit grants and as a service to its Member Jurisdictions, can also apply for, receive and manage state grants on behalf of those members;
- WHEREAS:** A grant for technical assistance would support the Regional Partners as they enter into a contract with a vendor to further develop their needs assessment, functional and technical requirements and plans for deployment, in preparation for the regional implementation of the NEPP;

**NOW, THEREFORE, BE IT RESOLVED** that the Northern Virginia Transportation Commission authorizes its Executive Director to apply to the Department of Rail and Public Transportation (DRPT) for technical assistance funding and complete all required applications for a grant of \$886,315.00 (50% state grant funds, 50% local match) for technical assistance activities in preparation for the regional implementation of NEPP.

**BE IT FURTHER RESOLVED** that NVTC authorizes its Executive Director as trustee of state transit assistance received on behalf of the NVTC jurisdictions, to use funding from accounts of those Regional Partners who have member accounts at NVTC, and/or from future receipts of such funds before allocation to those Regional Partners to pay any and all expenses associated with this state grant, after first informing the Northern Virginia NEPP partners and providing appropriate documentation of the expenses.

**BE IT FURTHER RESOLVED** that after applying for the DRPT grant and prior to entering into a contract utilizing any of the funds, the Executive Director shall obtain from the NVTC member jurisdictions, PRTC and VRE a signed amendment to the Memorandum of Agreement.

Approved this 7<sup>th</sup> day of January, 2015.

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Chairman

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Secretary-Treasurer



## NVTC Legislative and Policy Agenda

For 50 years, NVTC has promoted an efficient, innovative transit network in Northern Virginia. That network includes seven bus systems from Loudoun County to the city of Alexandria; Metrorail and the Virginia Railway Express -- the Commonwealth's only commuter rail system; and ridesharing -- including a new van pool program. Roadways -- from local streets to new Express lanes, bike and pedestrian facilities, and state routes and interstates -- are each vital to the success of the transit network. The transit network relieves congestion on our roadways.

The transit network in Northern Virginia is central to the region's and the Commonwealth's economy. Each day 550,000 Northern Virginians commute via transit. Residents and visitors throughout the region travel on transit between Northern Virginia, Maryland, and the District of Columbia. Demand for rail and bus service, as well as ride sharing, remains strong and is growing. Businesses across the Metropolitan Washington region are designing and building successful office, retail and residential developments that depend on reliable access to transit. Transit reduces congestion for drivers, helps clean the air, and improves day-to-day life for all Virginians---and that is good for business.

NVTC will support legislation and policies that build our transportation network by:

1. Maintaining and expanding opportunities for dedicated, sustainable funding for transit;
2. Using metrics to promote efficiency and maximize capital investments;
3. Promoting and strengthening regional cooperation and accountability;
4. Maximizing use of existing facilities to enhance transit performance and safety; and
5. Fostering innovation and technological integration that improves transit operations and expands service.

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## STATE LEGISLATIVE PROGRAM

### MAINTAIN & EXPAND OPPORTUNITIES FOR DEDICATED, SUSTAINABLE FUNDING FOR TRANSIT

NVTC's top legislative and policy priority is identifying stable, secure and dedicated sources of funding for regional transit systems including WMATA's Metrorail and Metrobus and the Virginia Railway Express, the commuter rail service co-owned with the Potomac and Rappahannock Transportation Commission. This includes a focus on the following items:

#### **Full Implementation of HB2313.**

Virginia's landmark transportation funding legislation, [HB2313](#), provides the first opportunity in a generation to address the backlog of transportation projects that are vital to the economic health of the region and the Commonwealth. In achieving the legislation's aims with respect to congestion reduction, improved emergency preparedness, and increased mass transit capacity, NVTC has the following priorities:

- ✓ Balance between investments in roadways, transit and related infrastructure;
- ✓ Use of the regionally adopted [TransAction 2040](#) long range transportation plan as the foundation for balanced transportation infrastructure investments across all modes;
- ✓ Ensuring new funds raised in Northern Virginia stay in Northern Virginia;
- ✓ Strong cooperation between the Commonwealth and the region in developing a legislatively mandated assessment tools ([HB2](#) and [HB599](#)) to rate projects including the review of a sufficient number of projects to provide the region with real choices and opportunity for progress; and

#### **Maintenance of long-standing funding commitments & prepare to meet future needs.**

HB2313 builds on an ongoing commitment and should be a catalyst for expanding innovative funding for transit needs. To meet the growing funding needs of NVTC's transit systems, the Commonwealth must continue its financial commitments to WMATA and VRE and work with the region to lay the groundwork for expanded innovative finance and planning.

NVTC supports:

- Providing the Virginia match to the federal Passenger Rail Investment and Improvement Act of 2008 (PRIIA) funding for WMATA;
- Identifying new funding for Virginia's share of WMATA's Momentum: Long Term Strategic Plan;
- Maintaining funding for VRE track leases from discretionary federal funds;
- Expanding technical assistance funding for the testing and implementation of the next generation regional fare payment system; and
- Developing and expanding opportunities for innovative finance of transportation infrastructure.

### **Addressing the Transportation Capital Funding Bond Cliff**

In FY2019, the CTB will allocate the last of the Transportation Revenues Bond revenue authorized by the 2007 Act. The capital funding bond cliff is a significant concern for continuing to invest in all modes of transportation projects. While HB2313 provided a new funds, if the Marketplace Fairness Act doesn't pass Congress and the loss of bonding authority will have a significant impact on moving projects forward to our regional transit systems.

## **USE METRICS TO PROMOTE EFFICIENCY & EFFECTIVENESS**

### **HB2 Metrics Should Be Applicable Across All Modes**

Passed in the 2014 Session, HB2 requires the Commonwealth Transportation Board to develop a statewide prioritization process for capacity expansion projects, starting in the FY 2016-2022 Six Year Improvement Program. HB2 applies only to projects which are new construction for expansion purposes. Transit, along with all other modes, are eligible to compete for highway construction funds and therefore, those specific transit projects will be subject to the same HB2 evaluation factors as any other project.<sup>1</sup>

NVTC will work with the Secretary of Transportation on developing the appropriate metrics and measures for the criteria used to determine the funding priorities to ensure that transit is an even playing field with other modes of transportation.

### **Sound Application of New Operating and Capital Funding Formula**

NVTC will continue to monitor the implementation of SB1140 to assess how new

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<sup>1</sup> HB2 requires that projects in Northern Virginia be evaluated based on congestion reduction, environmental quality, economic development, accessibility, land use, and safety. Each planning district commission or MPO will determine how these factors will be weighted; in the case of Northern Virginia and Hampton Roads, congestion reduction must be weighted most heavily.

performance criteria applied to the operating assistance formula are working in practice. In addition, NVTC will analyze the impact of adjustments to the state assistance for capital, including the implementation of changes in the calculation of state participation and the adoption of a new tiering structure.

## PROMOTE & STRENGTHEN REGIONAL COOPERATION & ACCOUNTABILITY

NVTC brings together local elected officials from cities and counties to ensure high-level accountability to taxpayers who pay for and benefit from NVTC's transit network. NVTC serves as the transit planning authority for Northern Virginia, and brings the localities together to promote and coordinate transit system development, expansion, funding, research and cooperation. NVTC serves as the fiscal agent for seven localities and provides regional expertise on performance metrics, transit finance and technology development. NVTC takes the lead coordinating with regional partners on the Van Pool Alliance and the next generation electronic fare payment system for bus and rail. NVTC partners with other regional entities such as the Northern Virginia Transportation Authority, the Northern Virginia Regional Commission and the Metropolitan Washington Council of Governments to maximize the transit investments and avoid duplication of effort.

## MAXIMIZE USE OF EXISTING FACILITIES TO ENHANCE TRANSIT PERFORMANCE & IMPROVE SAFETY

High-performance and high-capacity transit requires smart use of existing facilities, particularly roads. NVTC will work with the General Assembly and VDOT to make better use of existing road investments by:

- Maximizing bus service on existing Express Lanes on I-495 and future Express Lanes currently under construction on I-95;
- Expanding the I-66 Bus-on-Shoulder pilot to provide safer and faster connections along more than a hundred miles of interstate and other roadways in the region;
- Identifying cost-effective vehicle storage solutions for commuter buses;
- Employing full flexibility provided in the urban design standards for transportation system components [[VA Code Sec. 33.1-69.001](#)]; and
- Providing training to ensure safe and secure transit operations.

## FOSTER INNOVATION & TECHNOLOGY INTEGRATION TO IMPROVE TRANSIT OPERATIONS & SERVICE

Innovation, including deployment and integration of technology, is a critical ingredient to making transit work for riders and maximizing the efficient use of all forms of transportation. Examples include:

- Deploying Active Transportation Demand Management (ATDM) & Intelligent Transportation Systems (ITS) to integrate all modes of transportation and increase the number of commuters willing and able to use transit;
- Acquiring and implement the New Electronic Payment Program (NEPP), a new update for the existing regional electronic fare payment system that will decrease costs and make it easy to move seamlessly from VRE to Metro to local bus systems;
- Collaborating with VDOT, the Virginia Department of Technology (VDT), NVTC - and its local governments and transit systems, on technology issues from conceptual design and applications to the identification of appropriate funding to execute them;
- Partnering on technology deployment, assessment and finance between academia and the private sector; and
- Expanding telecommuting, ridesharing, and transit ridership during peak and off-peak times through innovative incentives and technology.

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## **FEDERAL LEGISLATIVE PROGRAM**

### **Commuter Benefits**

NVTC supports legislation (S. 1116; H.R. 2288) that would permanently create parity between the level of tax-free transit benefits employers can provide to employees for using transit to get to work and for parking benefits. This makes transit service more attractive to commuters who currently drive alone.

NVTC also supports legislation to permanently extend the current transit benefit to all branches of the federal government.

### **Surface Transportation Program Reauthorization (MAP-21)**

NVTC supports timely reauthorization of MAP-21 as integral to insuring sustainable resources for commuter rail and transit in Northern Virginia and the greater Metropolitan Washington area. As discussions on the rulemaking and development of future federal legislation continue, NVTC supports:

- Increase, significantly, the level of federal investment in the nation's transportation infrastructure, including maintenance and expansion of the existing system;
- Simplify the distribution of the federal Surface Transportation Program funding;
- Reduce the time required to complete the federal review process of significant new transportation projects;
- Provide greater decision-making authority to local governments and regional agencies, such as the Northern Virginia Transportation Commission and the Northern Virginia Transportation Authority to determine how transportation funding is spent;
- Establish and maintain adequate timeframes for environmental reviews so that a project's environmental impacts can be identified and adequately addressed; and
- Highlight safety and security as key outcomes of transportation projects.

### **Dedicated Funding For WMATA (PRIIA)**

NVTC supports continued annual federal appropriations of \$150 million for the Passenger Rail Investment and Improvement Act of 2008 (PRIIA). Under this legislation, Congress committed to \$1.5 billion for WMATA over ten years, if the region adopts a dedicated funding source(s) and provides an additional \$1.5 billion to match the federal funds over

the same period. All three signatory jurisdictions have passed the compact amendments required to receive the federal funding, and the non-Federal matches are in place.

### **Funding for the Virginia Railway Express (VRE)**

As a co-owner of the Virginia Railway Express, NVTC supports legislation that contributes to the overall expansion of commuter rail service to meet growing demand in Northern Virginia. NVTC supports efforts to secure federal funding for the following capital projects:

- high capacity railcars;
- Positive Train Control;
- train storage of rail equipment;
- station parking expansion; and,
- platform extensions and additions.

### **Limits on Commuter Rail Related Liability**

NVTC calls upon Congress to approve legislation to broaden the applicability of existing statutory language (49 USC, 28301) related to commuter rail related liability. The language should be amended to reflect the existing liability standard of a \$250M annual aggregate limit while broadening the cap beyond passenger rail related claims for property damage, bodily injury or death so that they apply to all claims brought by third parties.

### **Funding for Transportation Emergency Preparedness**

NVTC calls upon Congress to provide increased security funding to local and regional transportation agencies in the metropolitan Washington area.

### **Marketplace Fairness Act of 2013**

NVTC supports passage of the Marketplace Fairness Act (S. 336; H.R. 684). Enactment of the Marketplace Fairness Act is integral to Virginia's historic transportation funding package, HB2313. Without it, funding will fall short of needs in Northern Virginia and the rest of the Commonwealth.



## AGENDA ITEM #5: NVTC'S 2015 REPRESENTATIVES & COMMITTEE ASSIGNMENTS

**TO:** Chairman Smedberg and NVTC Commissioners  
**FROM:** Kelley Coyner  
**DATE:** December 29, 2014  
**SUBJECT:** NVTC's 2015 Representative and Committee Assignments

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**ACTION ITEM: Approve Resolution #2263: Selection of NVTC Representatives to Various Boards**

The Chairman will announce NVTC nominations to serve on the WMATA, VRE and VTA Boards to be acted upon by the Commission. The new Chairman will also announce his or her selection for NVTC's Legislative and Policy Committee, including the designation of a chair. NVTC's By-Laws determine the members of the Executive Committee. Some of these actions may be contingent on subsequent action by local boards and councils as their nominees may not be known by January 7, 2015.







## RESOLUTION #2263

**SUBJECT:** Selection of NVTC Representatives to Various Boards.

**WHEREAS:** NVTC is empowered to make appointments to the Board of Directors of the Washington Metropolitan Area Transit Authority, the Virginia Railway Express and the Virginia Transit Association;

**WHEREAS:** Some of NVTC's jurisdictions may not formally appoint their NVTC members prior to NVTC's January meeting and some may not be ready with recommendations for appointment to various boards;

**WHEREAS:** James Dyke has tendered his resignation from NVTC and the WMATA Board of Directors effective February 1, 2015; and

**WHEREAS:** Secretary Aubrey Layne has designated James Corcoran to be the Secretary's designee on NVTC and to fill the unexpired term of James W. Dyke, Jr., on the WMATA Board.

**NOW, THEREFORE, BE IT RESOLVED** that the Northern Virginia Transportation Commission hereby appoints the following persons to various boards, subject to possible subsequent action by NVTC's jurisdictions that alters their NVTC members for 2015 and their recommendations for members of the various boards:

**WMATA Board:**

Principals

James Corcoran (effective 2/1/15)  
Catherine M. Hudgins

Alternates

Mary Hynes  
William D. Euille

**VRE Operations Board:**

Principals

Sharon Bulova  
John C. Cook  
J. Walter Tejada  
Paul D. Smedberg

Alternates

Jeffrey C. McKay  
  
Jay Fisette  
Timothy Lovain

**VTA Board:**

Principals

David F. Snyder  
William D. Euille

Alternates

Mary Hynes  
Jeffrey C. McKay

**BE IT FURTHER RESOLVED** that Northern Virginia Transportation Commission hereby appoints William D. Euille to the WMATA Board for a one-year term expiring January 7, 2016, so that the composition of the WMATA Board Members appointed by NVTC are as follows:

Principals

Chairman, Commonwealth Transportation Board, or his designee	4-year term (expires January 9, 2018)
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Catherine M. Hudgins	3-year term (expires January 9, 2017)
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Alternates

Mary Hynes	2-year term (expires January 9, 2016)
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William D. Euille	1-year term (expires January 7, 2016)
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Approved this 7<sup>th</sup> day of January, 2015.

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Chairman

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Secretary-Treasurer

## AGENDA ITEM #6: NVTC IMPLEMENTATION PLAN

**TO:** Chairman Smedberg and NVTC Commissioners

**FROM:** Kelley Coyner

**DATE:** December 29, 2014

**SUBJECT:** NVTC Implementation Plan

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**RECOMMENDED ACTION: Approve NVTC Implementation Plan**

The Implementation Plan is being presented for public comment and Commission approval. NVTC has developed an Implementation Plan based on priorities established over the past 18 months and in close consultation with staff from member jurisdictions. The Implementation plan articulates specific actions that NVTC will take to address each goal and objective identified in the NVTC Strategic Framework approved by the Commission in December.

The Implementation Plan is intended to be a living document. The NVTC Board will periodically review and update the framework with a particular focus on whether the strategies are appropriate for achieving the goals as well as progress in achieving the goals and objectives.



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# NVTC Implementation Plan

December 2014

## Vision

Northern Virginia businesses and residents are served by a high capacity, high quality network of transit systems that allows our diverse region to thrive economically.

## Mission

As the premier transit organization in Northern Virginia, NVTC brings the region together to plan, coordinate, and secure funding for transit systems that are financially sustainable and high performing.

## Goals & Objectives

**Goal 1.** Increase the capacity of the regional transit network by expanding and improving the quality, coverage, and frequency of new and existing systems, including Metro, VRE and new transit services. We will achieve this through:

- **Objective 1.1** Access to sustainable, reliable, dedicated funding sources for WMATA, including Metro 2025.
  - **Funding strategies** NVTC provides technical expertise on potential funding mechanisms to support state of good repair, capacity improvements, and system expansion. NVTC coordinates among member jurisdictions to develop a unified position on achievable funding levels, mechanisms, and how to efficiently and effectively allocate regional, state, and federal resources.
  - **Federal funding** NVTC analyzes existing and proposed federal policies and programs and collaborates with regional, state, and federal stakeholders in support of federal resources for WMATA and Metro 2025. Examples include reinstatement of parity for transit benefits, continuation of PRIIA, surface transportation reauthorization, and identification of alternative and dedicated sources of federal funding for transit.
- **Objective 1.2** A regional strategy to fund the VRE System Plan.
  - **Funding strategies** NVTC provides technical expertise on potential funding mechanisms to support system expansion. NVTC partners with NVTA, PRTC, and DRPT in support of federal and state funding to advance the VRE System Plan.
  - **Regional planning** Through regional coordination and in partnership with PRTC, NVTC advances commuter rail as a regional transportation priority, promotes commuter rail in regional and state planning efforts (e.g., RTPP, TransAction 2040, VTRANS, and CLRP), and ensures that it is well-positioned for funding when funds become available.

- **Objective 1.3** Continued and increased funding for regional transit infrastructure.
  - **State funding for transit** NVTC analyzes impacts of funding shortfalls, develops options for addressing the state bond funding cliff and other issues affecting state transit revenues, including passage of the Marketplace Fairness Act. NVTC advises and engages regional and state partners on potential strategies to increase state revenues and avoid funding shortfalls.
  - **Funding strategies** NVTC provides technical expertise in planning and finance to identify funding strategies for regional transit projects. NVTC coordinates with member jurisdictions on the best use of regional, state, and federal resources.
  - **Innovative finance** Through research and technical expertise, NVTC will identify, develop, and promote opportunities for innovative financing of transportation infrastructure.
  - **Outreach** NVTC provides technical expertise directly and through research partnerships on regional transit needs and the role of transit in the regional and state economy. Using the results of this research, NVTC informs and engages leaders and stakeholders on the need for and value of sustained transit investment in Northern Virginia.
  - **Performance measures** NVTC conducts research and analyzes the use of metrics and selection criteria in allocating capital and operating funds for transit. NVTC collaborates with jurisdictions and regional, state, and federal partners (e.g., DRPT, NVTA, General Assembly members) to develop and promote the use of measures that ensure balanced and stable investments in transit. NVTC's work informs the implementation of regional and state initiatives (e.g., HB 599, HB 2).
- **Objective 1.4** Efficient use of existing rail and roadway infrastructure.
  - **Regional planning** NVTC participates in state, regional and local planning efforts and provides research and technical expertise to promote investments and initiatives that maximize the use of existing rail and roadway infrastructure (e.g., Urban Design Standards, I-66 Inside the Beltway Bus on Shoulder Pilot Program, express lanes).
  - **Maximizing throughput** Support regional programs and research to promote alternative modes of transportation and reduce travel demand (e.g., Vanpool Alliance, pedestrian and bicycle access to transit, regional Travel Demand Management).

**Goal 2.** Improve the access and mobility throughout Northern Virginia by connecting the regional and local transit systems. We will achieve this through:

- **Objective 2.1** Regional technology improvements that provide customers with better access to information and convenient travel within and among transit systems.
  - **Regional fare payment technology** NVTC coordinates the acquisition of WMATA's New Electronic Payments Program and provides ongoing technical assistance to local and regional transit systems.
  - **Transit signal priority** NVTC convenes member jurisdictions and other stakeholders (e.g., WMATA, VDOT) to ensure a regional, coordinated, cost-effective approach to transit signal priority implementation.
- **Objective 2.2** Regional and state plans that align local and regional transit services and advance dedicated transit corridors.
  - **Connectivity** NVTC leads, supports, and provides technical expertise on the planning and implementation of transit infrastructure. NVTC provides a regional perspective and ensures alignment of transit service across jurisdictional boundaries and consistency with adopted land use plans and regional initiatives, such as Region Forward (e.g., Route 7 Alternatives Analysis, I-66 Corridor Improvements, alignment of local and regional transit systems).
  - **Long-range planning** NVTC collaborates with regional and state partners to ensure that regional and state planning initiatives maintain a regional perspective while incorporating planned local projects. NVTC provides technical expertise in regional long-range planning, stakeholder engagement, and regional transportation needs.
  - **Balanced investment in transit** NVTC conducts research and analysis on the use of metrics and selection criteria in transit planning and funding decisions. NVTC collaborates with regional, state, and federal partners (e.g., DRPT, NVT, General Assembly members) to promote the use of measures and criteria that ensure balanced, stable, and equitable investments across modes and geographies.
  - **Collaboration** NVTC collaborates with member jurisdictions to identify common interests on regional planning efforts. NVTC represents the interests of member jurisdictions on regional committees, as needed, and promotes these interests in its outreach and partnership work.
  - **Research network** NVTC develops a network of research institutions with a common research agenda to leverage its technical expertise and expand the analytical tools available to support access and mobility throughout Northern Virginia.
  - **Emergency response planning** NVTC collaborates with National Capital Region UASI and member jurisdiction emergency managers to ensure comprehensive and consistent emergency response planning and implementation across the region.

**Goal 3.** Promote safe, reliable, and financially sound performance and management of regional transit systems. We will achieve this through:

- **Objective 3.1** Governance and oversight of VRE commuter rail performance and management as co-owners with the Potomac and Rappahannock Transportation Commission.
  - NVTC appoints and supports Commissioners that serve as principal and alternate members of the VRE Operations Board.
  - NVTC monitors VRE operations for consistency with the Master Agreement, approved budgets, and NVTC jurisdictions' interests.
  - NVTC provides staff support to VRE.
- **Objective 3.2** Governance of and engagement with WMATA through the appointment and support of WMATA Board Members that hold the agency accountable for peak performance and sound management.
  - NVTC appoints and supports four Commissioners to the WMATA Board of Directors. The Board Members determine agency policy and provide oversight for the funding, operation, and expansion of transit facilities under WMATA's jurisdiction.
  - NVTC serves on staff work groups, including the JCC and the Capital Funding Agreement working group, to monitor and provide a regional perspective on WMATA performance, programs, and policies, and to represent Northern Virginia jurisdictions, as needed.
  - NVTC provides technical expertise Board Members, Commissioners, and jurisdictional staff to ensure informed, coordinated decision-making on issues related to WMATA performance, programs, and policies.
- **Objective 3.3** Financial management expertise and support for NVTC member jurisdictions.
  - NVTC provides state and federal grant management expertise and oversight for member jurisdictions. NVTC is a direct recipient of federal funds and serves as grantee for member jurisdictions, as needed.
  - NVTC improves efficiency by serving as grantee for member jurisdictions' share of WMATA subsidies.
  - NVTC ensures a stable, reliable source of funding for the region by allocating the assistance it receives among the jurisdictions using the Subsidy Allocation Model – a regional approach to funding transit in Northern Virginia – and holds this revenue in trust for the jurisdictions' restricted use.

## AGENDA ITEM #7: NVTC FY 2016 BUDGET

**TO:** Chairman Smedberg and NVTC Commissioners

**FROM:** Kelley Coyner and Scott Kalkwarf

**DATE:** December 29, 2014

**SUBJECT:** NVTC FY2016 Budget

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For your consideration, I am forwarding the proposed NVTC FY 2016 budget, with detailed explanatory notes and an appendix describing project activity. This budget, as proposed, will substantially complete the job of building NVTC's capacity to address the priorities set by the Commission. This budget was prepared under the guidance of the chairman, has been vetted by the Executive Committee and reviewed by the staff of the member jurisdictions.

The notes reflect discussion with jurisdiction staff and detail the rationale and policies underlying each increase. For your reference, the amount of the increase from the approved FY 2015 budget is listed with each note. The following highlights key investments:

**Personnel:** The budget assumes a policy analyst/project manager position in the second half of FY 2016 or calendar 2017. The additional increase from the base reflects the benchmarking of positions at the low or mid-range and the implementation of a pay plan. Any performance pay will be at a rate aligned with that contemplated by the local jurisdictions. We will leverage our existing positions, in part, because we have identified ways to conduct labor-intensive tasks such as survey verification more efficiently using GIS and by building a network of research partners.

**Representation, professional development, training, and accreditation:** This will support additional regional travel within Virginia and limited travel outside of Virginia. There is no provision for foreign travel. This allows NVTC to engage with stakeholders, to maintain professional accreditations, and to conduct research activities. The budget will allow us to address training and accreditation commitments and to participate in Virginia conference such as the Governor's Conference and for limited out of state travel for key industry events.

**Technology/communications upgrades** for Commission support remote participation in Commission meetings as well as telecommuting.

**Contract services** will provide NVTC procurement support, human resources and EEOC functions, administrative and legal services.



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Northern Virginia Transportation Commission

**PROPOSED BUDGET**

**FISCAL YEAR  
2016**

**(July 1, 2015-June 30, 2015)**

**--January 7, 2015--**

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION**  
**BUDGETED FISCAL YEAR 2016 REVENUE**  
**Proposed**

	<b><u>FY 2014 Actual</u></b>	<b><u>Approved Budget FY 2015</u></b>	<b><u>Proposed Budget FY 2016</u></b>	<b><u>FY 16-15 Increase (Decrease)</u></b>	<b><u>Percent Change</u></b>
Local Share from State Aid (Note 1)	916,853	1,335,553	1,567,253	231,700	17.3%
Local Direct Contributions (Note 1)					
Alexandria	32,218	35,246	37,145		
Arlington	52,226	55,685	55,567		
City of Fairfax	6,751	5,212	4,692		
Fairfax County	173,465	167,903	168,142		
Falls Church	2,328	2,549	2,436		
Loudoun	17,259	17,652	16,265		
Total Local Direct	284,247	284,247	284,247	-	0.0%
Total Contributions	1,201,100	1,619,800	1,851,500	231,700	14.3%
Interest and Other Revenue	214	1,500	1,500	-	0.0%
Project Chargebacks (Note 2)	80,000	80,000	80,000	-	0.0%
Project Grant Billings (Note 3)	-	40,000	40,000	-	N/A
Appropriated Surplus (Note 4)	(65,206)	57,000	85,000	28,000	49.1%
Total Revenue	<u>\$1,216,108</u>	<u>\$ 1,798,300</u>	<u>\$2,058,000</u>	<u>\$ 259,700</u>	<u>14.4%</u>

\*Note: NVTC's WMATA jurisdictions receive and recognize state operating and capital assistance for their annual commitments to WMATA and local transit systems. This revenue is then pooled at NVTC and allocated among the jurisdictions based on NVTC's Subsidy Allocation Model (SAM), and held in trust for the jurisdictions' transit use. Before the funding is allocated, NVTC's SAM resolution states that amounts are to be applied to WMATA debt service, certain NVTC projects, and a portion of the general and administrative budget of NVTC. The amount used for NVTC's general and administrative expenses is determined each year by NVTC's approved budget.

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION  
SCHEDULE OF FISCAL YEAR 2016 BUDGETED EXPENDITURES  
PROPOSED**

		<b>FY15 Approved Budget</b>		<b>Proposed</b>	<b>FY16 - FY15</b>	
	<b>FY 2014 Actual</b>	<b>Without FY14 Carryovers*</b>	<b>With FY14 Carryovers</b>	<b>Budget FY 2016</b>	<b>Increase (Decrease)</b>	<b>Percent Change</b>
<u><b>Personnel Costs</b></u>						
Salaries and Wages (Note 5)	\$ 754,262	\$1,001,000	\$1,001,000	\$1,083,200	82,200	8.2%
Fellow Program (Notes 3 & 5)	-	50,000	50,000	50,000	-	0.0%
Total Personnel Costs	754,262	1,051,000	1,051,000	1,133,200	82,200	7.8%
<u><b>Benefits</b></u>						
Employer's Contributions						
FICA (Note 6)	52,873	70,300	70,300	74,600	4,300	6.1%
Group Health Insurance (Note 7)	53,412	143,700	143,700	158,500	14,800	10.3%
Retirement (Note 8)	37,314	84,900	84,900	90,200	5,300	6.2%
Workers & Unemployment Comp.	3,280	4,000	4,000	4,400	400	10.0%
Life Insurance	2,092	4,450	4,450	4,900	450	10.1%
Long Term Disability Insurance	3,247	5,050	5,050	5,300	250	5.0%
Total Benefit Costs	152,218	312,400	312,400	337,900	25,500	8.2%
<u><b>Administrative Costs</b></u>						
Commissioners Per Diem (Note 9)	9,585	11,000	11,000	11,100	100	0.9%
<b>Rents:</b>	<b>207,131</b>	<b>214,200</b>	<b>214,200</b>	<b>223,700</b>	<b>9,500</b>	<b>4.4%</b>
Office Rent (Note 10)	196,472	200,100	200,100	208,000	7,900	3.9%
Parking / Metrochek	10,659	14,100	14,100	15,700	1,600	11.3%
<b>Insurance:</b>	<b>5,277</b>	<b>6,100</b>	<b>6,100</b>	<b>6,100</b>	<b>-</b>	<b>0.0%</b>
Public Official Bonds	1,700	2,300	2,300	2,300	-	0.0%
Liability and Property	3,577	3,800	3,800	3,800	-	0.0%
<b>Travel, Training and Development</b>	<b>12,434</b>	<b>16,400</b>	<b>21,400</b>	<b>30,600</b>	<b>14,200</b>	<b>86.6%</b>
Conferences / Prof. Devel. (Note 11)	1,657	7,800	7,800	20,000	12,200	156.4%
Non-Local Travel	1,789	1,800	1,800	1,900	100	5.6%
Local Travel, Meetings (Note 12)	8,988	6,800	11,800	8,700	1,900	27.9%
<b>Communication:</b>	<b>8,861</b>	<b>11,000</b>	<b>11,000</b>	<b>15,700</b>	<b>4,700</b>	<b>42.7%</b>
Postage	2,046	2,900	2,900	2,500	(400)	-13.8%
Telephone and Data (Note 13)	6,815	8,100	8,100	13,200	5,100	63.0%
<b>Publications &amp; Supplies</b>	<b>9,891</b>	<b>10,800</b>	<b>15,800</b>	<b>11,000</b>	<b>200</b>	<b>1.9%</b>
Office Supplies (Note 14)	1,625	2,800	2,800	2,500	(300)	-10.7%
Duplication and Paper (Note 15)	7,766	7,500	7,500	8,000	500	6.7%
Public Information	500	500	5,500	500	-	0.0%
<b>Operations:</b>	<b>11,982</b>	<b>24,800</b>	<b>24,800</b>	<b>60,700</b>	<b>35,900</b>	<b>144.8%</b>
Furn. and Equip. (Capital) (Note 16)	3,914	17,000	17,000	49,300	32,300	190.0%
Repairs and Maintenance	-	1,000	1,000	1,000	-	0.0%
Computer Operations (Note 17)	8,068	6,800	6,800	10,400	3,600	52.9%
<b>Other General and Administrative</b>	<b>6,723</b>	<b>8,100</b>	<b>8,100</b>	<b>9,000</b>	<b>900</b>	<b>11.1%</b>
Subscriptions	-	-	-	-	-	N/A
Memberships	1,737	1,300	1,300	1,800	500	38.5%
Fees and Miscellaneous	3,605	5,600	5,600	5,600	-	0.0%
Advertising (Note 18)	1,381	1,200	1,200	1,600	400	33.3%
Total Administrative Costs	271,884	302,400	312,400	367,900	65,500	21.7%
<u><b>Contracting Services</b></u>						
Auditing (Note 19)	22,365	22,500	22,500	29,000	6,500	28.9%
Contract Services & Support (Note 21)	15,379	110,000	160,000	155,000	45,000	40.9%
Legal (Note 22)	-	-	-	35,000	35,000	N/A
Total Contract Services	37,744	132,500	182,500	219,000	86,500	65.3%
Total Operating Program	<u>\$ 1,216,108</u>	<u>\$1,798,300</u>	<u>\$1,858,300</u>	<u>\$2,058,000</u>	<u>\$ 259,700</u>	<u>14.4%</u>

\*Note: The following amounts were carried over from the FY14 budget to FY15: 50th anniversary for \$10,000, and contract services for research \$50,000.

# **NORTHERN VIRGINIA TRANSPORTATION COMMISSION**

## **Explanatory Notes to Fiscal Year 2016 Proposed Budget**

### **1. Revenue: Jurisdictional Contributions**

#### **Revenue from Local Direct 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 16 budget is based on the FY 15 Subsidy Allocation Model. Note: NVTC jurisdictions received notice in the fall of their share of local direct contributions in the preliminary budget for FY 16.

#### **Revenue from State Assistance**

NVTC receives state operating and capital assistance for its WMATA compact members' annual commitments to WMATA and those jurisdictions' local transit systems. NVTC allocates this revenue among the jurisdictions based on NVTC's Subsidy Allocation Model (SAM), and holds the funds in trust for the jurisdictions' transit use. Before the funding is allocated, NVTC's SAM resolution states that amounts are to be applied to WMATA debt service, certain NVTC projects, and a portion of the general and administrative budget of NVTC. The amount used for NVTC's general and administrative expenses is determined each year by NVTC's approved budget.

### **2. Revenue: Project Chargebacks**

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

### **3. Revenue: Project Grant Billings**

The FY 16 budget assumes a grant from DRPT's Intern Program that provides funding at 80 percent of the payroll and related costs. NVTC's Transit Fellows program is targeted at college graduates, graduate students and mid-career candidates. The benefit to NVTC is to provide specific technical resources for projects to advance NVTC's objectives of promoting connectivity, core capacity, and commuter rail using strategies emphasizing regional planning and research related to economic benefits of transit in the region and in the Commonwealth.

### **4. Revenue: Appropriated Surplus**

Included as a source of revenue in the FY 16 budget is a projected excess accumulated surplus that is available to offset the proposed operating budget expenses, which is the result of prior year favorable budget variances. This available surplus is in excess of the commission's anticipated minimum operating requirements.

## **NORTHERN VIRGINIA TRANSPORTATION COMMISSION**

### **Explanatory Notes to Fiscal Year 2016 Proposed Budget**

Budgeted approved expenditures for the 50<sup>th</sup> anniversary and research and analytic support related to the forum included in the FY 14 approved budget have been carried over into FY 15 due to a change in the timing of these items.

#### **5. Salaries and Wages - \$82,200 increase**

The strategic framework and its related implementation plan require NVTC to have technical capacity in financial management, planning, project management, and policy. The FY 15 budget provided critical investments designed to rebuild and/or strengthen NVTCs in-house capacities. The FY 16 proposed budget sustains this and looks to targeted use of contracted services and leveraging the NVTC Fellows Program to meet the requirement for strong, diverse skills and knowledge, and staffing for these efforts.

The FY 16 budget includes an 8.2 percent increase in overall compensation over the FY 15 budget, of which 4.2 percent is for existing positions. The increase for existing positions is not across the board, but rather is based on:

- benchmarking of positions in the transit sector;
- preliminary recommendations concerning establishing a pay plan; and,
- performance-based increases aligned with performance pay in our member jurisdictions, but no cost of living increases

#### **Benchmarking**

NVTC has benchmarked all positions based on compensation studies (formal and informal), position comparisons with member jurisdictions and other transportation organizations, and the review of advertised positions with follow up interviews in select cases to confirm actual compensation versus advertised pay bands. While compensation is now better aligned with comparable positions, NVTC generally continues to lag in comparison with member jurisdictions and state and regional transportation agencies. The increase included in the FY 16 budget, coupled with other management actions will allow NVTC to continue to move to comparable salaries for all positions.

#### **Pay Plan**

NVTC has no formal structure for advancement within the organization. Recent restructuring and commitment to aligning positions with prevailing market have provided opportunity for advancement for four members of the existing staff, or more than 40 percent of those who were employees prior to April 2014. In addition, an NVTC fellow was hired into one of the new positions. Preliminary recommendations by a human resources consultant and counsel recommends a three-tier structure that will provide transparency, some predictability for future advancement within the organization, and may enhance retention and recruitment. This simplified structure is most appropriate for an organization of NVTCs size, and will complement succession planning and cross training.

Performance is aligned with performance pay in our member jurisdictions.

# **NORTHERN VIRGINIA TRANSPORTATION COMMISSION**

## **Explanatory Notes to Fiscal Year 2016 Proposed Budget**

### **Additional Position**

The salaries and wages include an additional position funded for a half year. This position will allow us to support the increased level of activity anticipated by the new strategic framework and the implementation plan. (Note to Member Staff: The Chair and Executive Committee considered an alternative approach, namely doubling the Fellows Program. A permanent position was recommended as more consonant with the Board's direction overall, would provide greater continuity, and would better address long term needs in grants management, planning and policy, project management, and financial management.)

### **Fellows Program**

The proposed budget will continue the NVTC Fellows program by building NVTC's technical capacity and to strengthen its ties with members of the research network. In FY 15 the NVTC Fellows program was funded through a grant from DRPT. NVTC anticipates applying for a grant in FY 16 at the same level. Secretary Aubrey Layne launched the program at the 50<sup>th</sup> anniversary celebration and honored our first three fellows.

The Fellows Program provides a cost efficient and flexible way to employ new graduates and mid-career professional to complete specific short-term projects over a one- to six-month period. While the primary purpose is provide high-priority technical expertise for specific projects and products, it has also served as a valuable recruitment tool and created opportunities to connect with university programs within Virginia and nationally. In the first months of operation, the initiative was oversubscribed by qualified candidates and by important projects.

To date, NVTC has appointed three fellows. These Fellows have completed a business outreach plan, planned and supported issues briefings in Richmond, developed a web page of resources on making the business case for transit, conducted a literature survey on the economic benefits of transit, conducted an initial gap analysis and developed a project management tool for regional planning activities, organized a multi-agency panel at the Virginia Transit Association, participated in the VTA planning committee of the 2013 VTA conference on behalf of NVTC), expanded and updated of regional studies inventory, created a timeline of regional planning cycles, and produced an interactive online map of regional transit services.

Currently, we have one Fellow who provides research and analytic support on state legislative matters including setting up and maintaining legislative reporting to the NVTC legislative and policy committee.

For the remainder of FY 15, priority is given to projects, analysis of gas tax receipts and public outreach related to the Route 7 Corridor project, and the assessment and design of an 18<sup>th</sup> month initiative to update and expand transit and emergency planning in Northern

## **NORTHERN VIRGINIA TRANSPORTATION COMMISSION**

### **Explanatory Notes to Fiscal Year 2016 Proposed Budget**

Virginia. Other areas include federal policy and program analysis and innovative finance for transit.

#### **6. FICA (\$4,300 increase)**

NVTC's budgeted share of FICA and Medicare taxes is a function of budgeted payroll times the current tax rates.

#### **7. Group Health Insurance (\$14,800 increase)**

A provision for health insurance coverage is included for all NVTC staff positions, with the exception of the Executive Director position, regardless of whether or not employees in those positions participate in NVTC's health insurance plan. Unless all eligible employees participate in NVTC's health insurance program, actual expenditures will be less than budgeted.

NVTC's actual health insurance group rates decreased significantly in FY 15. This was caused by the cancelation of NVTC's existing policy, with the substitution of the next closest policy offered by the provider, which has much lower premiums. However, the level of coverage, out of pocket costs and deductibles are quite different from the plan previously offered. NVTC intends to explore other options for FY 16, and for budgeting purposes assumes coverage similar to NVTC's previous health insurance plan.

#### **8. Retirement (\$5,300 increase)**

The budgeted amount of employer pension contributions for the target benefit pension plan is based on actuarial formulas using budgeted staff and salary levels for FY16. Because the formulas take into account factors in addition to payroll costs, such as years to retirement and investment return, changes in budgeted contributions do not necessarily change directly with budgeted payroll.

#### **9. Commissioners' Per Diem (\$100 increase)**

The FY 16 budget is based upon the regular meeting schedule, and includes per diems at the statutory rate of \$50 for commissioners other than senators and delegates, with a minimal contingency for increased attendance. Effective July 1, 2011, NVTC is no longer responsible for reimbursing the state for the \$200 per diem for senators and delegates.

#### **10. Office Rent (\$7,900 increase)**

The administrative office lease was renewed during FY 11 for the period January 2011 through May 2021. Rent expense included in the FY 16 budget is based upon the fixed costs of the lease, with a provision for increases in common area expenses. NVTC is accommodating additional personnel within its existing footprint, and is reconfiguring space

## **NORTHERN VIRGINIA TRANSPORTATION COMMISSION**

### **Explanatory Notes to Fiscal Year 2016 Proposed Budget**

to make it more flexible to accommodate visiting jurisdictional, VRE, DRPT, and NVTA staff, as well as members of the Commission's Board on an occasional or short-term basis.

#### **11. Conference / Professional Development (\$12,200 increase)**

This item was eliminated with the FY 10 budget, and was restored with the FY 14 revised budget. Included in this line for FY 16 are the estimated registration, travel and lodging costs for conferences, professional development, in-house training, and accreditation. The budget assumes NVTC staff and leadership will participate in the Governor's Transportation and Economic Development Conferences, and represent the region in conferences hosted by the Virginia Municipal League, Virginia Association of Counties, the American Public Transportation Association, Rail-Volution, and the Transportation Research Board. Participation is in support of the core activities of NVTC, e.g. it is representational not an employee benefit, and is consistent with the levels of representation by our member jurisdictions. Out of region travel permits limited out of state travel for Region III and NTI training as well as representational travel for key national conferences, however international travel is not included.

#### **12. Local Travel, NVTC and Other Meetings (\$1,900 increase)**

This line includes the costs of NVTC Commission meetings, hosting regional meetings, and the costs of NVTC staff traveling to meetings elsewhere in the region. The cost for membership in Zip Car and Capital Bikeshare is included.

#### **13. Telephone and Data (\$5,100 increase)**

This line includes the fixed contracted cost for phone and data service at NVTC's office and mobile and data service for the executive director. The FY 16 budget adds a provision for the cost of cell phones for all NVTC staff. This will allow us to improve productivity by supporting telecommuting and increasing productivity when employees are working remotely.

#### **14. Office Supplies (\$300 decrease)**

The FY 16 budget for this item is based on the average of prior years' actual costs.

#### **15. Duplication and Paper (\$500 increase)**

During FY 11, NVTC negotiated a five-year copier lease and service contract for considerable savings over the previous arrangement, which expires during FY 16. The estimated cost of similar equipment has been included in this line. The duplication expenses of paper and staples, which are not included in the contract, have been budgeted based upon estimated usage levels.

# **NORTHERN VIRGINIA TRANSPORTATION COMMISSION**

## **Explanatory Notes to Fiscal Year 2016 Proposed Budget**

### **16. Furniture and Equipment (\$32,300 increase)**

This budget category provides for the replacement and acquisition of office furniture and equipment, including computer hardware. The FY 16 budget includes funds to complete the office reconfiguration that was begun in FY 15, as well as furniture and equipment required to complete the build out, and to reconfigure existing offices to shared or flex office space. The budget assumes technology investments including computer server replacement and expanded deployment of tablets and laptops to facilitate remote work and telecommuting in inclement weather. A provision is also made for an audio and teleconferencing solution for Commission meetings in order to permit remote participation, to webcast Commission meetings, to record meetings, and to make Commissioners audible to the public, special guests, and the public attending the Commission meetings. NVTC is working with the building to secured needed communications upgrades on the 1<sup>st</sup> floor.

### **17. Computer Operating Expense (\$3,600 increase)**

Computer operating expenses include outside network consulting and services, geographic information system (GIS) licensing fees, software upgrades and supplies, web hosting fees, and a provision for disaster recovery efforts. The FY 16 budget is based on an average of prior year actual costs, with a small provision for disaster recovery costs. In an effort to increase usability, dependability, and decrease overall cost, email and related functions were moved from the in-house Exchange server to a cloud-based service. The FY 16 budget reflects the annual costs of this service. Also included for FY 16 is the annual cost of cloud-based contact management services.

### **18. Advertising (Personnel/Procurement) (\$400 increase)**

The FY 16 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, with a slight increase for additional requests for proposals (RFPs).

### **19. Auditing (\$6,500 increase)**

NVTC entered into a three-year contract for auditing services beginning with the audit of FY 08, with two, two-year options, which expired with the completion of the FY 14 audit. The FY16 budget is based on the costs included in this contract, including the cost of the bi-annual audit of NVTC's Target Benefit Pension Plan. Increases in this line primarily reflect the biannual audit.

### **20. NVTC Regional Projects**

NVTC regularly manages many regional projects that are funded outside of the general and administrative budget; however NVTC generally contributes staff time and related

# **NORTHERN VIRGINIA TRANSPORTATION COMMISSION**

## **Explanatory Notes to Fiscal Year 2016 Proposed Budget**

expenses. For FY 16 these projects will include the NTD collection and reporting, Route 7, NEPP, and reporting on the value of transit and bike and pedestrian infrastructure improvements in Virginia. In addition, NVTC will seek support outside of its general and administrative budget for additional efforts.

### **21. Contract Services and Support (\$45,000 increase)**

The FY 16 budget includes a provision for research and technology support efforts, state liaison activities, human resource, procurement and limited administrative support.

#### **Human Resources**

Currently NVTC contracts with a payroll service for certain payroll related functions. The payroll service provides limited human resources (HR) support, such as technical advice in the form of training and model practices and manuals. To date, recruitment has been staffed by the Assistant Financial Officer and managed by the Executive Director. NVTC seeks to establish an external EEOC capability and to contract for addition human resource support for reviewing position descriptions and job classifications, assessing new performance management system and training managers on its application, supporting annual performance reviews and the implementation of professional development goals and performance goals for all employees. Management is currently assessing the options of an independent contractor or contracting through a member jurisdiction for this support. NVTC's size does not warrant an HR Manager. This will augment the HR responsibilities of the Assistant Financial Officer, the Program and Policy Director and the Executive Director.

#### **Procurement**

From the completion of the SmarTrip Project until this past year, NVTC's procurement activity had been very limited. NVTC's lead for FTA's grant management and as project manager for the New Electronic Payment Project (NEPP) partnership has served as technical support for expanded procurement activities. NVTC requires both administrative and technical support to manage procurements and contracts going forward for this project and other activities. Contract support is sought to assess and revise NVTC's procurement policies, to train staff across the agency in procurement and contract management, and to develop and administer procurements over the course of the fiscal year. Agency requirements do not warrant an additional position in this role; the Executive Director in conjunction with the management team will assess the need for ongoing support in this area dependent on the development of the NVTC work program. The anticipated role of NVTC in the NEPP acquisition may warrant an expansion of this role.

### **22. Legal (\$35,000 increase)**

In FY 15, the Board of NVTC appointed Arlington's County Counsel as Counsel to the Commission. Appointed Counsel has provided essential services in matters internal to the commission and in relation to the Commission's roles and responsibilities with regard to

## **NORTHERN VIRGINIA TRANSPORTATION COMMISSION**

### **Explanatory Notes to Fiscal Year 2016 Proposed Budget**

WMATA. In addition, Counsel has provided advice, drafting, and training with respect to compliance with Virginia FOIA and Open Meetings Act requirements, as well as review of contracts and board resolutions. NVTC's Counsel, who also serves as counsel for VRE, continued in that role vis-à-vis the Commission. At that time of the appointment of Counsel, Arlington County requested that the Executive Director assess alternatives for securing those services. Two principal options have been considered: securing part-time legal assistance by an outside contractor or contracting with Arlington County. This proposed budget is based on a preliminary estimate of an appropriate dollar amount and assumes that NVTC would contract with Arlington County for this service.

**Northern Virginia Transportation Commission**  
**Summary of NVTC Projects**

**NVTC Projects**

NVTC adopts an annual operating budget for its general and administrative activities, which is used to determine the annual contributions from the member jurisdictions. In addition, NVTC manages various projects that have their own individual budgets outside of the general and administrative budget. The type and number of projects varies from year to year, and may include federal, state and local funding sources. Certain administrative expenditures included in the general and administrative budget, such as payroll and payroll related expenses, may be included in the project costs if they were incurred directly for a project. These costs are shown as an NVTC local match to the project.

During FY 2014 NVTC managed three projects with funding sources outside of the G&A budget; NTD Bus Data Collection, technical assistance for the New Electronic Payment Program (NEPP), and the Transit Alternatives Analysis Study of the Route 7 Corridor. The following schedule reports the financial activity of these three projects for FY 2014.

<b>SCHEDULE OF PROJECT REVENUES AND EXPENDITURES INCURED</b>					
<b>Year Ended June 30, 2014</b>					
		<b>NTD</b>			
		<b>Bus Data</b>		<b>Route 7</b>	
		<b>Collection</b>	<b>NEPP</b>	<b>(Phase 1)</b>	<b>Totals</b>
<b>Revenues:</b>					
	Federal	\$ -	\$ -	\$ 104,883	\$ 104,883
	Commonwealth of Virginia	-	1,079	12,996	14,075
	Local	326,918	1,078	13,090	341,086
	NVTC match	1,858	14,826	4,456	21,140
	<b>Total revenue</b>	<b>\$ 328,776</b>	<b>\$ 16,983</b>	<b>\$ 135,425</b>	<b>\$ 481,184</b>
<b>Expenditures:</b>					
	Salaries and wages	\$ 1,306	\$ 10,388	\$ 3,035	\$ 14,729
	Fringe benefits	553	4,402	1,286	6,241
	Consultants	326,917	2,157	131,104	460,178
	Parking	-	36	-	36
	<b>Total expenditures</b>	<b>\$ 328,776</b>	<b>\$ 16,983</b>	<b>\$ 135,425</b>	<b>\$ 481,184</b>

### **NTD Bus Data Collection**

The NTD Bus Data Collection project provides technical assistance to the member jurisdictions in the collection and reporting of data to the National Transit Database. NVTC has a multi-year contract with a consultant that requires approval of the technical scope and budget each fiscal year by the MAC. Funding for the approved budget is taken off the top of state assistance according to NVTC resolution.

The NTD is a reporting system that provides the FTA with valuable service, operation and financial data about transit systems operating throughout the United States. This data is also used to calculate the amount of assistance a region receives through certain FTA formula programs.

### **New Electronic Payment Program (NEPP)**

This project presently provides technical services on behalf of the eight Northern Virginia local transit providers to advise them during WMATA's development, testing and implementation of the New Electronic Payment Program (NEPP) to be implemented throughout the WMATA transit zone. Initial funding is provided by two DRPT Technical Assistance program grants totaling \$500,000 at 50% of costs. The required match is provided through local sources.

### **Transit Alternatives Analysis Study of the Route 7 Corridor**

Phase II of the RT. 7 Corridor evaluates options for high capacity transit along the 13-mile Route 7 corridor from Tysons Corner to the City of Alexandria. Phase I of the study, which was completed during FY 2014, identified several alternatives for further consideration. In Phase II, which started in FY 2015, NVTC managing the work of the consultant, and coordinating public involvement. NVTC received a grant from the Northern Virginia Transportation Authority (NVTA) in the amount of \$838,000 to complete the project. The study is expected to conclude in the summer of 2015.



## AGENDA ITEM #8: VIRGINIA RAILWAY EXPRESS

**TO:** Chairman Smedberg and NVTC Commissioners  
**FROM:** Kelley Coyner and Rhonda Gilchrest  
**DATE:** December 29, 2014  
**SUBJECT:** Virginia Railway Express

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### A. VRE CEO Report and Minutes

Mr. Allen will be present to update the Commission on VRE highlights. The VRE CEO December 2014 Report is attached. The Minutes of the December 19<sup>th</sup> Meeting of the VRE Operations Board will be provided at the meeting as a Blue Item.

### B. ACTION ITEM: Resolution #2264: Adoption and Referral of the VRE FY 2016 Capital and Operating Budget to the Jurisdictions

The VRE Operations Board adopted the FY2016 VRE Operating and Capital Budget and the Amended FY2015 VRE Budget and recommends that the Commissions consider the budgets and refer them to the jurisdictions for their formal review and adoption. At its December 19<sup>th</sup> meeting, the Operations Board discussed two budget options (Option A: a proposed four percent fare increase and no jurisdictional subsidy increase; and Option B: a proposed three percent fare increase and a two percent jurisdictional subsidy increase). After a lengthy discussion, the Board ultimately approved Option A to recommend to the Commissions. The FY2016 budget totals \$128.4 million. The attached VRE memorandum and presentation given at the meeting provides further information on the budget.

### C. INFORMATION ITEM: 2015 VRE Operations Board Officers

The VRE Operations Board elected the following officers to serve in 2015:

Chairman:	John Cook (NVTC)
Vice-Chairman:	Gary Skinner (PRTC)
Secretary:	Paul Smedberg (NVTC)
Treasurer:	Maureen Caddigan (PRTC)

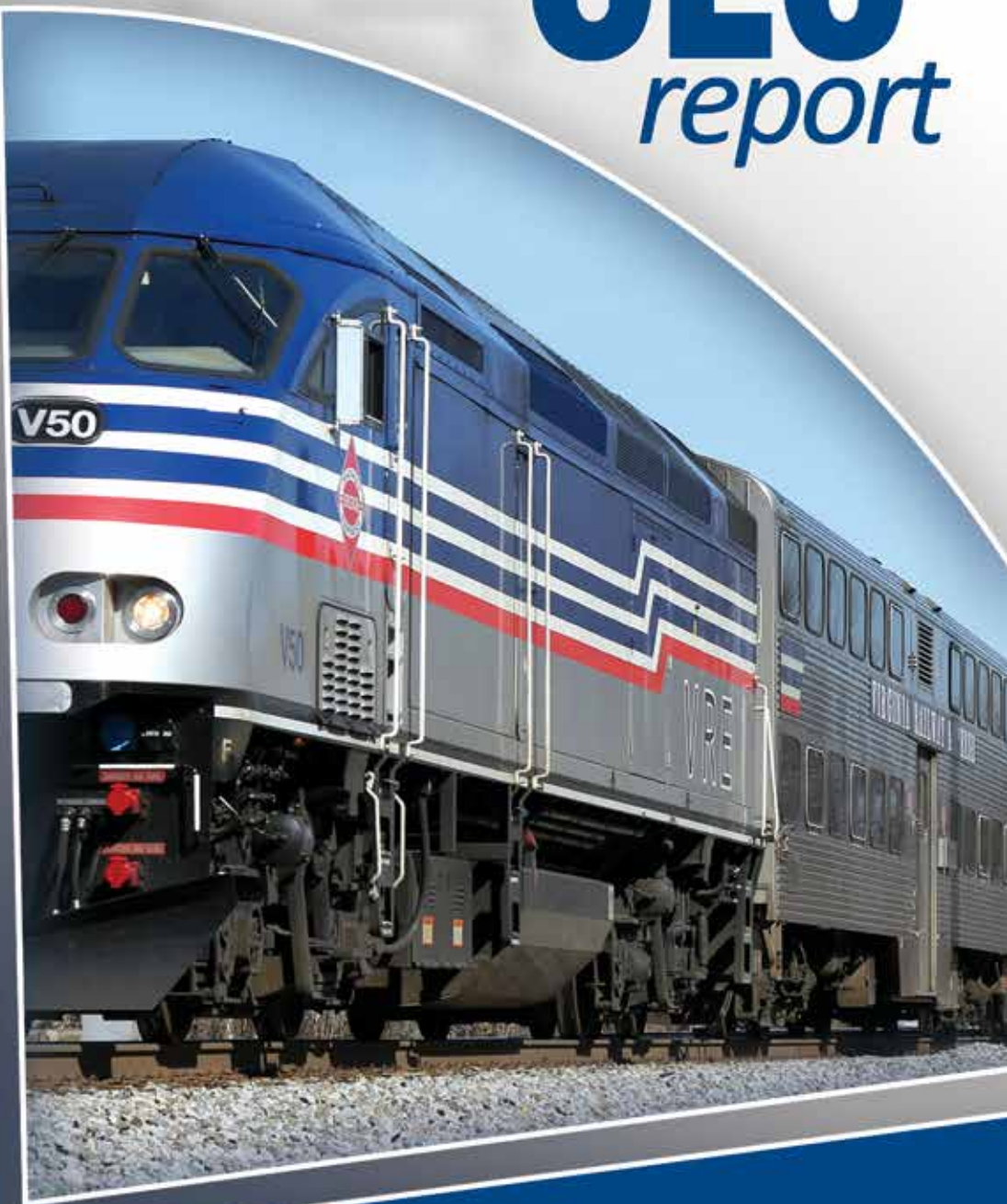
Installation of the new VRE officers will take place at the January 16, 2015 VRE Operations Board meeting.



**D. INFORMATION ITEM: VRE Operations Board Member Recognition Program**

VRE has established a program to recognize and honor members of the VRE Operations Board who played key roles in establishing the VRE service and whose extraordinary efforts contributed to its success. VRE will honor these members by placing their names on VRE's locomotives. At its December 19<sup>th</sup> meeting, the VRE Operations Board approved a list of former and current VRE Operations Board members to receive recognition under this new program. NVTC Commissioner Sharon Bulova is recognized as an original and continuously serving Operations Board Member. Past NVTC Commissioners Bernard Cohen, Sally H. Cooper and Elaine McConnell are also recognized for their service on the VRE Operations Board.

# CEO *report*



**DECEMBER 2014**

VIRGINIA RAILWAY EXPRESS  
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**VIRGINIA RAILWAY EXPRESS**

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# TABLE OF CONTENTS

CEO REPORT | DEC. 2014

**CEO**  
*report*

<b>2</b>	ON TIME PERFORMANCE
<b>3</b>	RIDERSHIP UPDATE
<b>3</b>	MONTHLY CITATIONS UPDATE
<b>4</b>	RIDERSHIP CHART
<b>5</b>	ON TIME PERFORMANCE GRAPHS
<b>6</b>	TRAIN UTILIZATION
<b>7</b>	PARKING UTILIZATION
<b>8</b>	BICYCLE COUNTS
<b>8</b>	FINANCIAL REPORT
<b>10</b>	RAIL OPERATIONS SAFETY & SECURITY UPDATE
<b>10</b>	CAPITAL PROJECTS ALEXANDRIA STATION PEDESTRIAN TUNNEL L'ENFANT STORAGE TRACK SPOTSYLVANIA STATION HA-XR THIRD TRACK FACILITIES UPDATE
<b>14</b>	PROCUREMENT UPCOMING PROJECTS
<b>16</b>	PROGRESS REPORT/PROJECTS UNDERWAY

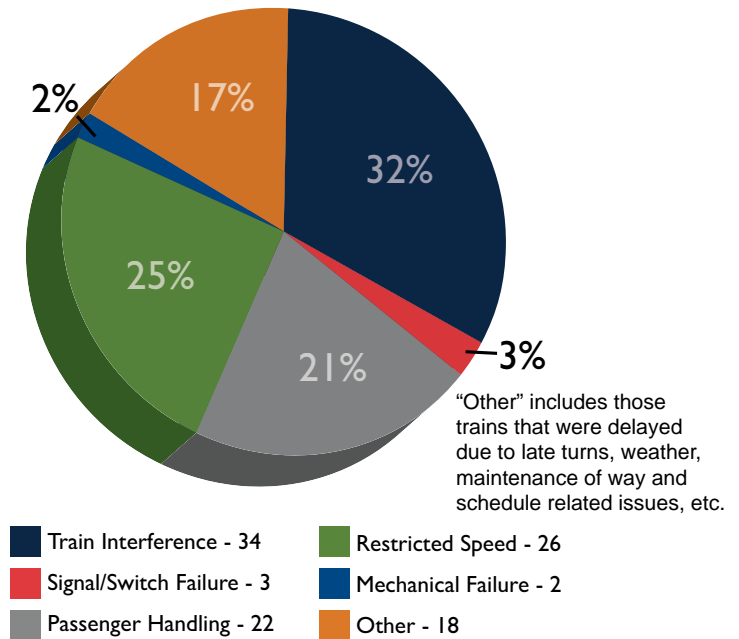
### ON TIME PERFORMANCE

On Time Performance (OTP) for November 2014 was 90%, slightly lower than 93% realized the previous month. The Manassas Line operated at 89% OTP while the Fredericksburg Line was 92%. Train interference was the primary cause of the reduction in overall OTP. Typical passenger handling and restricted speed orders were the remaining principal causes of delays.

In November, VRE operated 526 trains with 51 trains arriving over five minutes late to their final destination. There were 31 late trains on the Manassas Line and 20 late trains on the Fredericksburg Line.



### REASON FOR DELAYS



**Note:** In November, VRE operated 526 trains with 51 trains arriving over five minutes late to their final destination. There were 31 late trains on the Manassas Line and 20 late trains on the Fredericksburg Line. The reason for the difference is that a train may encounter several delays during its operation which may or may not cause it to be late. For instance, a train could be late leaving Union Station waiting for another train to depart the station. During the course of its run it could also encounter a signal issue, yet still arrive at its final destination on-time. That train experienced two delays but was not "LATE" (arriving at its final destination later than five minutes).

### TRIP DELAYS

SYSTEM-WIDE	OCT.	NOV.	DEC.
Total delays	50	50	51
Average length of delay (mins.)	15	10	14
Number over 30 minutes	6	0	5
Total Days with heat restrictions	2/21	0/22	0/18
On-Time Performance	92%	93%	90%
<b>FREDERICKSBURG LINE</b>			
Total delays	17	23	20
Average length of delay (mins.)	17	11	12
Number over 30 minutes	4	0	1
On-Time Performance	94%	93%	92%
<b>MANASSAS LINE</b>			
Total delays	33	27	31
Average length of delay (mins.)	13	9	16
Number over 30 minutes	2	0	4
On-Time Performance	90%	93%	89%

## RIDERSHIP UPDATE

November 2014 average daily ridership was 18,991 (estimated), compared to 19,166 in November 2013. Total November 2014 ridership was 326,383 (estimated), a decrease from 349,013 in November 2013. However, the number of service days this November was 17 and one “S” schedule day compared to 18 service days and one “S” schedule day the previous November. Monthly ridership decreased by .9% (when normalized for service days) compared to November 2013.

### RIDERSHIP MONTH-TO-MONTH COMPARISON

DESCRIPTION	MONTHLY RIDERSHIP
November 2013	349,013
November 2014	326,383 (estimated Amtrak numbers)
Service Days (Current/Prior)	18/19
Ridership Percent Change	(negative) -.09% Normalized

## MONTHLY CITATIONS UPDATE

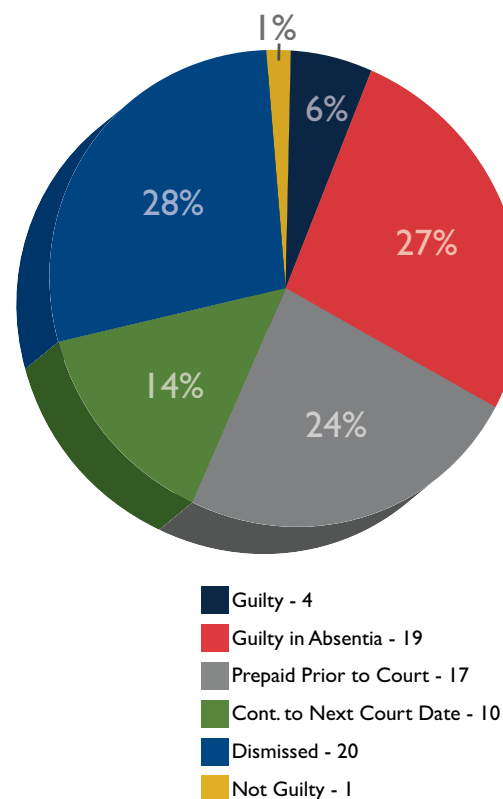
For the month of November, Keolis wrote 116 citations, 26 less than last month. VRE waived 37 citations after riders showed proof of purchase of a monthly ticket. Another eight were waived either because of a one-time courtesy, per the conductor’s request, other unique circumstances, insufficient information or processing time.

Of the remaining 71 that did go to court, 4 were found guilty, one was found not guilty, 19 were guilty in absentia, 20 were dismissed, 17 were prepaid and ten were continued on to the next month.

### WAIVED CITATIONS

VRE ACTIONS	OCCURRENCES
Waived – Passenger showed proof of a monthly ticket	37
Waived – One Time Courtesy	2
Waived – Per the request of the conductor	2
Waived – TVM Error	0
Waived – Defective Ticket	0
Waived – Per Ops Manager	0
Waived – Unique Circumstances	1
Waived – Insufficient Processing Time	2
Waived – Insufficient Information	1
Waived – Lost and found ticket	0
Waived – Other	0
<b>TOTAL WAIVED CITATIONS</b>	<b>45</b>

### FARE EVASION COURT ACTIONS



### RIDERSHIP CHART

DATE	MSS AM	MSS PM	TOTAL MSS	ACTUAL OTP TD	FBG AM	FBG PM	FBG TOTAL	ACTUAL OTP TD	TOTAL TRIPS	ACTUAL OTP TD
1										
2										
3	4,252	4,566	8,818	100%	5,173	5,241	10,413	100%	19,231	100%
4	4,199	4,268	8,467	100%	5,094	5,438	10,532	93%	18,999	97%
5	4,539	4,551	9,090	100%	5,642	5,390	11,032	100%	20,123	100%
6	4,547	4,610	9,157	94%	5,080	5,580	10,660	100%	19,817	97%
7	3,468	3,793	7,261	81%	4,584	4,396	8,980	86%	16,241	83%
8										
9										
10	3,598	3,804	7,403	94%	4,175	3,920	8,095	86%	15,498	90%
11										
12	4,588	4,697	9,284	100%	5,404	5,720	11,123	100%	20,408	100%
13	4,660	4,789	9,448	88%	5,382	5,368	10,750	100%	20,199	93%
14	4,027	3,616	7,643	100%	4,445	4,468	8,913	100%	16,556	100%
15										
16										
17	4,453	4,679	9,131	100%	5,167	5,239	10,407	100%	19,538	100%
18	4,236	4,472	8,708	69%	5,334	5,731	11,065	86%	19,773	77%
19	4,698	4,587	9,285	81%	5,501	5,249	10,750	79%	20,036	80%
20	4,476	4,411	8,888	94%	5,252	5,233	10,484	86%	19,372	90%
21	4,109	3,439	7,548	100%	4,163	4,285	8,449	100%	15,997	100%
22										
23										
24	4,296	4,437	8,733	81%	5,063	5,171	10,234	100%	18,967	90%
25	4,140	4,395	8,535	88%	5,215	5,458	10,673	64%	19,208	77%
26	2,898	2,793	5,691	94%	3,512	4,930	8,442	71%	14,133	83%
27										
28	812	665	1,477	88%	1,017	1,044	2,061	100%	3,538	94%
29										
30										
	71,994	72,574	144,569	92%	85,203	87,861	173,064	91%	317,633	92%

Amtrak Trains:	750
Adjusted total:	143,842

Amtrak Trains:	8,000
Adjusted total:	179,003

Amtrak Total:	8,750
Adjusted Total:	322,845

# of Service Days:	17	Full Service Days:	
Manassas Daily Avg. Trips:	8,032	Adjusted Avg.:	8461
Fred'burg Daily Avg. Trips:	9,615	Adjusted Avg.:	10530
Total Avg. Daily Trips:	17,646	Adjusted Avg.:	18,991

Total Trips This Month:	326,383
Prior Total FY-2015:	1,632,740
Total Trips FY-2015:	1,959,123
Total Prior Years:	62,422,463
Grand Total:	64,381,586

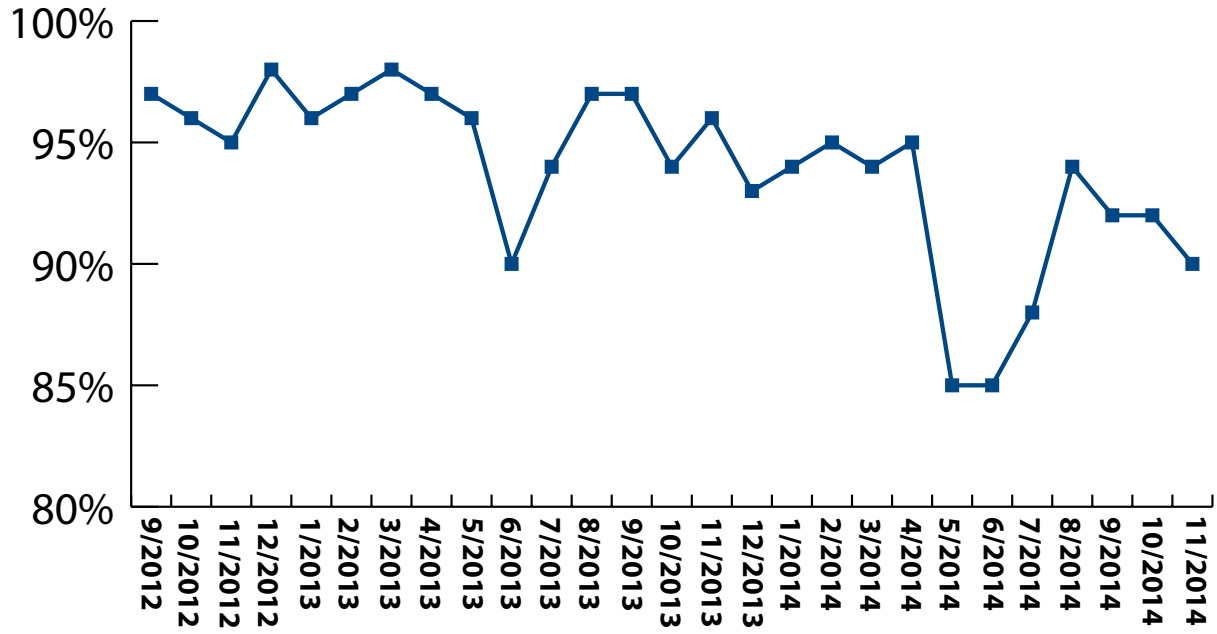
\*Numbers in red are estimated.

Total Number of Service Days to Date:	104
Average Daily Riders to Date:	18,838

**NOTE:** Adjusted Averages and Totals include all VRE trips taken on Amtrak trains, but do not include "S" schedule days.  
 \* designates "S" schedule day

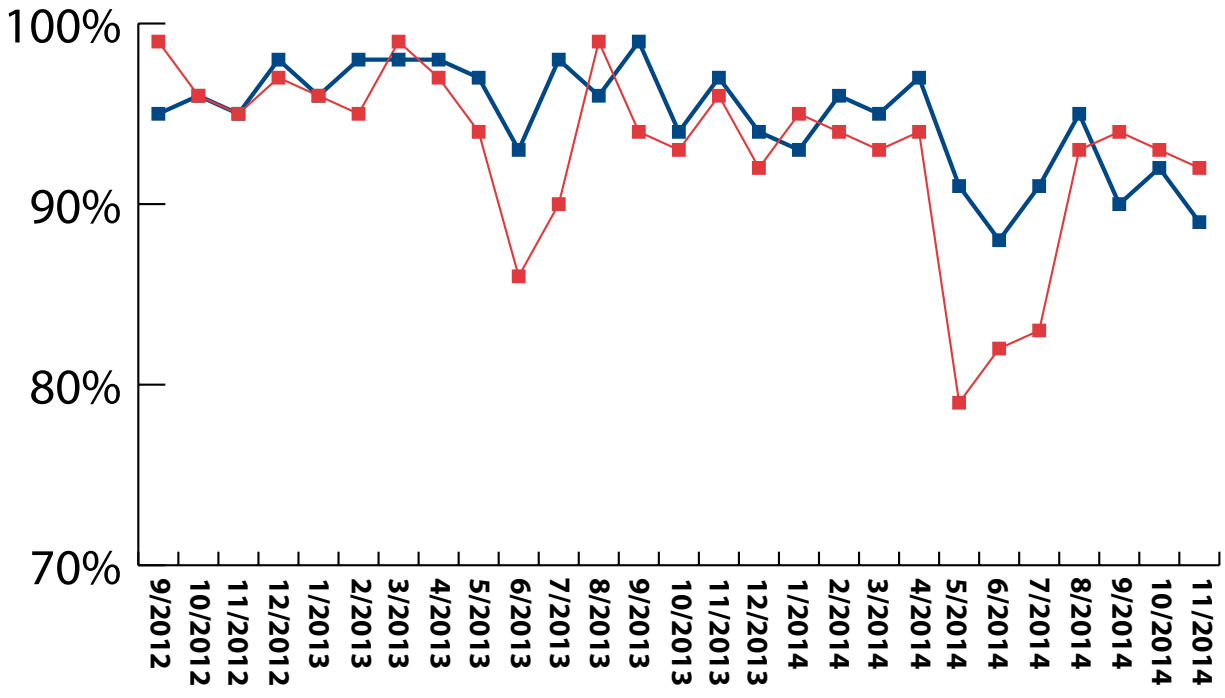
## ON TIME PERFORMANCE

### SYSTEM PERFORMANCE

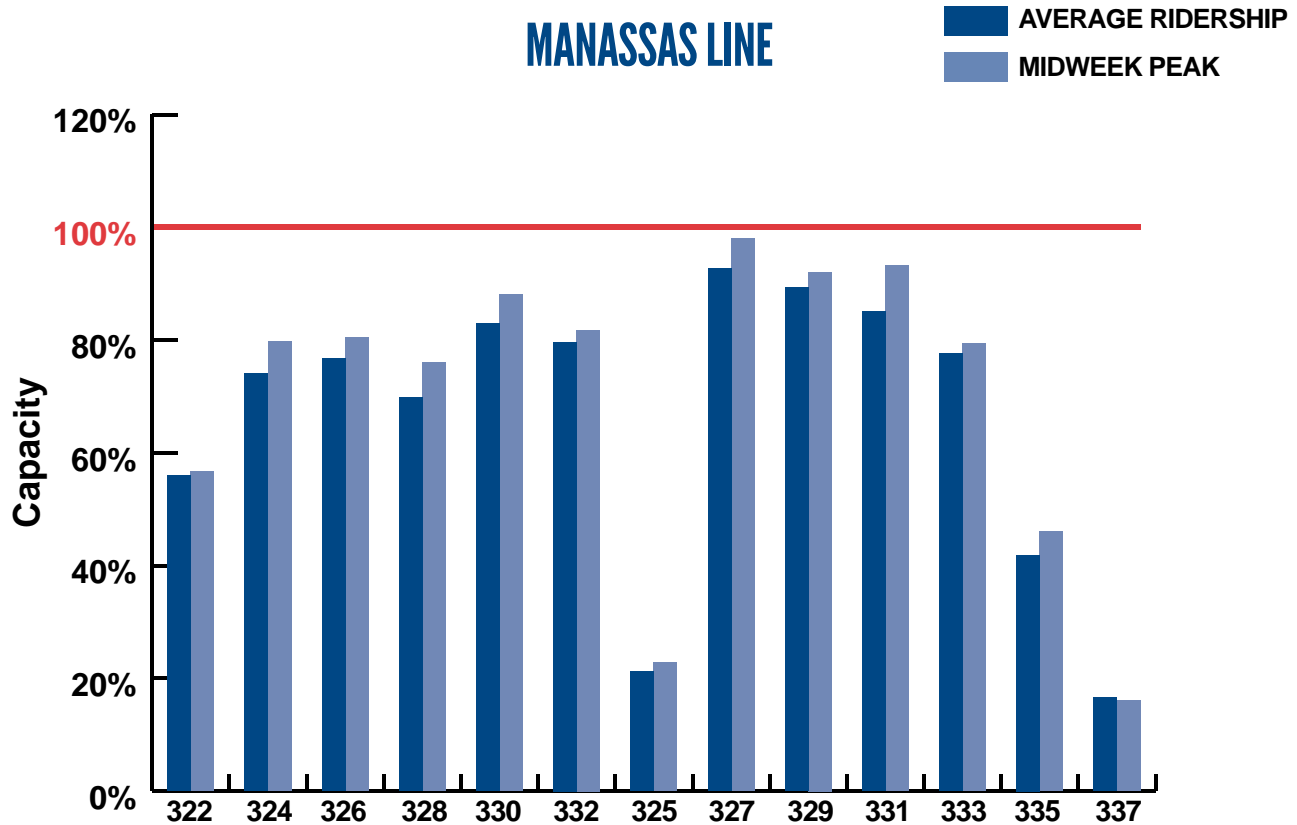
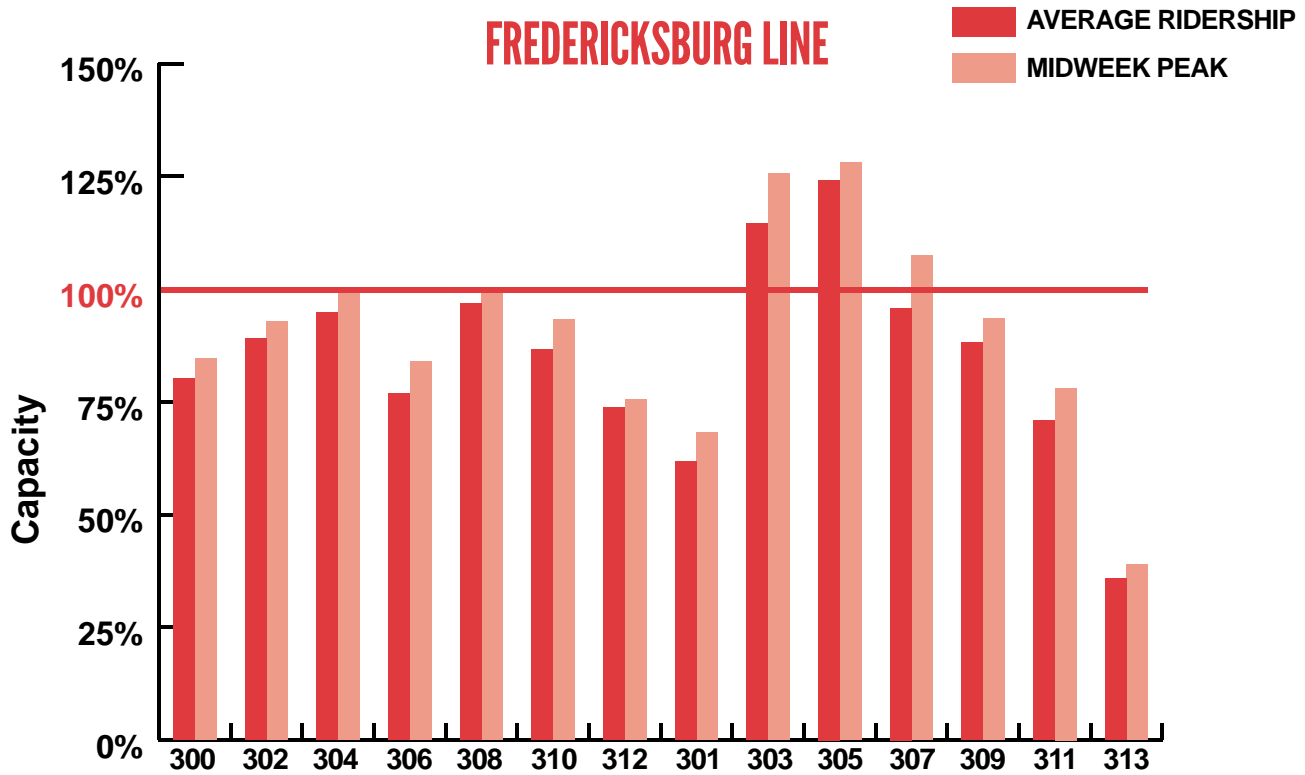


### PERFORMANCE BY LINE

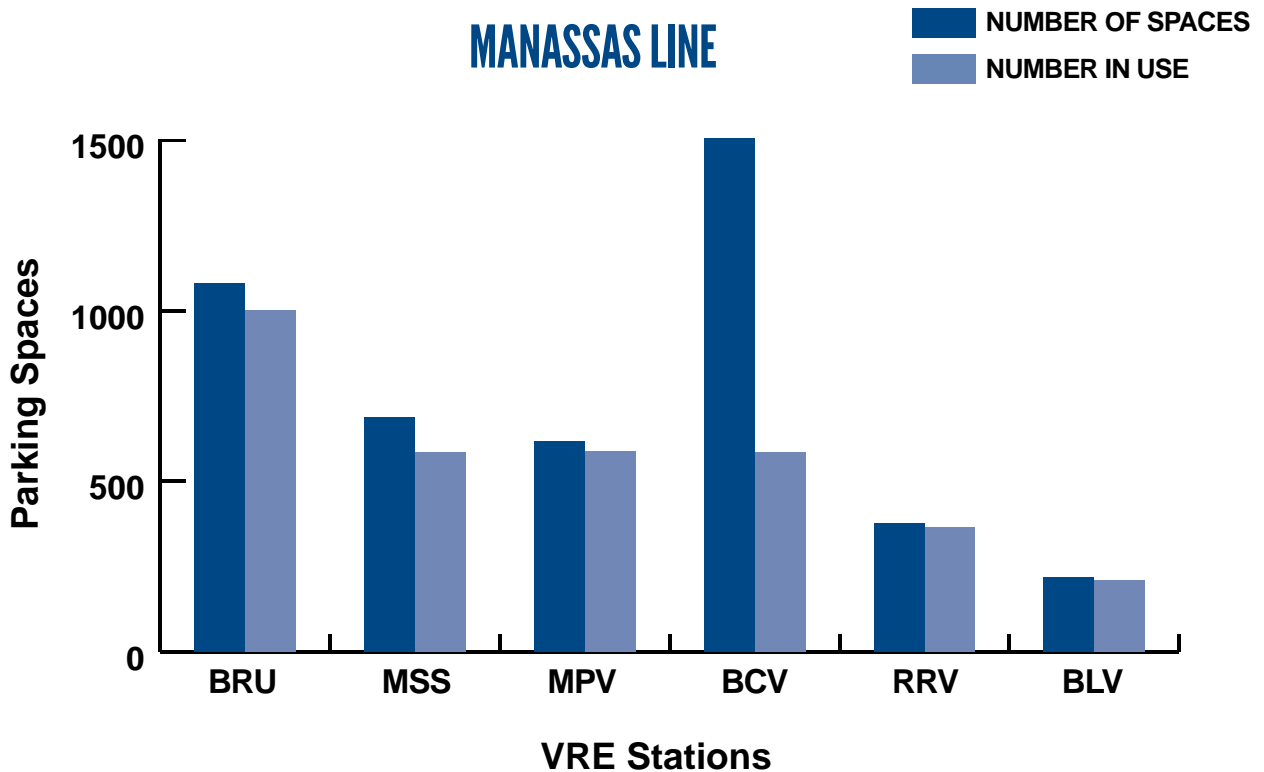
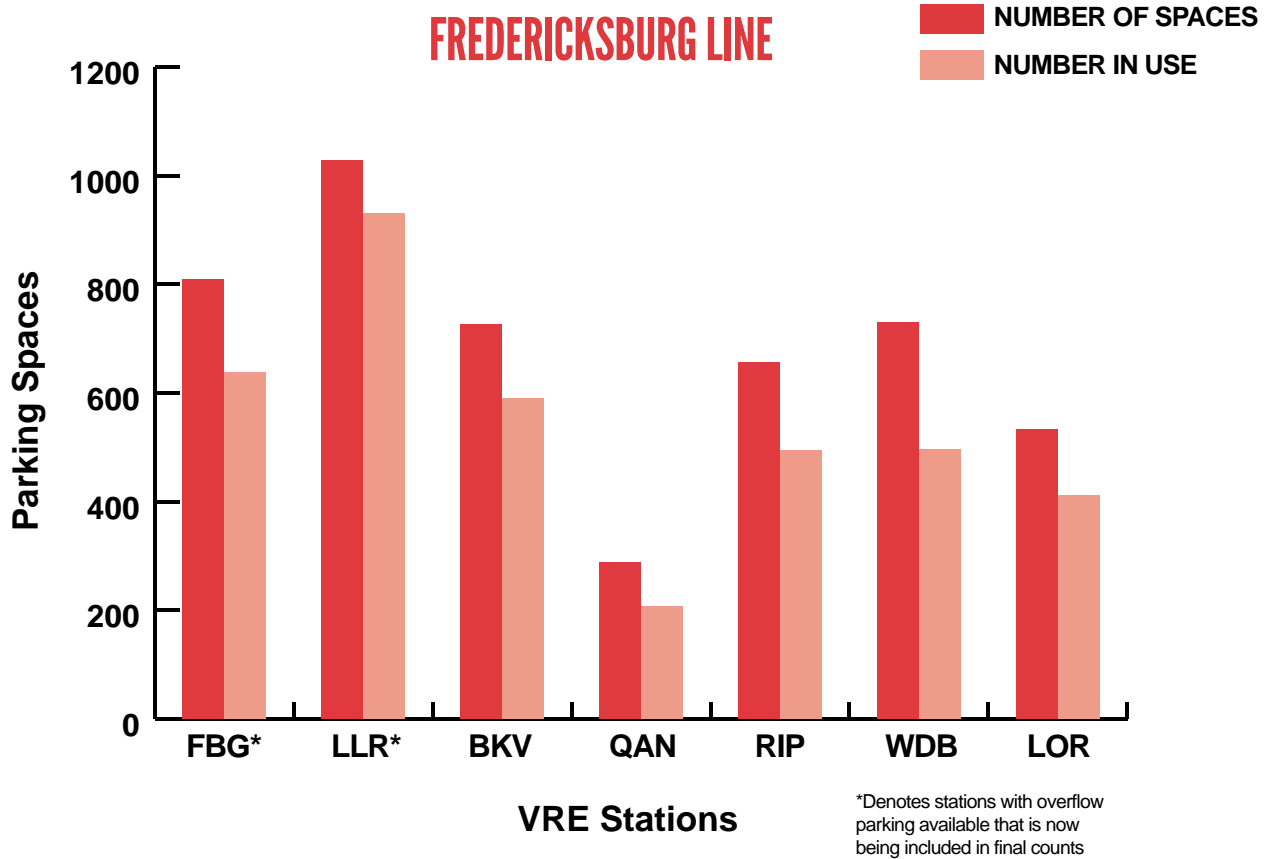
FREDERICKSBURG LINE  
MANASSAS LINE



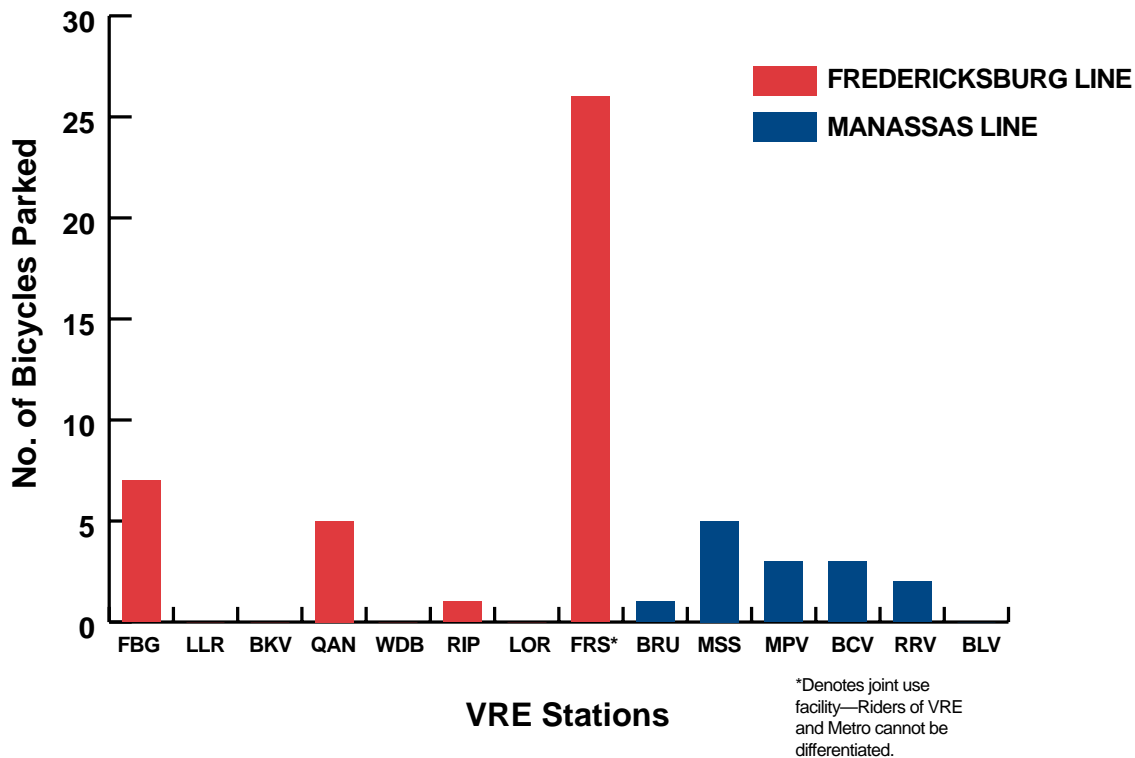
### TRAIN UTILIZATION



## PARKING UTILIZATION



### BICYCLE COUNTS



### FINANCIAL REPORT

#### SUMMARY OF FINANCIAL RESULTS

MEASURES	DOLLARS	GOAL	ACTUAL
Operating Ratio		55%	55%
<b>BUDGETED REVENUE</b>	<b>81,579,601</b>		
Budgeted Revenue YTD	29,390,299		
Actual Revenue YTD	29,023,228		
Cumulative Variance	(367,071)		(367,071)
Percent Collected YTD		36.03%	35.58%
<b>BUDGETED EXPENSES</b>	<b>81,579,601</b>		
Budgeted Expenses YTD	26,733,840		
Operating Expenses YTD	24,067,173		
Cumulative Variance	2,666,667		2,666,667
Percent Expended YTD		32.77%	29.50%
<b>NET INCOME (LOSS) FROM OPERATIONS</b>			<b>2,299,596</b>

Fare income for the month was \$116,494 below the budget – an unfavorable variance of 3.52%. The cumulative variance for the year is 0.10% or \$12,669 below the adopted budget. Revenue in FY 2015 is down 2.4% compared to FY 2014. The annual State Operating Assistance is budgeted at \$10.3M, but the award is \$9.0M. This creates an expanding budget vs actual difference of approximately \$100k per month. The budget will be amended in December to reflect the lower grant amount.

A summary of the financial results (unaudited) follows. Detail on the major revenue and expense categories is provided in the attached Operating Budget Report.

*These figures are preliminary and unaudited.*

## FINANCIAL REPORT, *CONT.*

### FY 2015 OPERATING BUDGET REPORT, OCTOBER 30, 2014

	CURR. MO. ACTUAL	CURR. MO. BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE		TOTAL FY14 BUDGET
					\$	%	
OPERATING REVENUE							
Passenger Ticket Revenue	3,192,147	3,308,641	12,630,359	12,643,028	(12,669)	-0.1%	36,900,000
Other Operating Revenue	54,602	14,795	99,638	56,534	43,104	76.2%	165,000
Subtotal Operating Revenue	3,246,749	3,323,435	12,729,997	12,699,562	30,435	0.2%	37,065,000
Jurisdictional Subsidy (1)	-	-	8,379,297	8,379,297	-	0.0%	12,305,000
Federal/State/Other Jurisdictional Subsidy	1,807,898	1,870,740	7,903,253	8,300,759	(397,507)	-4.8%	29,954,301
Appropriation from Reserve	-	-	-	-	-	0.0%	2,240,000
Interest Income	1,989	1,989	10,681	10,681	-	0.0%	15,300
Total Operating Revenue	5,056,636	5,196,164	29,023,228	29,390,299	(367,071)	-1.2%	81,579,601
OPERATING EXPENSES							
Departmental Operating Expenses	5,083,710	5,705,888	22,988,644	25,656,836	2,668,192	10.4%	74,310,199
Debt Service	-	-	1,077,004	1,077,004	-		6,714,870
Other Non-Departmental Expenses	-	-	1,525	-	(1,525)		554,533
Total Operating Expenses	5,083,710	5,705,888	24,067,173	26,733,840	2,666,667	10.0%	81,579,601
NET INCOME (LOSS) FROM OPERATIONS							
	(27,074)	(509,724)	4,956,055	2,656,459	2,299,596		-
CALCULATED OPERATING RATIO							
			55%	49%		Goal	55%
(1) Total jurisdictional subsidy is \$16,428,800. Portion shown is attributed to Operating Fund only.							



## RAIL OPERATIONS

### SAFETY & SECURITY UPDATE

#### The End of the Year, But Never an End to Safety

This year has been an important year for VRE. While safety has been the focus since 1992, we made some big strides this year in saturating the message throughout our region, beyond those who ride the train. To summarize, we began our year by partnering with Operation Lifesaver to film their “See Tracks? Think Train!” (ST3) campaign video at our Quantico station, which we broadcast over our station message screens at Manassas Rail Festival and other events. Internally, we filmed a video detailing the importance of safety for VRE contractors and illustrating proper work practices, which all contractors are required to watch before performing work on VRE property.

From there, we carried our message to Meet the Management events on station platforms and launched a twelve week social media campaign where safety questions and trivia was asked based upon information from Operation Lifesaver’s website. Winners were chosen at random and received VRE and Operation Lifesaver branded ST3 gifts.

Additionally, we partnered with Keolis, Norfolk Southern, CSX and local police to “blitz” major railroad crossings in our service territory to hand out over six-thousand rail safety brochures. We visited Walmart locations and set-up rail safety awareness displays at entrances during peak shopping traffic. We placed a rail safety message on custom chocolate bars and participated in National Night Out, Trunk or Treat and other events to hand out the candy and message.

Finally, we worked with area school district leaders, photographers known for posing subjects on the tracks, homeowner associations, media, and communications directors of the Washington Redskins and other teams to disseminate our safety message. Even with all these activities, there is still a lot of work to be done. The work of promoting a safety culture is never finished. We will expand upon what we learned this year and work to improve our program next year.

## CAPITAL PROJECTS

### ALEXANDRIA STATION PEDESTRIAN TUNNEL PROJECT

This project is eliminating an at-grade crossing used by passengers at Alexandria Union Station, providing consistent ADA access to the East Platform, adding the flexibility to operate VRE trains on the Track 1 (currently freight-only), and improving intermodal transfers between VRE, Metrorail, and WMATA and DASH buses. Our contractor is presently finishing updates to a 2013 feasibility study before entering into preliminary engineering soon after the first of the new year.

A dozen potential locations for elevators and stairways were developed and evaluated for the West Platform in conjunction with stakeholders from Amtrak, the City of Alexandria, the Virginia Department of Transportation, the Virginia Department of Rail and Public Transportation, and the Virginia Department of Historic Resources. Two basic



*The at-grade pedestrian crossing presently provides the only ADA access between the East and West Platforms at Alexandria Union Station. A grant provided through a VDOT grade crossing elimination program is providing funds..*

## CAPITAL PROJECTS, *CONT.*

tunnel alignments plus an alternative bridge concept were also shared with these representatives as well as CSX Transportation and the Washington Metropolitan Area Transit Authority.

The effort to date culminated on December 2, 2014, with a Joint Stakeholder Field Review and Meeting conducted by VRE. This gave the multiple stakeholder organizations a chance to visit the station and view first-hand the proposed improvements as well as hear comments from their peers.

The leading alternative at present is a tunnel with elevators and stairways situated at the south end of the historic station buildings, which centers the vertical circulation on VRE and Amtrak trains. The tunnel would lead to an open-air, canopied walkway that connects directly into the concourse at the King Street Metrorail station.

As a Concept Studies report is completed, VRE is awaiting geotechnical (soils) studies and field surveys which remain on-hold pending availability of CSXT flagger personnel. These field studies will need to be complete before VRE can progress with preliminary engineering.



*Project Manager Norine Walker from the VRE Office of Development conducts a field review of proposed pedestrian and safety improvements at Alexandria Union Station for representatives from Amtrak, WMATA, City of Alexandria, VDOT, and VDHR.*

## L'ENFANT MIDDAY STORAGE TRACK PROJECT

Midday storage space is at a premium in the District of Columbia, limiting the number of trains VRE can operate into Washington Union Station each morning. This project is converting an existing manually-operated, stub track immediately north of L'Enfant Station into a dual-ended siding track with remotely operated switches that will provide storage space for an additional trainset in proximity to Union Station.

CSXT force account work for the design of track, switch and signal modifications is complete and has been approved by VRE. A Construction Agreement Addendum has been executed by CSXT and VRE, allowing CSXT to begin ordering material and schedule construction/installation mobilization in Spring 2015 during a 90-day construction window. VRE is working in parallel with PEPCO to provide wayside power for stored rolling stock also in time for a Summer 2015 completion.



*Looking south from the existing stub track immediately north of L'Enfant Station, seen in the center right of the picture.*

## CAPITAL PROJECTS, *CONT.*

### SPOTSYLVANIA STATION PROJECT

VRE issued a Notice to Proceed for the new station project in July of this year. Drainage and fill operations have been ongoing over the past four months with concrete work starting in October. Station construction project completion is tentatively scheduled for the first quarter of 2015.

Spotsylvania County is working in parallel to complete the parking lot and driveway for the new station. The County issued a Notice to Proceed to their contractor in October. The majority of the clearing and grubbing has been completed for the parking lot area. The in-service date for this station will hinge upon completion of the County's parking lot work, which is initially estimated to take eight months to complete.



*Spotsylvania County has extensively cleared the area needed for the new parking lot while VRE contractors proceed in the foreground with the construction of the platform and spur track serving the new station*

## CAPITAL PROJECTS, *CONT.*

### HA-XR THIRD TRACK PROJECT

Work continues on the Hamilton (HA) to Crossroads (XR) third track project in Spotsylvania County. Phase 1 for Civil/Drainage/Track Roadbed construction is underway and scheduled to be complete before the end of the year. Trackbed construction by our contractor is nearing completion. The contractor is scheduled to begin track installation in January 2015. CSX Transportation force account labor will follow with additional trackwork and signal installation work. Phase 1 is currently scheduled for completion in late Spring, which will allow opening of the new Spotsylvania Station in Summer 2015. Completion of the overall project is scheduled for Fall 2015.



*The existing two-track embankment along Benchmark Road in Spotsylvania County is widened to accommodate a new third track.*



*An existing water culvert under the CSXT main line is being widened as part of the HA-XR Third Track Project in order to support the new track.*

## FACILITIES UPDATE

**The following is a status update of VRE facilities projects:**

### Completed Projects:

1. Painting of Crystal City, Rippon, Quantico, Brooke, Rolling Road and Manassas Park stations.
2. Repairs of deteriorating metal railings at Quantico station.
3. Restriping of Lots G and E in Fredericksburg.
4. Replacement of benches at Franconia-Springfield, Lorton, Rippon, Leeland Road, Backlick Road, Rolling Road and Manassas Park stations.
5. Modification of obsolete ADA lift enclosures at Crystal City, Rippon, Brooke, Rolling Road and Manassas Park stations to provide open-structure shelters.

### Projects scheduled to be completed this quarter:

1. Repair of damaged tactile strip on west platform at Fredericksburg station.
2. Restriping of south portion of Manassas Park parking lot (weather permitting).
3. Repairs to canopy at Rippon station.
4. Repairs to concrete around canopy column bases at Brooke station.

## CAPITAL PROJECTS, *CONT.*

### FACILITIES UPDATE, *CONT.*

#### Projects scheduled to be initiated this quarter:

1. Installation of new Dominion Power electric service at Broad Run yard.
2. Development of scope of work for rehabilitation of elevator cabs and hoistways at Rippon and Franconia-Springfield stations.
3. Development of scope of work for installation of portable generator connections at all stations with elevators; long term all stations will be equipped for portable generator operations.
4. Correction of drainage pipe slope at Crossroads maintenance and storage facility.
5. Replacement of worn or damaged signage at majority of stations.

#### Projects Ongoing:

1. Request for task order proposals from GEC VI firms for plan and specification development, in preparation for upcoming IFB for stair replacement at Rippon station.

## PROCUREMENT

### UPCOMING PROJECTS

- Planning and Engineering Services for the Gainesville-Haymarket Extension
- Repair and Overhaul of Locomotive Rotating Electrical Equipment
- Database Developer Services
- Security Alarm and Access Control Systems Monitoring and Maintenance Services
- Mechanical Engineering Consulting Services – MEC VI
- Stair Replacement at the VRE Rippon Station
- Second Platform at the Brooke and Leeland Stations
- Platform Extension at the VRE Rolling Road Station
- Preliminary Engineering and Environmental Screening for Platform and Canopy Extensions and Construction of a Auditing Services
- Engineering and Environmental Services for a Life Cycle Maintenance Facility
- General Planning Consulting Services I – Project Development Services
- General Engineering Consulting Services (GEC) VII – Project Implementation Services
- Construction of Wayside Power at L'Enfant
- Design guidelines and standard specifications
- Disaster management services
- Exterior cleaning of VRE locomotives and railcars

## This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

### COMMUTER STATIONS & PARKING PROJECTS

Project & Code	Description	Task (s)	Task Description (s)	Project Manager	Board Item Number	% of Total Task Completion	Calendar Completion Date (Est.)
Alexandria - King St Pedestrian Tunnel	Design and installation of a new pedestrian tunnel between the VRE/Amtrak and METRO stations and modifications to eastern platform to allow service from Track #1.	Feasibility Study	Prepare a feasibility study with limited survey to investigate challenges associated with designing, permitting and constructing a tunnel under a live CSX track.	Norine Walker	8C-05-2012	100%	4th Quarter 2014
		Site Investigation	Compile soils data and perform in-situ testing to prepare for final design phase and provide VDOT with environmental information.	Norine Walker	8H-10-2013	15%	4th Quarter 2014
		Design & Construction Administration	Design & construction administration for pedestrian tunnel and modifications to east platform.	Norine Walker	8F-12-2013	5%	2nd Quarter 2017
Amtrak Joint Recapitalization Project	Amtrak and VRE joint benefit recapitalization projects	Washington Union Terminal Rail Service Improvement Plan	Joint study with Amtrak and MARC re: meeting current and forecasted growth for target years 2017 and 2030.	Christine Hoffner		100%	Completed
		Coach Yard Wayside Power Upgrade	Upgrade and replace wayside power station for VRE storage tracks at the Coach yard	Rich Dalton		100%	Completed
		WUT Canopy Roof Repairs	Repairs of canopy roof at WUT lower level platforms	Rich Dalton		70%	2nd Quarter 2015
		Alexandria - King St Station Platform Elevation	Raise west platform elevation	Rich Dalton		0%	TBD
Broad Run Parking Expansion	Environmental Analysis and Engineering to expand parking by 700 spaces	EA & PE	Perform environmental analysis and engineering and provide construction administration to expand parking by 700 spaces	Norine Walker	11D-04-2011	30%	TBD
Franconia-Springfield Station Rehabilitation	To make repairs & improvements to the Franconia Springfield Station Eastern Platform & Passenger Walkway	Repairs & Improvements	Infrastructure repairs and improvements to eastern platform and passenger walkway at VRE Franconia-Springfield Station.	Kip Foster	9F-06-2011	100%	Completed 3rd Quarter 2013
		Flagging Services & Protection	Provide flagging services during platform level repairs and overhead pedestrian bridge work.	Kip Foster	9G-06-2011	100%	Completed 2012
Lorton Station Main Platform Expansion	Expansion of station by extending eastern (main) platform	PE and Environmental	EA and PE to extend the exiting platform and construct a second platform.	Eric Johnson	10A-10-2010	100%	Completed 4th Quarter 2012
		Station Expansion Design	Prepare construction documents and provide construction administration for 250' platform expansion with upgraded LED lighting	Eric Johnson	8B-05-2012	90%	1st Quarter 2015
		Platform Extension Construction	Construction of 250' platform extension with upgraded LED lighting	Kip Foster	8B-03-2014	0%	2nd Quarter 2015
		Utility Relocation	Relocate CenturyLink communications line to accommodate platform extension and future second platform	Kip Foster	8C-03-2014	0%	4th Quarter 2014
		Construction Management Services	Provide construction management and inspection services during construction of platform extension	Kip Foster	9A-04-2014	0%	2nd Quarter 2015
Lorton Second Platform	Construction of a Second Platform at Lorton Station	Environmental	Prepare Categorical Exclusion for Second Track construction	Norine Walker	TBD	0%	TBD
		Preliminary Engineering	Design of second platform	Norine Walker	TBD	0%	TBD
Rolling Road Platform Extension	250 Foot Platform Extension 100 Foot Canopy Extension	PE / Env Design Construction CM	250' Platform Extension / 200' Canopy Extension / 200' Future Platform Concept Design	Kip Foster			
Spotsylvania Station (New Station)	Development of a new VRE station in Spotsylvania County (Station Only, NO Parking) near the Crossroads Yard	Station Design & CM Services	Design of the new platform and head house/Construction Eng. Support. Full time on site CM services.	Kip Foster	9G-06-2012 & 9F-09-2013	100% and 25%	Completed 2nd Quarter 2013
		Station Construction	Construction of the new platform and head house.	Kip Foster	9F-05-2013	25%	2nd Quarter 2015

Status	Change Order, Budget & Schedule Change Notes & Updates	Vendor	Total Adopted CIP Budget Thru FY15 (\$)	Total Board Approved Funds (\$)	Contractual Commitments To-Date (\$)	Total Expenditures To-Date (\$)
Distributed final feasibility report and closing out this task.		AECOM	\$ 10,626,000	\$ 162,711	\$ 147,919	\$ 147,737
Field work pending CSXT flagger availability.	Supplement No. 1, October 2013, \$26,709. Supplement No. 2, May 2014, \$85,752.	AECOM		\$ 173,648	\$ 162,402	\$ 55,525
Joint Stakeholder meeting held on December 2 with field and inside meeting. Closing out concept studies by end of year and proceeding with preliminary engineering. Field survey and soils borings on-hold until CSXT flaggers available. This will hold up PE and affect schedule if not resolved soon.		Gannett Fleming	\$ -	\$ 1,814,559	\$ 1,728,151	\$ 195,343
TOTALS			\$ 10,626,000	\$ 2,150,918	\$ 2,038,472	\$ 398,605
Project completed.	Final invoice received 2/28/14; payment authorized 3/20/14.	Amtrak	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 987,625
Project completed.	Last invoice received 4/12/2013	Amtrak	\$ 750,000	\$ 750,000	\$ 750,000	\$ 515,968
Amtrak has spent all allocated budget, but performed only 70% of the work. Amtrak requesting additional \$300k to complete the project. VRE is currently reviewing latest proposed revisions to the Agreement submitted by Amtrak.	Project has been stopped; VRE and Amtrak reconciled work performed and payment up to the initial \$600K project budget; Amtrak submitted revised agreement and estimate to complete the project on 6/2/14; VRE submitted comments and request for revisions; Amtrak currently reviewing final draft agreement. Revised Contract executed November 2014.	Amtrak	\$ 600,000	\$ 600,000	\$ 600,000	\$ 573,953
		Amtrak	\$ 278,867	\$ 278,867	\$ -	\$ -
TOTALS			\$ 2,628,867	\$ 2,628,867	\$ 2,350,000	\$ 2,077,547
30% design submitted. Awaiting FTA approval of CE application submitted in August 2013. 60% design effort will begin after CE approval is obtained. Initial comments have been generated from the 30% design review. CE will have to be redone		Dewberry	\$ 3,420,000	\$ 2,031,263	\$ 1,846,603	\$ 393,120
TOTALS			\$ 3,420,000	\$ 2,031,263	\$ 1,846,603	\$ 393,120
Contract closeout pending contractor submittal affidavit requirements.	of closeout payment	Change Order # 1 - Canopy Roof/Gutters/Downspouts, \$39,230 Change Order # 2 - Stringer Repair/Replacement, \$47,440 Change Order # 3 - Structural Steel Repairs/Rehab, \$45,682 Change Order # 4 - Window/Jamb Rehab/Replacement, \$4,928 Change Order # 5 - Gutter Repair, \$222 Vista Contracting, Inc.	\$ 522,000	\$ 455,950	\$ 449,141	\$ 426,687
No additional flagging expected.	Force account estimate for flagging in the amount of \$124,765.	CSX Trans.		\$ 132,000	\$ 124,765	\$ 58,185
TOTALS			\$ 522,000	\$ 587,950	\$ 573,906	\$ 484,872
Completed		HDR		\$ 306,350	\$ 278,500	\$ 271,476
HDR providing permit assistance, coordinating Special Inspections, and providing Construction Engineering to include shop drawing review as needed.		HDR		\$ 103,400	\$ 94,000	\$ 87,694
Received Board approval in March to award construction contract to Hammerhead. Contract awarded in late April. Received Board approval in May to execute CSX force account agreement for design review and flagging during construction. CSX processing ROE. CSX determining flagging availability and schedule.		Hammerhead Construction	\$ 4,820,000	\$ 991,980	\$ 901,800	\$ 26,000
Received Board approval in March to execute communications line relocation agreement with CenturyLink. Agreement executed in early April.		CenturyLink		\$ 66,664	\$ 60,604	\$ -
Received Board approval in April to execute task order with Gannett Fleming for construction management and inspection services during construction of platform extension. Task order executed in late April.		Gannett Fleming		\$ 164,786	\$ 149,805	\$ 9,000
TOTALS			\$ 4,820,000	\$ 2,809,080	\$ 2,632,521	\$ 1,363,914
Pending NVTA Approval		TBD		\$ -	\$ -	\$ -
Pending NVTA Approval		TBD	\$ -	\$ -	\$ -	\$ -
TOTALS			\$ -	\$ -	\$ -	\$ -
Draft Scope to Gerri within 4th Quarter 2014 (TBD by Tom along with Draft Scope for Brooke and Leeland).			\$ 2,000,000			
TOTALS			\$ 2,000,000	\$ -	\$ -	\$ -
STV under contract for Construction Engineering Support and Shop Drawing Review thru duration of construction as well as CM through project closeout.		STV	\$ 3,422,500	\$ 703,453	\$ 639,503	\$ 400,227
Fill and Drainage Operations complete, Utility coordination nearing completion. Station concrete started in November.		Hammerhead Construction		\$ 2,583,900	\$ 2,355,334	\$ 446,533
TOTALS			\$ 3,422,500	\$ 3,287,353	\$ 2,994,837	\$ 846,760

## TRACK & INFRASTRUCTURE PROJECTS

Project & Code	Description	Task (s)	Task Description (s)	Project Manager	Board Item Number	% of Total Task Completion	Calendar Completion Date (Est.)
L'Enfant Storage Track	Construct ~1,400 feet of Storage Track North of the L'Enfant Station Platform, including Wayside Power (Capacity of 2 Trainsets)	Storage Track Construction	Construct ~1,400 of track north of L'Enfant Station	Eric Johnson	8B-10-2006	100%	Completed 4th Quarter 2010
		Wayside Power Design	Design wayside power for stored train sets	Norine Walker		100%	4th Quarter 2014
		Wayside Power Construction	Construction of wayside power for stored train sets	Norine Walker	N/A	30%	2nd Quarter 2015
		Air Compressor Procurement	Procurement and installation of air compressor equipment for new storage track air system (eVA).	Eric Johnson	N/A	100%	Completed 3rd Quarter 2008
		Switch & Signalization Design	Design of storage track switches and signals	Norine Walker	9B-06-2011	100%	4th Quarter 2014
Spotsylvania Third Track Expansion (Crossroads to Hamilton - Fredericksburg)	Construct approximately 2.5 miles of third track leading to the new Spotsylvania Station	Third Track Civil Design, Construction Eng. Support, & CM	Environmental Analysis and Final Design, Engineering Support through construction, CM Services through Project closeout.	Kip Foster	9D-06-2010 & 9G-09-2013	100% and 55%	Design Completed 2nd Quarter 2013. CM est. completion 4th Quarter 2015
		Third Track Signal Design	CSX Signal design and engineering support	Kip Foster	9E-06-2012	100%	1st Quarter 2014
		Track & Signal Construction	CSX Construction of Signals and Track	Kip Foster	9H-09-2013	55%	3rd Quarter 2015
		Track Work & Structures	Abernathy Construction of Civil, Track, & Structures	Kip Foster	9C-06-2013	55%	Phase 1 4th Quarter 2014. Phase 2 3rd Quarter 2015

## PLANNING, COMMUNICATIONS & INFORMATION TECHNOLOGY PROJECTS

Project & Code	Description	Task	Task Description	Project Manager	Board Item Number	% of Total Task Completion	Calendar Completion Date (Est.)
Gainesville Haymarket Expansion Planning	Expansion of VRE Service to Gainesville & Haymarket, VA	G/H Expansion Analysis (Feasibility)	Develop expansion alternatives for VRE Service to G/H	Christine Hoeffner	9D-12-2007	Complete	Complete
		G/H Expansion Project Development, Environmental and Design	Perform planning and project development activities, environmental analysis and engineering design	Christine Hoeffner	8E-04-2014 (Auth. For RFP)	0%	TBD
		Construction (Future)	Future Track Construction	TBD		0%	TBD
Mobile Ticketing	Development and Implementation of a Mobile Ticketing System			Chris Henry	8H-09-2013	18.7%	6/30/16
System Planning	Prepare system plan to cover 20+ year planning horizon			Christine Hoeffner	9F-04-2013	98%	4th Quarter 2014

Status	Change Order, Budget & Schedule Change Notes & Updates	Vendor	Total Adopted CIP Budget Thru FY15 (\$)	Total Board Approved Funds (\$)	Contractual Commitments To-Date (\$)	Total Expenditures To-Date (\$)
Track Complete	n/a	CSX Trans.	\$ 3,219,000	\$ 830,000	\$ 706,000	\$ 442,794
Amendment to Project Addendum to Construction Agreement finalized. Construction agreement to be executed and CSXT to begin ordering long lead time materials. Construction anticipated to begin in Spring 2015.	Supplement to GEC V Task Order 7 in the amount of \$8,600 executed in late December 2012.	HDR		\$ -	\$ 50,925	\$ 50,884
Final plans approved by CSXT and signed and sealed. PEPSCO and VRE construction to occur at same time as CSXT.	.	NVE		\$ -	\$ 688,480	\$ 208,390
Air compressor system delivered and stored at Crossroads Yard. Installation no longer included in scope of work. Investigating alternate uses for equipment.		Kaeser Compressors, Inc.		\$ -	\$ 37,531	\$ 37,531
Anticipate construction to begin in Spring 2015 and 12-16 weeks to complete, as per CSXT		CSX Trans.		\$ 250,000	\$ 225,000	\$ 126,821
TOTALS			\$ 3,219,000	\$ 1,080,000	\$ 1,707,936	\$ 866,420
Design Completed 2nd Quarter 2013. Support through completion of construction. CM services ongoing for duration of construction and through project closeout.	Construction Engineering Services and	STV	\$ 32,500,000	\$ 1,750,743	\$ 1,544,198	\$ 1,174,627
Signal Design for Phase 1 and Phase 2 complete. Design checked by CSX.	Signal Construction underway.	CSX Trans.		\$ 1,009,800	\$ 917,400	\$ 940,853
Signal Construction over 50 % complete.		CSX Trans.		\$ 20,522,611	\$ 20,522,611	\$ 7,500,000
Phase 1 work nearing completion (other than coordination with CSX for Track Installation). Phase 2 work well underway, scheduled for completion summer 2015.	CA # 1 - Answer from University of Maryland (11/2/13) CA # 2 - Answer from University of Maryland (11/2/13) CA # 3 - Answer from University of Maryland (11/2/13) CA # 4 - Answer from University of Maryland (11/2/13) CA # 5 - Answer from University of Maryland (11/2/13) CA # 6 - Answer from University of Maryland (11/2/13) CA # 7 - Answer from University of Maryland (11/2/13) CA # 8 - Answer from University of Maryland (11/2/13) CA # 9 - Answer from University of Maryland (11/2/13) CA # 10 - Answer from University of Maryland (11/2/13) CA # 11 - Answer from University of Maryland (11/2/13) CA # 12 - Answer from University of Maryland (11/2/13) CA # 13 - Answer from University of Maryland (11/2/13) CA # 14 - Answer from University of Maryland (11/2/13) CA # 15 - Answer from University of Maryland (11/2/13) CA # 16 - Answer from University of Maryland (11/2/13) CA # 17 - Answer from University of Maryland (11/2/13) CA # 18 - Answer from University of Maryland (11/2/13) CA # 19 - Answer from University of Maryland (11/2/13) CA # 20 - 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Answer from University of Maryland (11/2/13) CA # 97 - Answer from University of Maryland (11/2/13) CA # 98 - Answer from University of Maryland (11/2/13) CA # 99 - Answer from University of Maryland (11/2/13) CA # 100 - Answer from University of Maryland (11/2/13)	Abernathy Construction Corp		\$ 8,880,073	\$ 8,786,966	\$ 4,838,098
TOTALS			\$ 32,500,000	\$ 32,163,227	\$ 31,771,175	\$ 14,453,578

Status	Change Order, Budget & Schedule Change Notes & Updates	Vendor	Total Adopted CIP Budget Thru FY15 (\$)	Total Board Approved Funds (\$)	Contractual Commitments To-Date (\$)	Total Expenditures To-Date (\$)
Feasibility Study Completed on 9/28/2009	Aerial Survey Deferred to NEPA/PE. Revised Consultant Responsibility for Cost Estimating from Belstar to VHB/DMJM	VHB	\$ 3,037,338	\$ 1,537,338	\$ 1,397,338	\$ 1,042,749
\$1,500,000 allocated in FY14 NVTA regional funding. Project agreement approved by NVTA 7/24/14. Final revisions to RFP/scope of work underway.	Extension of REF grant 76509-02 pending DRPT approval; increases project funding by \$2,785,714.	TBD		\$ -	\$ -	\$ -
Future Construction Related to Expansion	Funding Sources TBD	TBD		\$ -	\$ -	\$ -
TOTALS			\$ 3,037,338	\$ 1,537,338	\$ 1,397,338	\$ 1,042,749
Alpha Test of User Interface and back-end reporting. Preliminary testing for Beta to occur 11/13/14 in Portland.		GlobeSherpa		\$ 3,510,627	\$ 577,945	\$ 577,945
TOTALS			\$ -	\$ 3,510,627	\$ 577,945	\$ 577,945
VRE Ops Board adopted plan 1/17/14. Brochure complete. Final report complete. Awaiting final invoice.	GEC task order (\$35,000) for supplemental public outreach/communications support issued 9/30/13	P.B.	\$ 185,000	\$ 150,000	\$ 185,000	\$ 181,753
TOTALS			\$ 185,000	\$ 150,000	\$ 185,000	\$ 181,753

### YARD PROJECTS

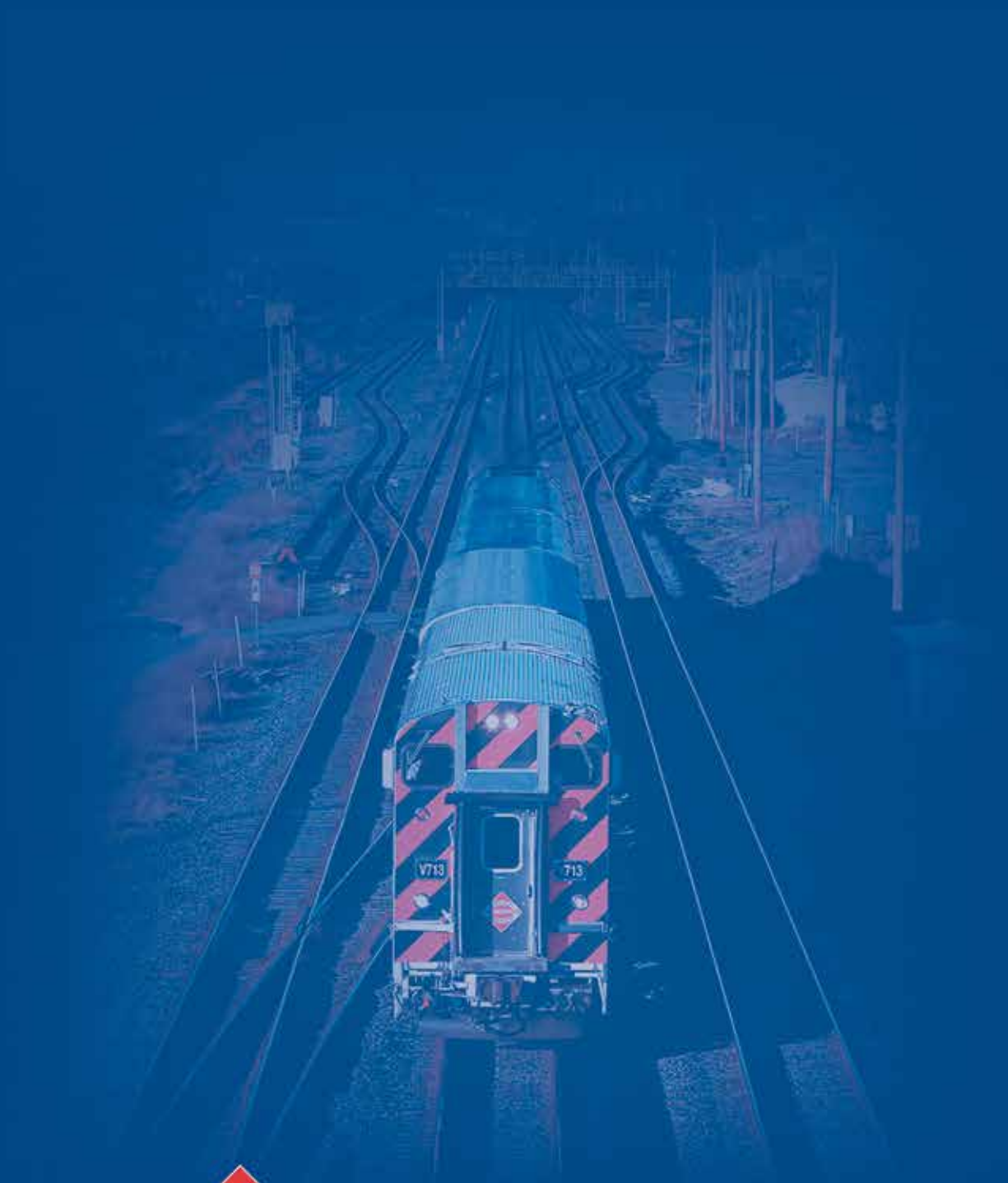
Project & Code	Description	Task	Task Description	Project Manager	Board Item Number	% of Total Task Completion	Calendar Completion Date (Est.)
Broad Run Yard Train Wash and Crossroads Yard Warehouse	Design and construction of Broad Run Yard train wash and Crossroads Yard warehouse.	Crossroads Warehouse Design	Conceptual and final design of new Crossroads warehouse.	Eric Johnson	10D-04-2012	100%	Completed 4th Quarter 2012
		Crossroads Warehouse Construction	Construction of new Crossroads warehouse.	Eric Johnson	11E-04-2011	100%	Completed 2nd Quarter 2013
		Broad Run Train Wash Design	Conceptual and final design and construction administration for Broad Run train wash	Norine Walker	9D-06-2012	90%	TBD
		Broad Run Train Wash Construction	Future Construction/Installation Work related to Broad Run train wash	TBD	TBD	n/a	n/a
Crossroads Lifecycle Maintenance	Engineering and NEPA for a Lifecycle Maintenance Facility	PE, final design and NEPA for construction docs and limited engineering support during construction	LCM facility includes ability to remove, repair and reinstall main engines, head end power units, trucks, cart bodies, main generators, auxiliary generators, traction motors, etc. And associated track work.	TBD	9G-09-2014	0%	TBD

### ROLLING STOCK PROJECTS

Project & Code	Description	Task	Task Description	Project Manager	Board Item Number	% of Total Task Completion	Calendar Completion Date (Est.)
Passenger Railcar Procurement	To Acquire Fifteen (20) New Railcars from Sumitomo to add to the existing VRE Passenger Car Fleet	New Railcar Manufacture (8 cars)	Base Order of 8 New Passenger railcars	Rich Dalton	10C-01-2012	95%	3rd Quarter 2016
		New Railcar Manufacture (7 cars)	Option Order of 7 New Passenger railcars	Rich Dalton	8B-11-2013	5%	1st Quarter 2018
		New Railcar Manufacture (5 cars)	Option Order of 5 New Passenger railcars	Rich Dalton	9F-09-2014	0%	4th Quarter 2018
		New Railcars Engineering Oversight (7 Cars)	On site engineering through warranty administration under MEC V task order STV-0038 under MEC V	Rich Dalton	10A-01-2014	3%	1st Quarter 2018
		New Railcars Engineering Oversight (8 Cars)	On site engineering through warranty administration under MEC V task order STV-0017 under MEC V	Rich Dalton	9E-02-2012	85%	3rd Quarter 2016
Positive Train Control (PTC)	To install and implement Positive Train Control (PTC) for all VRE Locomotives	Positive Train Control Installation and Infrastructure	Positive Train Control for all locomotives and cab control cars (total 41), as mandated by the Rail Safety Improvement Act of 2008.	Rich Dalton	9E-09-2013	0%	4th Quarter 2015
		Oversight	Oversight - Positive Train Control for all locomotives and cab control cars, as mandated by the Rail Safety Improvement Act of 2008.	Rich Dalton	9A-03-2013	5%	4th Quarter 2015

Status	Change Order, Budget & Schedule Change Notes & Updates	Vendor	Total Adopted CIP Budget Thru FY15 (\$)	Total Board Approved Funds (\$)	Contractual Commitments To-Date (\$)	Total Expenditures To-Date (\$)
	STV Task Order #3 Supplement #1 for \$146,414 for additional Crossroads warehouse engineering services	STV/RWA	\$ 5,723,959	\$ 629,248	\$ 619,334	\$ 619,311
Final payment issued in early April.	Contract Amendment No. 1 - Multiple change orders increasing Contract amount by \$124,409 and Contract time by nine days. Contract Amendment No. 2 - Multiple change orders increasing Contract amount by \$87,774 and Contract time by 173 days.	Trinity Construction Group, Inc.		\$ 2,600,000	\$ 2,092,364	\$ 2,125,632
Review of Broad Run train wash 90% design completed. Plan submission to Prince William County and City of Manassas on hold while seeking additional construction funding. VRE reviewing STV's recommendations for Crossroads train wash modifications.	Supplement No. 1 - Increased contract amount by \$3,864 for third party construction cost estimate.	STV/RWA		\$ 307,513	\$ 283,421	\$ 174,875
		TBD		\$ -	\$ -	\$ -
TOTALS			\$ 5,723,959	\$ 3,536,761	\$ 2,995,119	\$ 2,919,818
Board approved advertisement September 19, 2014. Scope of Work developed. Once advertised and bids received return for Board authorization to award.		TBD	\$ -	\$ -	\$ -	\$ -
TOTALS			\$ 5,723,959	\$ 3,536,761	\$ 2,995,119	\$ 2,919,818

Status	Change Order, Budget & Schedule Change Notes & Updates	Vendor	Total Adopted CIP Budget Thru FY15 (\$)	Total Board Approved Funds (\$)	Contractual Commitments To-Date (\$)	Total Expenditures To-Date (\$)
Eight (8) base order cars are currently in revenue service. Warranty period ends 3rd Qtr 2016.	The car numbers are designated as V820 - V827; the first four (4) cars are delivered to VRE's Broad Run Maintenance and Storage Facility; the last four (4) cars shipped on August 26, 2014 and are currently in transit to VRE. The first four cars were conditionally accepted and are in service.	Sumitomo - Nippon Sharyo	\$ 52,544,714	\$ 23,140,000	\$ 21,240,000	\$ 20,009,230
Contract Amendment Executed; preliminary delivery schedule submitted by SCSA/Project Kick Off meeting held on March 20, 2014; project status meetings on-going.	Contract Amendment Executed 12/19/2013 to increase the contract amount and order of cars. Progress meetings ongoing.	Sumitomo - Nippon Sharyo		\$ 14,805,714	\$ 14,805,714	\$ -
Contract Amendment Executed; preliminary delivery schedule submitted by SCSA/Project Kick Off meeting held on October 28, 2014	Contract Amendment Executed 10-27-14 to increase the contract amount.	Sumitomo - Nippon Sharyo		\$ 10,545,200	\$ 10,545,200	\$ -
On-going project status meetings and document reviews; on-site manufacturing oversight to start in January 2015.	The car numbers are designated as V828-834	STV		\$ 892,500	\$ 849,245	\$ 102,637
Warranty Oversight	The second four (4) cars were delivered and placed into revenue service on 9-22-14. The two (2) year warranty period begins.	STV		\$ 1,474,000	\$ 1,250,000	\$ 1,151,473
TOTALS			\$ 52,544,714	\$ 50,857,414	\$ 48,690,159	\$ 21,263,340
WRE to submit signed contract	Authorization to award a sole source contract to Wabtec was approved by both Commissions on 10-3-13, preparing sole source documentation and Scope of Work - final contract documents forwarded to WRE for Signature 8/29/2014; received Contract documents back from WRE. Contract execution expected in December 2014.	WRE	\$ 10,821,989	\$ 7,980,877	\$ 550,645	\$ 51,475
Task order issued on March 13, 2013 to STV for engineering and oversight work for implementation. MEC IV Task Order 0026	PTC Implementation oversight - Definition Phase - Matrix of tasks was reviewed and approved by VRE for plan development and preparation underway for scope of work including hardware pricing and quotes, STV is also developing back office operation; updated 12/1/2014	STV				
TOTALS			\$ 10,821,989	\$ 7,980,877	\$ 550,645	\$ 51,475



VIRGINIA RAILWAY EXPRESS  
*A Better Way. A Better Life.*



## RESOLUTION #2264

**SUBJECT:** The Revised FY2015 and Recommended FY2016 VRE Operating and Capital Budgets

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

**WHEREAS:** The VRE Chief Executive Officer has provided the VRE Operations Board with the FY2016 Operating and Capital Budget within the guidelines developed in concert with the jurisdictional chief administrative officers;

**WHEREAS:** The FY2016 VRE Budget proposes a four percent fare increase and no jurisdictional subsidy increase;

**WHEREAS:** The FY2016 Six-Year Financial Forecast states a subsidy increase is projects for FY2017;

**WHEREAS:** VRE staff recommends a budget built on an average daily ridership of 19,300 and 34 trains; and

**WHEREAS:** The VRE Operations Board recommends the following action.

**NOW, THEREFORE, BE IT RESOLVED** that the Northern Virginia Transportation Commission adopt the revised FY2015 and recommended FY2016 VRE Operating and Capital Budgets and forward the FY2016 Budget to the local jurisdictions for inclusion in their budgets and appropriations in accordance with the Master Agreement.

**BE IT FURTHER RESOLVED** that NVTC authorizes the Executive Directors of both PRTC and NVTC to submit to the Transportation Planning Board of the National Capital Region and to the Federal Transit Administration or other federal agencies, the appropriate Transit Improvement Program and grant applications for FY2015 and FY2016.

**BE IT FURTHER RESOLVED** that NVTC authorizes its Executive Director to submit to the Commonwealth the approved budget as part of the FY2016 state aid grant applications.

**BE IT FURTHER RESOLVED** that NVTC authorizes the Chief Executive Officer of VRE to submit appropriate projects to the Northern Virginia Transportation Authority or other funding authorities on behalf of the Commissions.

Approved this 7<sup>th</sup> day of January, 2015.

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Chairman

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Secretary-Treasurer



VIRGINIA RAILWAY EXPRESS  
OPERATIONS BOARD

**Agenda Item 9-G**  
**Action Item**

**To: Chairman Milde and the VRE Operations Board**

**From: Doug Allen**

**Date: December 19, 2014**

**Re: Referral of the Revised FY 2015 and Recommended FY 2016  
VRE Operating and Capital Budgets to the Commissions and  
Localities**

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**Recommendation:**

The VRE Operations Board is being asked to adopt the revised FY 2015 VRE Operating and Capital Budget and the recommended FY 2016 VRE Operating and Capital Budget and refer them to the Commissions for their consideration and subsequent referral to the jurisdictions for their formal review and adoption.

**Background:**

In accordance with the VRE Master Agreement, which outlines the process for annual budget approval, the preliminary FY 2016 VRE Operating and Capital Budget was initially prepared for review at the September VRE Operations Board. Since that time, it has been discussed at every monthly meeting of the Operations Board and the CAO Taskforce. The CAO Taskforce met on December 10<sup>th</sup> to present their final recommendations and discuss VRE responses to those recommendations.

**Discussion:**

The FY 2016 budget totals \$128.4 million. Based on the VRE Operations Board discussions, the recommended budget (Option A) includes a 4% fare increase and no subsidy increase.



Northern Virginia  
Transportation Commission  
2300 Wilson Blvd. #620  
Arlington, VA 22201  
703.524.3322



Virginia Railway Express  
1500 King Street, Suite 202  
Alexandria, VA 22314  
703.684.1001  
VRE.org



Potomac and Rappahannock  
Transportation Commission  
14700 Potomac Mills Road  
Woodbridge, VA 22192  
703.580.6121

An alternative to this (Option B) would include a 3% fare increase and a 2% subsidy increase. Information on this alternative is presented in this report. The major assumptions for the recommended budget are as follows:

- Jurisdictional subsidy of \$16,428,800; no increase compared to the FY 2015 level
- A 4% fare increase and a projected average daily ridership of 19,300 passengers, which results in a total of \$38.9M in fare revenue
- Federal 5307 and 5337 (State of Good Repair) funding of \$21.1 million
- Tiered capital matching funds from the State of the non-federal share for new projects
- State operating funds of \$8.1 million, which is a 10% decrease to the FY 2015 funding level of \$9.0 million
- Fuel estimated at \$3.25/gallon for a total cost of \$5.3 million
- Grant funding from all sources for track access costs at 84%; equal to the level provided in FY 2015
- Addition of three FTE employees to the departments of equipment operations department to replace contract staff currently in the material management function at the Crossroads yard – proposal is cost neutral. Additionally, three FTE employees in Finance, Contracts, and Safety and Security.

The multi-year CIP includes both programmed and unprogrammed projects. The programmed projects include those that are funded through federal formula grants received annually by VRE; through already allocated funds from other programs, such as CMAQ or NVTa; or through other expected sources. The unprogrammed projects are those that are pending a discretionary allocation by a funding authority or for which a funding source has not yet been identified.

During the next year, a Financial Plan will be developed which will compare the capital and operating needs associated with the implementation of System Plan 2040 and compare these needs to available funding sources. The Financial Plan will quantify the need for new funding streams and evaluate alternatives, including additional debt financing. No new debt financing is included in the current CIP, pending the development of the Financial Plan.

The programmed capital projects for FY 2016, including required local match, are outlined below. Funding sources are FTA formula funds, unless otherwise indicated.

- Rolling stock (nine expansion railcars) - \$23.6M
- Facilities infrastructure - \$5.4M
- Equipment storage - \$3.4M
- Capital reserve contribution - \$3.0 (local funds only)
- Lorton platform improvements - \$1.5M (CMAQ)
- Rippon platform improvements - \$2.3M (CMAQ)
- Brooke/Leeland Second Platform - \$5.0M (REF)

The FY 2016 budget exceeds the prior year budget by \$442k; or exceeds the FY 2015 budget by \$2.4M net of the one-time mobilization expense. Material expenditure line item changes are noted below; adjustments are in comparison to the FY 2015 adopted budget.

- Train Operations/Maintenance of Equipment are budgeted at a net increase of \$700k to reflect a 1.7% increase in accordance with the CPI contract requirements plus costs for the Fredericksburg line train
- Access fee costs increased by \$1.1M to reflect an estimated increase to the AAR index for Amtrak (estimated) and Norfolk Southern (actual) and the contractual increase of 4% for CSX plus the additional Fredericksburg line train for three months
- Program Development increased by \$620k to reflect funding for additional consulting and other professional services, primarily one-time costs funded by the Project Development capital budget
- Facilities Maintenance increased as reflected by the initial results of the condition assessment of all facilities. Revised by \$620k primarily due to increases in:
  - Repairs and maintenance for stations and facilities of \$350k
  - The transfer of budget from the Passenger Support Services for office maintenance of \$110k
  - Additional rent for the Alexandria office expansion of \$120k
- Non-Operating Expenses decreased by \$3.0M to reflect:
  - The elimination of the one-time funding of \$2.0M in mobilization
  - The elimination of the operating reserve contribution of \$550k
  - Reduction in insurance liability premiums of \$250k
  - Reduction in the contingency budget of \$200k

The budget also includes a six-year financial forecast for the period FY 2015 through FY 2021. A six-year forecast was prepared which includes a 5% fare increase in FY 2018 and FY 2020 and a 5% subsidy increase in FY 2017.

The FY 2016 budget assumes no subsidy increase. The subsidy is a result of the October 2014 master agreement survey. The projected FY 2016 jurisdictional subsidy for option A is as follows:

	<b>FY 2015</b>	<b>FY 2016</b>	<b>Net</b>	<b>%</b>
<b>Jurisdiction</b>	<b>Subsidy</b>	<b>Subsidy</b>	<b>Inc/(Dec)</b>	<b>Change</b>
Prince William County	\$ 5,485,333	\$ 5,309,674	(175,659)	-3.3%
Fairfax County	4,852,953	4,847,284	(5,669)	-0.1%
Stafford County	2,689,391	2,855,607	166,216	5.8%
Spotsylvania County	1,401,382	1,303,888	(97,494)	-7.5%
Manassas	686,944	766,491	79,547	10.4%
Manassas Park	401,762	576,699	174,937	30.3%
Fredericksburg	581,244	439,366	(141,878)	-32.3%
Alexandria	133,894	133,894	-	0.0%
Arlington	195,897	195,897	-	0.0%
<b>Total Subsidy</b>	<b>\$ 16,428,800</b>	<b>\$ 16,428,800</b>	<b>\$ 0</b>	<b>3.3%</b>

Another alternative would be to reduce the fare increase from 4% to 3% and increase the subsidy by the difference, which would be approximately 2%, resulting in the projected jurisdictional subsidy for Option B as follows:

	<b>FY 2015</b>	<b>FY 2016</b>	<b>Net</b>	<b>%</b>
<b>Jurisdiction</b>	<b>Subsidy</b>	<b>Subsidy</b>	<b>Inc/(Dec)</b>	<b>Change</b>
Prince William County	\$ 5,485,333	\$ 5,424,694	(60,639)	-1.1%
Fairfax County	4,852,953	4,920,582	67,629	1.4%
Stafford County	2,689,391	2,932,931	243,540	8.3%
Spotsylvania County	1,401,382	1,352,650	(48,732)	-3.6%
Manassas	686,944	785,539	98,595	12.6%
Manassas Park	401,762	589,860	188,098	31.9%
Fredericksburg	581,244	456,156	(125,088)	-27.4%
Alexandria	133,894	136,572	2,678	2.0%
Arlington	195,897	199,815	3,918	2.0%
<b>Total Subsidy</b>	<b>\$ 16,428,800</b>	<b>\$ 16,798,800</b>	<b>\$ 370,000</b>	

### **FY 2015 Amended Budget**

The FY 2015 budget has been revised to reflect current projections for revenue and expenses. The major changes are as follows:

- Decreased state operating funds in the amount of \$1.6M
- Transfer from prior year surplus of \$1.1M due to expansion of the Alexandria office and station security cameras
- Capital projects increased by \$900k. Studies are funded from project development funds adopted in the FY15 budget. Projects include:
  - Long Bridge study (match): \$300k
  - Core Capacity study (match): \$125k
  - Security cameras: \$500k

- Operating costs were decreased by a net amount of \$1.2M, primarily due to the following :
  - Train Operations, Track Access, and Equipment Operations decreased by \$1.4M due to revising the start date of the Fredericksburg line train from Oct 2014 to January 2015
  - Facilities increased by \$550k due to office expansion (rental costs of additional office space plus improvements to the communications room)
  - Safety and Security costs increased by \$150k for Broad Run station foliage removal in accordance with the recommendation of the Threat and Vulnerability Assessment and for 24/7 security coverage at the train yards
  - Decrease in Contingency by \$450k
  - Increase in salaries and fringes by \$80k to reflect the inclusion of the proposed positions from the FY 2016 budget for three months of FY 2015

**Virginia Railway Express  
Operations Board**

**Resolution  
9G-12-2014 Option A**

**Referral of the Revised FY 2015 and Recommended  
FY 2016 VRE Operating and Capital Budgets  
to the Commissions and Localities**

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

**WHEREAS**, the VRE Chief Executive Officer has provided the VRE Operations Board with the FY 2016 Operating and Capital Budget within the key issues developed in concert with the jurisdictional chief administrative officers; and,

**WHEREAS**, the FY 2016 budget proposes a 4% fare increase and no jurisdictional subsidy increase; and,

**WHEREAS**, the FY 2016 Six Year Financial Forecast states a subsidy increase is projected for FY 2017; and,

**WHEREAS**, VRE staff recommends a budget built on an average daily ridership of 19,300 and 34 trains;

**NOW, THEREFORE, BE IT RESOLVED THAT**, the VRE Operations Board does hereby recommend that the Commissions adopt the revised FY 2015 and recommended FY 2016 VRE Operating and Capital Budgets and forward the FY 2016 budget to the local jurisdictions for inclusion in their budgets and appropriations in accordance with the Master Agreement; and,

**BE IT FURTHER RESOLVED THAT**, the VRE Operations Board recommends that the Commissions authorize the Executive Directors of both PRTC and NVTC to submit to the Transportation Planning Board of the National Capital Region and to the Federal Transit Administration or other federal agencies, the appropriate Transit Improvement Program and grant applications for FY 2015 and FY 2016; and,

**BE IT FURTHER RESOLVED THAT**, the VRE Operations Board recommends that the Commissions authorize the Executive Director of NVTC to submit to the Commonwealth the approved budget as part of the FY 2016 state aid grant applications; and,

**BE IT FURTHER RESOLVED THAT**, the VRE Operations Board recommends that the Commissions authorize the Chief Executive Officer of VRE to submit appropriate projects to the Northern Virginia Transportation Authority or other funding authorities on behalf of the Commissions.

Approved this 19<sup>th</sup> day of December 2014

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Paul Milde  
Chairman

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Gary Skinner  
Secretary

**Virginia Railway Express  
Operations Board**

**Resolution  
9G-12-2014 Option B**

**Referral of the Revised FY 2015 and Recommended  
FY 2016 VRE Operating and Capital Budgets  
to the Commissions and Localities**

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

**WHEREAS**, the VRE Chief Executive Officer has provided the VRE Operations Board with the FY 2016 Operating and Capital Budget within the key issues developed in concert with the jurisdictional chief administrative officers; and,

**WHEREAS**, the FY 2016 budget proposes a 3% fare increase and a 2% jurisdictional subsidy increase; and,

**WHEREAS**, the FY 2016 Six Year Financial Forecast states a subsidy increase is projected for FY 2017; and,

**WHEREAS**, VRE staff recommends a budget built on an average daily ridership of 19,300 and 34 trains;

**NOW, THEREFORE, BE IT RESOLVED THAT**, the VRE Operations Board does hereby recommend that the Commissions adopt the revised FY 2015 and recommended FY 2016 VRE Operating and Capital Budgets and forward the FY 2016 budget to the local jurisdictions for inclusion in their budgets and appropriations in accordance with the Master Agreement; and,

**BE IT FURTHER RESOLVED THAT**, the VRE Operations Board recommends that the Commissions authorize the Executive Directors of both PRTC and NVTC to submit to the Transportation Planning Board of the National Capital Region and to the Federal Transit Administration or other federal agencies, the appropriate Transit Improvement Program and grant applications for FY 2015 and FY 2016; and,

**BE IT FURTHER RESOLVED THAT**, the VRE Operations Board recommends that the Commissions authorize the Executive Director of NVTC to submit to the Commonwealth the approved budget as part of the FY 2016 state aid grant applications; and,

**BE IT FURTHER RESOLVED THAT**, the VRE Operations Board recommends that the Commissions authorize the Chief Executive Officer of VRE to submit appropriate projects to the Northern Virginia Transportation Authority or other funding authorities on behalf of the Commissions.

Approved this 19<sup>th</sup> day of December 2014

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Paul Milde  
Chairman

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Gary Skinner  
Secretary

**Virginia Railway Express**  
**Recommended Budget**  
**For Fiscal Year 2016**  
**and**  
**Amended Budget**  
**For Fiscal Year 2015**

December 19, 2014



**VIRGINIA RAILWAY EXPRESS**  
*A Better Way. A Better Life.*

## Table of Contents

### Recommended FY 2016 Budget

Mission Statement	3
Fiscal Year 2016 Goals	3
Fiscal Year 2016 Budget Assumptions	4
Local Subsidy Calculation from Oct 2014 Survey	6
Source and Use Statement	7
FY 2016 Budget Worksheet	8

### Capital Improvement Program FY 2016-FY2021

Proposed Capital Improvement Program FY 2016 – FY 2021	10
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### Six-year Financial Forecast

Six-year Financial Forecast Assumptions	37
Six-year Financial Forecast Worksheet	38
Debt and Financial Management Ratios	39

### Amended FY 2015 Budget

Amended FY 2015 Budget Assumptions	40
Fiscal Year 2015 Revised Budget Worksheet	42



**VIRGINIA RAILWAY EXPRESS**  
A Better Way. A Better Life.

### Mission Statement

The Virginia Railway Express, a joint project of the Northern Virginia Transportation Commission and the Potomac and Rappahannock Transportation Commission, will provide safe, cost-effective, accessible, customer-responsive, reliable rail passenger service as an integral part of a balanced, intermodal regional transportation system.

### Goals for Fiscal Year

- Achieve at least a 50 percent operating ratio (cost recovery).
- Operate trains on time greater than 90 percent of time.
- Achieve at least 19,300 average daily ridership
- Strive to attain the following financial ratios over the course of the Six-Year Plan :
  - Debt service as a percent of annual budget not greater than 20%
  - Working capital reserves that are on average not less than 2 months of operating expenditures, with a goal of increasing to 3 months over a 10 year period
  - Percent of pay-as-you-go financing equal to a minimum of 20% of the total funded portion of the capital program over the term of the capital program
  - Risk management reserves equal to amounts imposed by the Commonwealth, currently set at \$10 million.



**VIRGINIA RAILWAY EXPRESS**  
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## Budget Assumptions

### Major Assumptions in FY 2016 Budget:

1. Subsidy level of \$16,428,800; no increase from the FY 2015 subsidy
2. 4% fare increase is requested
3. State funding for operations is projected at \$8.1M. State recommends reducing FY 2016 projections by 10% of the FY 2015 award. The state capital match is tiered but the majority of the capital projects are budgeted at 16% of gross.
4. Average daily ridership of 19,300 assumes a 34 revenue train operation and an overall 36 train schedule
5. No fare increase is proposed. Fare revenue is budgeted at \$38.9M
6. Train Operations/Maintenance of Equipment contract costs are budgeted at a net increase of \$690k to reflect a CPI increase of 2% and the addition of one Fredericksburg line train for a full year (previously budgeted in FY 2015 for nine months).
7. Fuel cost projections are in the amount of \$5.3M, based on a cost per gallon of \$3.25
8. Included is \$16.7M of track access funding for total grants of 84% of costs

### Sources by Jurisdiction:

Jurisdiction	FY 2015	FY 2016	Net	Percent
Fairfax County	\$ 4,852,953	\$ 4,847,284	\$ (5,669)	-0.1%
Fredericksburg	581,244	439,366	(141,878)	-24.4%
Manassas	686,944	766,491	79,547	11.6%
Manassas Park	401,762	576,699	174,937	43.5%
Prince William County	5,485,333	5,309,674	(175,659)	-3.2%
Stafford County	2,689,391	2,855,607	166,216	6.2%
Spotsylvania County	1,401,382	1,303,888	(97,494)	-7.0%
Alexandria	133,894	133,894	-	0.0%
Arlington	195,897	195,897	-	0.0%
Total	\$ 16,428,799	\$ 16,428,799	\$ -	



**VIRGINIA RAILWAY EXPRESS**  
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### **Source and Use of Funds**

Fare Increase		4%
Subsidy Increase	\$	-
Number of Trains		34
Average Daily Ridership		19,300
<b>Sources</b>		
Fare Revenue	\$	38,890,000
Local Subsidy		16,428,800
Jurisdictions - Capital Programs		-
State Operating Grant		8,100,000
State Capital Grant used for Debt and Other		1,056,708
State Capital Grant used for Capital Programs		18,570,760
Federal/State Capital Funding for Track Access		14,019,600
Federal Capital Grant used for Debt and Other		5,803,543
Federal Capital Grant used for Capital Programs		23,362,200
Other Income		2,200,000
<b>Total Sources</b>	<b>\$</b>	<b>128,431,611</b>
<b>Uses</b>		
Operating Expenses	\$	75,401,741
Debt Service		6,714,870
Federal Capital Program		46,315,000
Operating Reserve and Other		-
<b>Total Uses</b>	<b>\$</b>	<b>128,431,611</b>

### **Six-Year Financial Plan**

The final FY 2016 budget recommendation includes a six-year financial plan as required by the Master Agreement. The six-year financial plan was reviewed with the CAO Budget Task Force. The VRE capital planning process reflects current priorities identified by the Operations Board as well as long-term planning assumptions through 2040 as outlined in the System Plan.



**VIRGINIA RAILWAY EXPRESS**  
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<u>Jurisdictions</u>	[Col 1]	[Col 2]	[Col 3]	[Col 4]	[Col 5]	[Col 6]	[Col 6a]
	Population 2013 Update	Population %	Contributors' Potential Share of Net Costs %	Contributors' Potential Share of Net Costs \$	Contributors' Maximum Share of Net Costs		
Contributors:							
Alexandria	151,218	6.6586%	0.6659%	\$347,104		\$133,894	#DIV/0!
Arlington	227,146	10.0019%	1.0002%	\$521,388		\$195,897	#DIV/0!
Contributors' Total	378,364	16.6605%					
	[Col 7]	[Col 8]	[Col 9]	[Col 10]	[Col 11]	[Col 12]	
Participants:	Population 2013 Update	Population %	Participants' Normalized % Population	October Survey Participants' AM Ridership	100 Weight- Participants' Ridership %	Participants' Aggregate % of Costs	
Fairfax County	1,116,897	49.18%	59.01%	2,099	23.12%	23.12%	
Fredericksburg	27,945	1.23%	1.48%	369	4.06%	4.06%	
Manassas	40,690	1.79%	2.15%	463	5.10%	5.10%	
Manassas Park	15,174	0.67%	0.80%	328	3.61%	3.61%	
Prince William County	431,258	18.99%	22.79%	2,910	32.05%	32.05%	
Stafford County	135,141	5.95%	7.14%	1,837	20.23%	20.23%	
Spotsylvania	125,555	5.53%	6.63%	1,075	11.84%	11.84%	
Participants' Total	1,892,660	83.34%	100.00%	9,080	100.00%	100.00%	
Population Total	2,271,024	100.00%					
<u>Costs</u>	[Col 12] (repeated)	[Col 13]	[Col 14]	[Col 15]	[Col 16]	[Col 17]	[Col 18]
	Participants' Aggregate %	Gross Costs \$	State Aid Interest & Misc Income \$	"System" Fare Revenue \$	Net Costs \$	Contributors' Payments Lesser of Col 6 or 4	Participants' Net Costs \$
Alexandria						\$133,894	
Arlington						\$195,897	
Fairfax County	23.12%	\$29,689,413	\$16,901,418	\$737,428			\$11,974,329
Fredericksburg	4.06%	\$5,213,577	\$2,967,955	\$129,495			\$2,102,739
Manassas	5.10%	\$6,549,000	\$3,728,177	\$162,665			\$2,641,342
Manassas Park	3.61%	\$4,636,397	\$2,639,382	\$115,159			\$1,869,951
Prince William County	32.05%	\$41,156,288	\$23,429,215	\$1,022,243			\$16,599,148
Stafford County	20.23%	\$25,979,233	\$14,789,309	\$645,274			\$10,477,940
Spotsylvania	11.84%	\$15,207,701	\$8,657,353	\$377,730			\$6,133,568
Total	100.00%	\$128,431,611	\$73,112,810	\$3,189,993	\$52,128,808	\$329,791	\$51,799,017
<u>Subsidy Calculation</u>	[Col 19]	[Col 20]	[Col 18] (repeated)	[Col 21]	[Col 22]	[Col 23]	[Col 24]
	Oct Survey Participants' Fare Revenue %	Participants' Fare Revenue \$	Participants' Net Costs \$	Proposed FY 2016 Budget Based on 10/1/14 Survey	Actual FY2015 Subsidy	Net Change \$	Net Change %
Alexandria				\$133,894	\$133,894	\$0	0.00%
Arlington				\$195,897	\$195,897	\$0	0.00%
Fairfax County	19.964%	\$7,127,044	\$11,974,329	\$4,847,284	\$4,852,953	(\$5,669)	-0.12%
Fredericksburg	4.659%	\$1,663,373	\$2,102,739	\$439,366	\$581,244	(\$141,878)	-24.41%
Manassas	5.252%	\$1,874,851	\$2,641,342	\$766,491	\$686,944	\$79,547	11.58%
Manassas Park	3.623%	\$1,293,252	\$1,869,951	\$576,699	\$401,762	\$174,937	43.54%
Prince William County	31.623%	\$11,289,474	\$16,599,148	\$5,309,674	\$5,485,333	(\$175,659)	-3.20%
Stafford County	21.351%	\$7,622,333	\$10,477,940	\$2,855,607	\$2,689,391	\$166,216	6.18%
Spotsylvania	13.529%	\$4,829,680	\$6,133,568	\$1,303,888	\$1,401,382	(\$97,494)	-6.96%
Total	100.0000%	\$35,700,007	\$51,799,017	\$16,428,800	\$16,428,800	\$0	0.00%
<u>Fares</u>	[Col 25]						
Participants Residents' "System-wide"	35,700,007.08 3,189,992.92						
2016 \$	38,890,000.00		\$128,431,610.00				

# FY16 Sources and Use

LEVEL OF SERVICE FOR FY16

34 trains

19,300 average daily riders

Leases

16,690,000

Amtrak

6,390,000

Total Access Fees

16,690,000

NS  
CSX  
Total

3,340,000  
6,960,000  
16,690,000

USES OF FUNDS	SOURCES OF FUNDS										TOTAL
	FARE INCOME	INTEREST	MISC	LOCAL SUBSIDY	OTHER SOURCES	OTHER SOURCES	STATE OPERATING	STATE CAPITAL	STATE STP	5307/5337 OTHER	
Operating Expenses	38,890,000	20,000	165,000	12,617,141	1,070,000	-	8,100,000	3,171,100	10,848,500	520,000	75,401,741
Non-Operating Expenses:											
Operating Reserve	-										-
Debt Svc (Gallery IV) (11 Cabcars)	1,931,357			77,254				309,017		1,545,086	1,931,357
Debt Svc 60 Railcars (Local)	110,442			110,442							110,442
Debt Svc 60 Railcars (Fed/State/Local)	4,673,071			186,923				747,691		3,738,457	4,673,071
Non-Operating Summary	6,714,870	-	-	374,619	-	-	-	1,056,708	-	5,283,542	6,714,870
Total Expenses (Subtotal)	82,116,611	20,000	165,000	12,991,760	1,070,000	-	8,100,000	4,227,808	10,848,500	5,803,542	82,116,611
Capital Projects:											
Facilities Infrastructure	5,420,000			216,800				867,200		4,336,000	5,420,000
Rolling Stock (Nine Railcars)*	23,625,000			-	945,000			16,065,000		6,615,000	23,625,000
Equipment Storage	3,406,000			136,240				544,960		2,724,800	3,406,000
Life Cycle Maintenance	1,900,000			76,000				304,000		1,520,000	1,900,000
Security Enhancements	100,000			4,000				16,000		80,000	100,000
Transit Enhancements	100,000			4,000				16,000		80,000	100,000
Capital Reserve Contribution	3,000,000			3,000,000							3,000,000
Capital Project Summary	37,551,000	-	-	3,437,040	945,000	-	-	17,813,160	-	15,355,800	37,551,000
CMAQ/REF											
Lorton Platform	1,500,000			-				300,000		0	1,500,000
Rippon Platform	2,288,000			-				457,600		0	2,288,000
Brooks/Leland Second Platform	4,976,000			-						4,976,000	4,976,000
CMAQ Summary	8,764,000	-	-	-	-	-	-	757,600	-	8,006,400	8,764,000
TOTAL	128,431,611	38,890,000	20,000	165,000	16,428,800	2,015,000	-	8,100,000	22,798,568	10,848,500	128,431,611

\*Other source is from the FY14 surplus

FY15 subsidy surplus (deficit)

16,428,800

0

Soft Capital Projects			Program		Funding		Federal Amt		State Amt	
Debt Service 11 Cabcars	1,931,357		1,931,357	5337		1,545,086			309,017	
Access lease funding	16,690,000		16,690,000	SSTP/State		10,848,500			3,171,100	
Local only			110,442							
Debt Service 60 Railcars	1,947,113		1,947,113	5337		1,557,690			311,538	
Fed/State/Local			2,725,958	5307		2,180,766			436,153	
Fed/State/Local			300,000	5307		240,000				
Grant & Project Management			350,000	5337		280,000				
Subtotal			24,054,870						4,227,808	
Capital Projects/Earmarks			46,315,000			23,362,200			18,570,760	
Federal Cap Program			70,369,870			40,014,242			22,798,568	

**VRE Fiscal Year 2016 Proposed Program Budget**

	<b>FY 2014 Amended</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Budget</b>	<b>FY 2016 Proposed</b>
<b>Revenue:</b>				
<b>VRE - Non-Departmental</b>				
Fare Revenue	36,600,000	37,093,476	36,900,000	38,890,000
Miscellaneous Revenue	166,000	197,915	165,000	165,000
Appropriation from Reserve	5,585,703	4,517,703	2,000,000	740,000
Jurisdictional Revenue	16,428,800	16,428,800	16,428,800	16,428,800
Other Revenue	30,500,000	2,637,808	5,508,800	1,275,000
State Operating Grant	10,585,975	16,428,516	10,300,000	8,100,000
Federal Grants - Operations and Debt	15,437,429	15,880,835	15,945,167	16,652,042
State Grants - Operations and Debt	6,631,344	14,570	3,949,133	4,227,808
Federal Grants - Capital Program	23,773,107	5,336,696	24,356,000	23,362,200
State Grants - Capital Program	1,472,605	183,262	12,421,400	18,570,760
Interest Income	15,300	28,056	15,300	20,000
<b>Total Revenue</b>	<b>147,196,263</b>	<b>98,747,637</b>	<b>127,989,601</b>	<b>128,431,611</b>
<b>Expenditures:</b>				
<b>VRE - Non-Departmental</b>				
Liability Insurance	4,400,000	3,933,978	4,200,000	3,950,000
Operating Reserve/Contingency	1,401,891	-	1,936,152	1,040,091
Capital Reserve	4,232,175	4,232,175	-	-
Other	-	88,099	2,000,000	-
VRE-Financing-Administration Fees	-	2,371	-	-
<b>Total VRE - Non-Departmental</b>	<b>10,034,066</b>	<b>8,256,623</b>	<b>8,136,152</b>	<b>4,990,091</b>
<b>Executive Management</b>				
Salaries/Fringes	475,000	532,157	506,000	814,000
Travel/Training/Employee Expenses	34,000	18,932	24,000	24,000
Board Member Expenses	3,000	4,394	3,000	15,000
Office Administration Expenses	-	166	227,000	115,000
Legal/Audit	75,000	77,455	75,000	75,000
Consulting/Professional/Other	33,000	15,782	52,000	52,000
<b>Total Executive Management</b>	<b>620,000</b>	<b>648,886</b>	<b>887,000</b>	<b>1,095,000</b>
<b>Passenger Support Services</b>				
Salaries/Fringes	270,000	299,867	277,000	-
Travel/Training/Employee Expenses	18,300	4,233	15,600	-
Administration	226,000	267,268	79,000	-
Office Professional Expenses	72,000	46,303	73,500	-
<b>Total Passenger Support Services</b>	<b>586,300</b>	<b>617,671</b>	<b>445,100</b>	<b>-</b>
<b>Chief of Staff/Public Affairs</b>				
Salaries/Fringes	342,000	240,370	372,000	355,000
Travel/Training/Employee Expenses	7,500	7,130	13,500	13,500
PR/Special Events/Consulting	150,500	160,529	55,500	90,500
<b>Total Chief of Staff/Public Affairs</b>	<b>500,000</b>	<b>408,029</b>	<b>441,000</b>	<b>459,000</b>
<b>Marketing</b>				
Salaries/Fringes	147,000	139,737	153,000	133,000
Travel/Training/Employee Expenses	12,125	4,243	13,500	13,200
Production/Media/Promotion/Other	250,000	148,688	260,000	235,000
Special Events/Other	6,000	3,170	23,500	21,000
<b>Total Marketing</b>	<b>415,125</b>	<b>295,838</b>	<b>450,000</b>	<b>402,200</b>
<b>Program Development</b>				
Salaries/Fringes	384,000	255,320	402,000	557,000
Travel/Training/Employee Expenses	7,000	5,698	6,900	12,100
Professional Services/Consulting/Other	488,750	306,320	541,225	999,400
<b>Total Program Development</b>	<b>879,750</b>	<b>567,338</b>	<b>950,125</b>	<b>1,568,500</b>
<b>Operations and Communications</b>				
Salaries/Fringes	451,000	450,723	469,750	760,000
Travel/Training/Employee Expenses	17,000	11,671	18,500	38,000
Printing/Admin/Other	30,000	122,879	45,000	165,000
Leases/Events	105,000	49,623	78,000	56,000
Professional Services	145,000	74,801	115,000	143,250
Ticket Stock/R&M Fare Collection	665,000	645,406	885,000	885,000
<b>Total Customer Communications</b>	<b>1,413,000</b>	<b>1,355,103</b>	<b>1,611,250</b>	<b>2,047,250</b>
<b>Budget and Finance</b>				
Salaries/Fringes	881,000	885,144	921,000	1,055,000
Travel/Training/Employee Expenses	9,500	12,333	9,500	11,500
Audit/Maint Service Agreements/Consulting	157,000	164,616	157,500	201,500
Retail Sales/TLC Commissions	1,495,000	1,493,186	1,440,000	1,495,000
Bank Discounts/Other	277,500	338,477	280,500	353,000
<b>Total Budget and Finance</b>	<b>2,820,000</b>	<b>2,893,756</b>	<b>2,808,500</b>	<b>3,116,000</b>
<b>Communication and Info Tech</b>				
Salaries/Fringes	230,000	247,271	246,000	408,000
Travel/Training/Employee Expenses	18,500	8,438	18,500	14,000
Computer Equipment/Software	250,000	169,005	175,000	210,000
Consulting/Communications	782,000	857,752	720,000	995,000
<b>Total Communication and Info Tech</b>	<b>1,280,500</b>	<b>1,282,466</b>	<b>1,159,500</b>	<b>1,627,000</b>

**VRE Fiscal Year 2016 Proposed Program Budget**

	<b>FY 2014 Amended</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Budget</b>	<b>FY 2016 Proposed</b>
<b>Engineering and Construction</b>				
Salaries/Fringes	642,000	325,119	670,000	498,000
Travel/Training/Employee Expenses	26,000	7,480	23,500	24,000
Other Professional Services/Other Expenses	152,500	50,571	151,000	196,800
<b>Total Construction and Construction</b>	<b>820,500</b>	<b>383,170</b>	<b>844,500</b>	<b>718,800</b>
<b>Facilities Maintenance</b>				
Salaries/Fringes	119,000	127,878	151,000	159,000
Travel/Training/Employee Expenses	5,000	5,155	-	6,400
Office/Other Professional Service	20,500	5,433	11,000	246,000
Station Electricity/Utilities/Taxes	614,500	935,111	633,000	655,500
Repairs and Maintenance	2,758,000	2,228,818	2,900,000	3,250,000
<b>Total Facilities Maintenance</b>	<b>3,517,000</b>	<b>3,302,395</b>	<b>3,695,000</b>	<b>4,316,900</b>
<b>Procurement and Contract Admin</b>				
Salaries/Fringes	312,000	352,556	348,000	451,000
Travel/Training/Employee Expenses	5,500	2,426	5,500	8,000
<b>Total Procurement and Contract Admin</b>	<b>317,500</b>	<b>354,982</b>	<b>353,500</b>	<b>459,000</b>
<b>Equipment Operations</b>				
Salaries/Fringes	572,000	626,922	873,000	891,000
Travel/Training/Employee Expenses	39,000	21,151	49,000	63,000
Consulting/Admin/Warehouse Management	90,000	94,796	120,000	92,500
Equipment/Warehouse Leases	-	-	821,000	-
Utilities	1,134,000	940,909	1,091,000	1,095,000
Diesel Fuel	5,600,000	4,716,851	5,932,250	5,410,000
Repairs and Maintenance	3,895,000	2,942,792	2,950,000	3,725,000
<b>Total Equipment Operations</b>	<b>11,330,000</b>	<b>9,343,421</b>	<b>11,836,250</b>	<b>11,276,500</b>
<b>Safety and Security</b>				
Salaries/Fringes	116,000	127,058	125,000	215,000
Travel/Training/Employee Expenses	6,500	5,128	11,300	17,500
Office/Other Professional Services	126,000	127,116	140,000	183,000
Yard/Station Security	275,000	409,433	310,000	415,000
<b>Total Safety and Security</b>	<b>523,500</b>	<b>668,735</b>	<b>586,300</b>	<b>830,500</b>
<b>PRTC</b>				
Professional Services	102,000	88,320	104,000	104,000
<b>Total PRTC</b>	<b>102,000</b>	<b>88,320</b>	<b>104,000</b>	<b>104,000</b>
<b>NVTC</b>				
Professional Services	80,000	80,000	80,000	80,000
<b>Total NVTC</b>	<b>80,000</b>	<b>80,000</b>	<b>80,000</b>	<b>80,000</b>
<b>Train Operations</b>				
Contract Operations and Maintenance	14,639,128	14,210,422	15,013,388	15,060,000
<b>Total Train Operations</b>	<b>14,639,128</b>	<b>14,210,422</b>	<b>15,013,388</b>	<b>15,060,000</b>
<b>Amtrak</b>				
Contract Operations and Maintenance	4,459,000	4,242,926	4,582,942	4,640,000
<b>Total Amtrak</b>	<b>4,459,000</b>	<b>4,242,926</b>	<b>4,582,942</b>	<b>4,640,000</b>
<b>Maintenance of Equipment</b>				
Maintenance of Equipment	4,401,320	4,150,665	5,227,725	5,871,000
<b>Total Maintenance of Equipment</b>	<b>4,401,320</b>	<b>4,150,665</b>	<b>5,227,725</b>	<b>5,871,000</b>
<b>Amtrak Access Fees</b>				
Access Fees	5,660,000	5,515,779	6,000,000	6,390,000
<b>Total Amtrak Access Fees</b>	<b>5,660,000</b>	<b>5,515,779</b>	<b>6,000,000</b>	<b>6,390,000</b>
<b>Norfolk Southern</b>				
Access Fees	2,491,552	2,470,224	2,590,000	2,720,000
Contract Operations and Maintenance	598,448	578,448	620,000	620,000
<b>Total Norfolk Southern</b>	<b>3,090,000</b>	<b>3,048,672</b>	<b>3,210,000</b>	<b>3,340,000</b>
<b>CSXT</b>				
Access Fees	5,170,000	5,195,130	5,892,500	6,450,000
Contract Operations and Maintenance	480,000	506,863	500,000	510,000
<b>Total CSXT</b>	<b>5,650,000</b>	<b>5,701,993</b>	<b>6,392,500</b>	<b>6,960,000</b>
<b>CIP Expenditures</b>				
CIP Expenditures	60,413,015	-	46,410,000	46,315,000
<b>Total CIP Expenditures</b>	<b>60,413,015</b>	<b>-</b>	<b>46,410,000</b>	<b>46,315,000</b>
<b>CIP VRE - Non-Departmental</b>				
Allowance for Doubtful Accounts	50,000	810	50,000	50,000
Debt Service	13,594,559	13,618,423	6,714,870	6,714,870
<b>Total CIP VRE - Non-Departmental</b>	<b>13,644,559</b>	<b>13,619,233</b>	<b>6,764,870</b>	<b>6,764,870</b>
<b>Total Expenditures</b>	<b>147,196,263</b>	<b>81,036,423</b>	<b>127,989,601</b>	<b>128,431,611</b>

9

## Assumptions for Six Year Financial Forecast

1. Operating ratio maintained at 50% or higher
2. Level of Service
  - a. 34 trains for FY 2016
  - b. 34 trains for FY 2017
  - c. 34 trains for FY 2018
  - d. 34 trains for FY 2019
  - e. 34 trains for FY 2020
  - f. 34 trains for FY 2021
3. Operating Costs
  - a. Increase in base costs varies by year, based on annual ridership increase
  - b. Keolis, Amtrak, fuel, track leases and debt service tracked separately
4. Fare Revenue
  - a. Increased 4% in FY 2016 and 5% in FY 2018 and FY 2020
5. Other Revenue:
  - a. Interest income increases at 0% per year
  - b. Other income increases 0% per year
6. Grant Income:
  - a. Access lease funding equal to 84% of access lease expenses – assumes Commonwealth to fund track access lease cost for all additional trains
  - b. Federal capital program is shown as in six year CIP
    - i. Level funding compared from FY 2015 – FY 2021
  - c. State operating based on grant with a 3% annual increase
  - d. State capital grant matched at 16% in FY 2016 – FY 2021 with exception of track access fees and state-only projects
7. Local Subsidy:
  - a. No increase in FY 2016, FY 2018 – FY2021
  - b. 5% increase in FY 2017



**FY16 Six Year Financial Forecast**

Description	FY15	FY16	FY17	FY18	FY19	FY20	FY21	Comments
<b>Number of Trains</b>	34	34	34	34	34	34	34	
Manassas Line	18	18	18	18	18	18	18	
Fredericksburg Line	16	16	16	16	16	16	16	
Average Daily Ridership	19,200	19,300	20,100	20,800	21,400	21,800	22,200	
Average Fare Price	7.60	8.00	8.00	8.40	8.40	8.82	8.82	5% FY18; FY20
Potential Operating Ratio	50%	56%	57%	60%	60%	62%	61%	
<b>Use of Funds for Operations</b>								
Net Operating Expenses	23,751,395	23,880,741	23,527,164	24,232,979	24,959,968	25,708,767	26,480,030	
Budgeted Operating Reserves	554,533	0	84,358	269,465	278,253	287,332	296,713	17% reserve
Insurance	4,200,000	3,950,000	4,350,000	4,450,000	4,600,000	4,750,000	4,850,000	
Amtrak	4,592,942	4,640,000	4,825,600	5,018,624	5,219,369	5,428,144	5,645,269	
Contracted Train Operations	20,241,112	15,060,000	15,511,800	15,977,154	16,456,469	16,950,163	17,458,668	
Maintenance of Equipment		5,871,000	6,047,130	6,228,544	6,415,400	6,607,862	6,806,098	
Fuel	5,932,250	5,310,000	5,522,400	5,743,296	5,973,028	6,211,949	6,460,427	
Track Lease Expense	15,602,500	16,690,000	17,360,000	18,050,000	18,770,000	19,520,000	20,310,000	
Debt Service	6,714,870	6,714,870	6,714,870	6,714,870	6,714,870	6,714,870	6,714,870	
Total Operating Costs	81,579,601	82,116,611	83,943,321	86,684,931	89,387,356	92,179,086	95,022,075	
<b>Sources of Funds For Operations</b>								
Fare Revenue	36,900,000	38,890,000	40,500,000	44,000,000	45,300,000	48,400,000	49,300,000	
Interest Income	15,300	20,000	20,000	20,000	20,000	20,000	20,000	
Other Income	405,000	165,000	165,000	165,000	165,000	165,000	165,000	Operating reserve transfer
Other	7,508,800	1,070,000						
State Operating Grant	10,300,000	8,100,000	8,343,000	8,593,290	8,851,089	9,116,621	9,390,120	
State Capital Grant	3,709,133	4,227,808	4,355,108	4,486,208	4,094,654	4,237,154	4,387,254	
Federal Grants:								
Track Access Lease Funding	10,141,625	10,848,500	11,284,000	11,732,500	12,200,500	12,688,000	13,201,500	
Federal Operating Funds (Debt service & loans)	5,283,542	5,283,542	5,283,542	5,283,542	5,283,542	5,283,542	5,283,542	
Other Federal Revenues	520,000	520,000	520,000	520,000	520,000	520,000	520,000	Includes debt service and soft capital revenue
Total Operating Revenues	74,783,401	69,124,851	70,470,651	74,800,541	76,434,785	80,430,318	82,267,417	
Surplus/(Deficit) for Operations	(6,796,200)	(12,991,760)	(13,472,670)	(11,884,390)	(12,952,570)	(11,748,768)	(12,754,658)	
Local Subsidy	16,428,800	16,428,800	17,250,240	17,250,240	17,250,240	17,250,240	17,250,240	5% FY17
Net subsidy available for capital match	9,632,600	3,437,040	3,777,570	5,365,850	4,297,670	5,501,472	4,495,582	
<b>Use of Funds for Capital Program</b>								
Capital Cost Base Program	46,410,000	46,315,000	32,039,000	30,009,000	28,264,000	26,495,000	23,895,000	
Total Capital Program Costs	46,410,000	46,315,000	32,039,000	30,009,000	28,264,000	26,495,000	23,895,000	
<b>Sources of Funds for Capital Program</b>								
Federal Grants:								
Federal funding	24,356,000	23,362,200	24,306,000	22,602,400	20,211,200	18,796,000	16,716,000	80%
Federal funding - Track Access	65%	65%	65%	65%	65%	65%	65%	65%
Matching Funds								
State Capital Grants - non-federal costs	12,421,400	18,570,760	3,965,200	3,638,900	4,285,000	3,931,200	3,411,200	
Local/Other Funds		945,000						
Net local subsidy available for capital match	9,632,600	3,437,040	3,777,570	5,365,850	4,297,670	5,501,472	4,495,582	
Total Sources of Funding for Capital Program	46,410,001	46,315,001	32,048,771	31,607,050	28,793,870	28,228,673	24,622,783	
Add'l funds required to fund Operations and Capital:								
Additional required for operations/base program	0	(0)	9,770	1,598,050	529,870	1,733,672	727,782	
Cumulative Total to Fully Fund Ops and Cap	0	(0)	9,770	1,607,820	2,137,689	3,871,361	4,599,143	

Note: Capital Program does not include debt service

## Debt and Financial Ratios

Strive to attain the following financial ratios over the course of the Six-Year Plan:

- Operating cost ratio higher than 50%
- Debt service as a percent of annual budget not greater than 20%
- Working capital reserves that are on average not less than 2 months of operating expenditures, with a goal of increasing to 3 months over a 10 year period
- Percent of pay-as-you-go financing equal to a minimum of 20% of the total funded portion of the capital program over the term of the capital program

Description	FY16	FY17	FY18	FY19	FY 20	FY 21
<i>Operating cost ratio (cost recovery) higher than 50%</i>						
<i>Projected</i>	<i>56%</i>	<i>57%</i>	<i>60%</i>	<i>60%</i>	<i>62%</i>	<i>61%</i>
<i>Debt service limited to 20% of annual operating costs:</i>						
Total operating costs	82,116,611	83,943,321	86,684,931	89,387,356	92,179,086	95,022,075
Existing annual debt service cost	6,714,870	6,714,870	6,714,870	6,714,870	6,714,870	6,714,870
Existing debt service as a % of operating costs	8.2%	8.0%	7.7%	7.5%	7.3%	7.1%
<i>Working capital reserves not less than 2 months and goal of 3 months by 2023</i>						
<i>Number of months</i>	<i>2.6</i>	<i>2.5</i>	<i>2.5</i>	<i>2.4</i>	<i>2.4</i>	<i>2.4</i>
<i>PAYGO equal to a minimum of 20% of the funded portion of the CIP over the 6-year period:</i>						
Funded portion of CIP	46,315,000	32,039,000	30,009,000	28,264,000	26,495,000	23,895,000
PAYGO %	100%	100%	100%	100%	100%	100%



**VIRGINIA RAILWAY EXPRESS**  
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**Virginia Railway Express**  
**Amended Fiscal Year 2015 Budget**

December 19, 2014



**VIRGINIA RAILWAY EXPRESS**  
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## Amended Budget Assumptions for FY 2015

### ☐ Revenue

- The state operating grant is decreased by \$1.6M to reflect the lower grant award
- Decrease to federal funds of \$2.3M and increase to state funds of \$2.6M to reflect revision in federal/state funding for track access
- Decrease in fare revenue due to both postponement of the Fredericksburg line train (\$238k) and reduction in the state participation for the Step-up subsidy (\$120k) for a total of \$358k

### ☐ Expenses

- Train Operations, Track Access, and Equipment Operations decreased by \$1.4M due to revising the start date of the Fredericksburg line train
- Facilities increased by \$550k due to office expansion (rental costs of additional office space plus improvements to the communications room)
- Safety and Security costs increased by \$150k for Broad Run station foliage removal in accordance with the recommendation of the Threat and Vulnerability Assessment and for 24/7 security coverage at the train yards
- Decrease in Contingency by \$450k
- Funding for FY 2016 additional positions added for three months in FY 2015 for a total cost of \$82k, which is funded from contingency

### ☐ Capital Program

- Capital projects increased by \$8k. Major revisions include:
  - Security cameras: \$500k
  - Decrease of Project Development funds: \$452k

### ☐ Use of FY 2014 Surplus

- \$1.1M for expanding office space in Alexandria and security cameras for both stations and yards in the FY 2015 amended budget
- \$945k for the local match for the nine expansion railcars in the FY 2016 budget
- \$1.1M for programmed one-time expenses in FY 2016, primarily in Project Development
- \$4.7M additional surplus to be contributed to the capital reserve



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## VRE Fiscal Year 2015 Proposed Amended Budget

	FY 2015 Budget	FY 2015 Amended	Changes
<b>Revenue:</b>			
<b>VRE - Non-Departmental</b>			
Fare Revenue	36,900,000	36,662,000	(238,000)
Miscellaneous Revenue	165,000	165,000	-
Appropriation from Reserve	2,000,000	2,677,000	677,000
Jurisdictional Revenue	16,428,800	16,428,800	-
Other Revenue	5,508,800	2,832,000	(2,676,800)
State Operating Grant	10,300,000	8,700,000	(1,600,000)
Federal Grants - Operations and Debt	15,945,167	13,489,542	(2,455,625)
State Grants - Operations and Debt	3,949,133	6,403,188	2,454,055
Federal Grants - Capital Program	24,356,000	25,876,000	1,520,000
State Grants - Capital Program	12,421,400	13,538,200	1,116,800
Interest Income	15,300	15,300	-
<b>Total Revenue</b>	<u>127,989,601</u>	<u>126,787,031</u>	<u>(1,202,570)</u>
<b>Expenditures:</b>			
<b>VRE - Non-Departmental</b>			
Liability Insurance	4,200,000	4,200,000	-
Operating Reserve/Contingency	1,936,152	1,324,082	(612,070)
Other	2,000,000	2,000,000	-
VRE-Financing-Administration Fees	-	-	-
<b>Total VRE - Non-Departmental</b>	<u>8,136,152</u>	<u>7,524,082</u>	<u>(612,070)</u>
<b>Executive Management</b>			
Salaries/Fringes	506,000	506,000	-
Travel/Training/Employee Expenses	24,000	24,000	-
Board Member Expenses	3,000	3,000	-
Legal/Audit	75,000	75,000	-
Consulting/Professional/Other	279,000	279,000	-
<b>Total Executive Management</b>	<u>887,000</u>	<u>887,000</u>	<u>-</u>
<b>Passenger Support Services</b>			
Salaries/Fringes	277,000	277,000	-
Travel/Training/Employee Expenses	15,600	15,600	-
Communication/Other	79,000	79,000	-
Office Administration Expenses	73,500	73,500	-
<b>Total Passenger Support Services</b>	<u>445,100</u>	<u>445,100</u>	<u>-</u>
<b>Chief of Staff/Public Affairs</b>			
Salaries/Fringes	372,000	372,000	-
Travel/Training/Employee Expenses	13,500	13,500	-
PR/Special Events/Consulting	55,500	55,500	-
<b>Total Chief of Staff/Public Affairs</b>	<u>441,000</u>	<u>441,000</u>	<u>-</u>

## VRE Fiscal Year 2015 Proposed Amended Budget

	FY 2015 Budget	FY 2015 Amended	Changes
<b>Marketing</b>			
Salaries/Fringes	153,000	153,000	-
Travel/Training/Employee Expenses	3,000	3,000	-
Production/Media/Promotion/Other	260,000	260,000	-
Special Events/Other	34,000	34,000	-
<b>Total Marketing</b>	450,000	450,000	-
<b>Planning</b>			
Salaries/Fringes	402,000	402,000	-
Travel/Training/Employee Expenses	6,900	6,900	-
Professional Services/Consulting/Other	541,225	541,225	-
<b>Total Planning</b>	950,125	950,125	-
<b>Operations and Communications</b>			
Salaries/Fringes	469,750	469,750	-
Travel/Training/Employee Expenses	18,500	18,500	-
Printing/Admin/Other	238,000	238,000	-
Ticket Stock/R&M Fare Collection	885,000	885,000	-
<b>Total Customer Communications</b>	1,611,250	1,611,250	-
<b>Budget and Finance</b>			
Salaries/Fringes	921,000	950,000	29,000
Travel/Training/Employee Expenses	9,500	9,500	-
Audit/Maint Service Agreements/Consulting	157,000	157,000	-
Retail Sales/TLC Commissions	1,440,000	1,440,000	-
Bank Discounts/Other	281,000	281,000	-
<b>Total Budget and Finance</b>	2,808,500	2,837,500	29,000
<b>Communication and Info Tech</b>			
Salaries/Fringes	246,000	246,000	-
Travel/Training/Employee Expenses	18,500	18,500	-
Computer Equipment/Software	175,000	175,000	-
Consulting/Communications	720,000	720,000	-
<b>Total Communication and Info Tech</b>	1,159,500	1,159,500	-
<b>Engineering and Capital Projects</b>			
Salaries/Fringes	670,000	670,000	-
Travel/Training/Employee Expenses	23,500	23,500	-
Other Professional Services/Other Expenses	151,000	151,000	-
<b>Total Construction and Cap Proj</b>	844,500	844,500	-
<b>Facilities Maintenance</b>			
Salaries/Fringes	151,000	151,000	-
Travel/Training/Employee Expenses	-	-	-
Office/Other Professional Service	11,000	558,000	547,000
Station Electricity/Utilities/Taxes	628,000	628,000	-
Repairs and Maintenance	2,905,000	2,905,000	-
<b>Total Facilities Maintenance</b>	3,695,000	4,242,000	547,000

## VRE Fiscal Year 2015 Proposed Amended Budget

	FY 2015 Budget	FY 2015 Amended	Changes
<b>Purchasing and Contract Admin</b>			
Salaries/Fringes	348,000	377,000	29,000
Travel/Training/Employee Expenses	5,500	5,500	-
<b>Total Purchasing and Contract Admin</b>	353,500	382,500	29,000
<b>Equipment Operations</b>			
Salaries/Fringes	873,000	873,000	-
Travel/Training/Employee Expenses	49,000	49,000	-
Consulting/Admin/Management/Vehicle Exp	120,000	170,000	50,000
Equipment/Warehouse Leases	821,000	-	(821,000)
Utilities	1,091,000	1,091,000	-
Diesel Fuel	5,932,250	5,821,000	(111,250)
Repairs and Maintenance - Rolling Stock	2,950,000	2,900,000	(50,000)
<b>Total Equipment Operations</b>	11,836,250	10,904,000	(932,250)
<b>Safety and Security</b>			
Salaries/Fringes	125,000	149,000	24,000
Travel/Training/Employee Expenses	11,300	11,300	-
Office/Other Professional Services	80,000	155,000	75,000
Yard/Station Security	370,000	442,000	72,000
<b>Total Safety and Security</b>	586,300	757,300	171,000
<b>PRTC</b>			
Professional Services	104,000	104,000	-
<b>Total PRTC</b>	104,000	104,000	-
<b>NVTC</b>			
Professional Services	80,000	80,000	-
<b>Total NVTC</b>	80,000	80,000	-
<b>Train Operations/Maint of Equipment</b>			
Contract Operations and Maintenance	20,241,112	20,029,362	(211,750)
<b>Total Keolis</b>	20,241,112	20,029,362	(211,750)
<b>Amtrak</b>			
Contract Operations and Maintenance	4,582,942	4,582,942	-
<b>Total Amtrak</b>	4,582,942	4,582,942	-
<b>Amtrak Access Fees</b>			
Access Fees	6,000,000	5,928,000	(72,000)
<b>Total Amtrak Access Fees</b>	6,000,000	5,928,000	(72,000)
<b>Norfolk Southern</b>			
Access Fees	2,590,000	2,590,000	-
Contract Operations and Maintenance	620,000	620,000	-
<b>Total Norfolk Southern</b>	3,210,000	3,210,000	-

# VRE Fiscal Year 2015 Proposed Amended Budget

	<u>FY 2015 Budget</u>	<u>FY 2015 Amended</u>	<u>Changes</u>
<b>CSXT</b>			
Access Fees	5,892,500	5,734,000	(158,500)
Contract Operations and Maintenance	500,000	500,000	-
<b>Total CSXT</b>	<u>6,392,500</u>	<u>6,234,000</u>	<u>(158,500)</u>
<b>CIP Expenditures</b>			
CIP Expenditures	46,410,000	46,418,000	8,000
<b>Total CIP Expenditures</b>	<u>46,410,000</u>	<u>46,418,000</u>	<u>8,000</u>
<b>CIP VRE - Non-Departmental</b>			
Allowance for Doubtful Accounts	50,000	50,000	-
Debt Service	6,714,870	6,714,870	-
<b>Total CIP VRE - Non-Departmental</b>	<u>6,764,870</u>	<u>6,764,870</u>	<u>-</u>
<b>Total Expenditures</b>	<u>127,989,601</u>	<u>126,787,031</u>	<u>(1,202,570)</u>

# FY 2016 PROPOSED BUDGET



**DECEMBER 19, 2014**



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# BUDGET PROCESS

- Budget guidelines - June
- Preliminary budget – September
- Capital Committee discussions
  - Ensure adherence to financial and debt management policies
- CAO Task Force review
- ***Proposed budget – December***
  - Referred to Commissions and jurisdictions
  - Incorporation of System Plan projects
- Basis of state, federal and NVTA requests



# BUDGET CONTENT

- Recommended FY 2016 Operating and Capital Budget
- Revised FY 2015 Operating and Capital Budget
- Financial planning information:
  - Six-year financial plan (includes both operating and capital information)
  - FY 2016 – FY 2021 Capital Improvement Program (CIP)



# MAJOR ASSUMPTIONS - OPERATING

- Jurisdictional subsidy:
  - Option 1: \$16,428,800 – no increase from FY 2015 level
  - Option 2: \$16,798,800 – increase of 2.3% or \$370,000
- Fare increase and ridership:
  - Option 1: \$38.9M - 4% fare increase, ADR of 19,300
  - Option 2: \$38.5M - 3% fare increase, ADR of 19,300
- Factors considered in ridership estimate:
  - New Fredericksburg train/backfill on other trains
  - Regional growth and traffic congestion
  - Hot-lanes on I-95
  - Fare increase, changes to step-up program, transit subsidy level

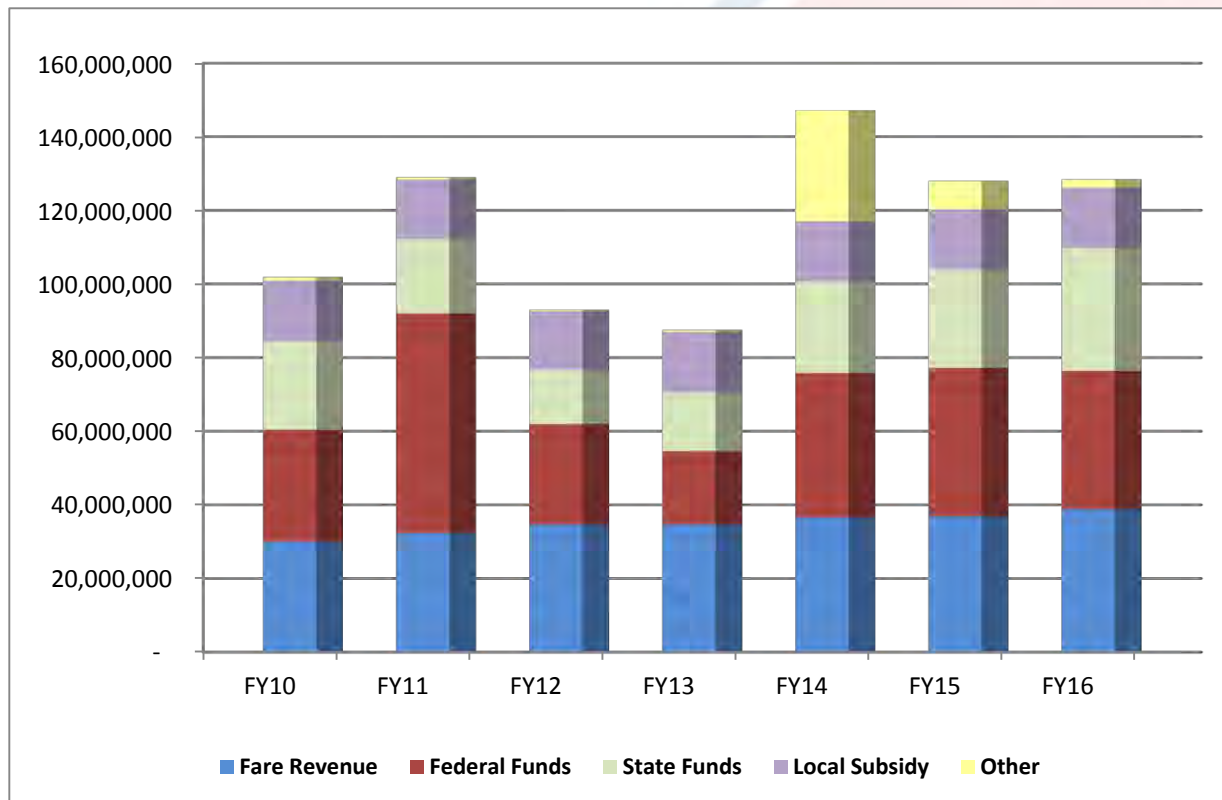


# MAJOR ASSUMPTIONS - OPERATING

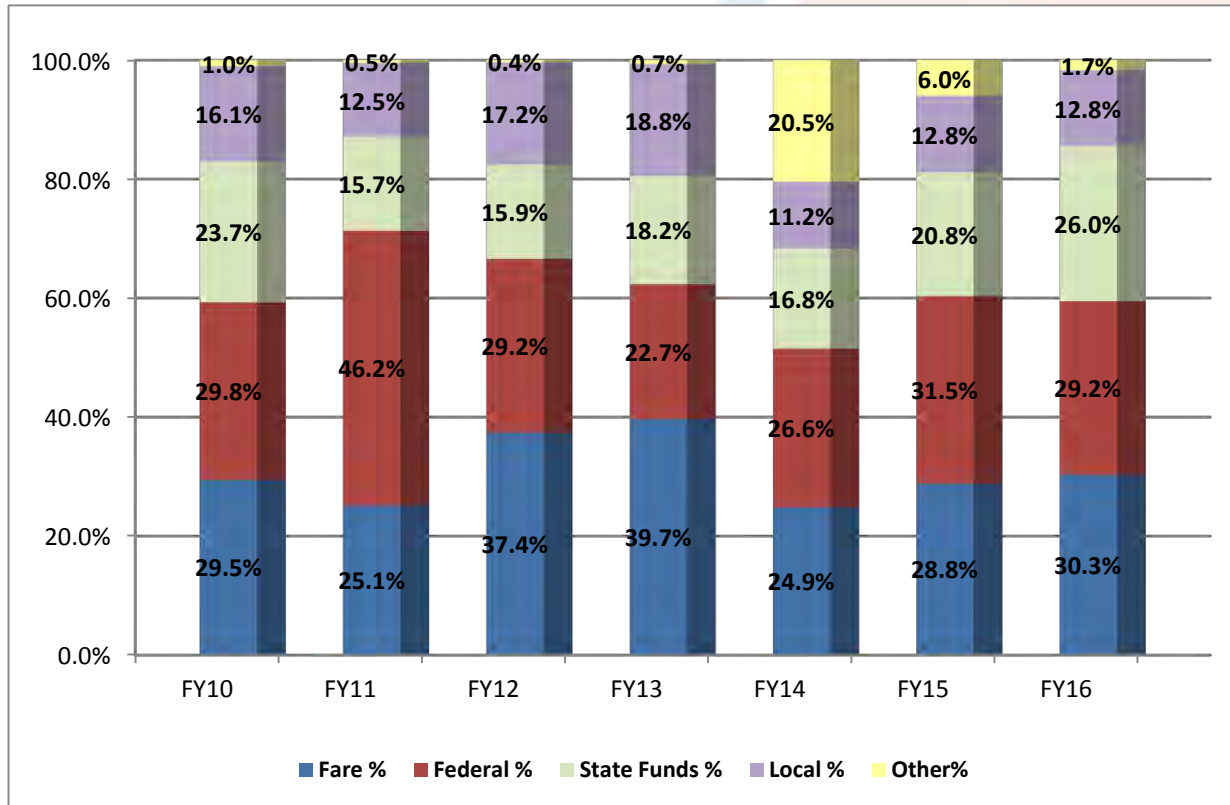
- Fuel - \$3.25/gallon for a total cost of \$5.3 million
- Grant funding for track access costs - 84%; equal to FY 2015
- State operating funds - \$8.1 million
  - 10% decrease to FY 2015 funding level of \$9.0 million
- Replacement of contract staff with three FTEs for materials management at Crossroads yard (cost neutral)
- Addition of three FTE employees in finance, procurement, and safety and security, and funds added for contract assistance in project development.
- Spotsylvania station opens summer 2015
- Maintain service at 34 trains (32 revenue)
  - Additional Fredericksburg line train begins service in spring 2015



# SOURCES OF FUNDS – OPTION ONE



# SOURCES OF FUNDS – PERCENTAGES OPTION ONE



# MAJOR ASSUMPTIONS – CAPITAL

- Federal formula funds - \$21.2M in FY 2016
  - Current programs: 5307 and 5337 (State of Good Repair)
  - Trade of SGR funds with WMATA
  - Amount received MAP-21 (FY 2014 & FY 2015) - \$28.0M
  - Amount received pre-MAP-21 - \$13.3M
  - FY 2015 CROmnibus legislation indicates funding for FY 2016 may be equal to FY 2015
- State capital funds - \$18.9M in FY 2016:
  - 68%/34%/17% depending on use with minimum 4% local
  - Largest request - \$16.1M toward \$23.6M rail car purchase
- Use of CMAQ, NVTA and REF funds



# FY 2016 CAPITAL BUDGET

- Major projects:
  - Nine expansion railcars - \$23.6M
  - Facilities infrastructure - \$5.4M
    - Includes \$1.2M for the Fredericksburg station platform and concrete rehab
  - Equipment storage - \$3.4M
  - Life cycle maintenance of equipment - \$1.9M
    - Total budget through FY 2021 - \$24.1M
  - Capital reserve contribution - \$3.0M
  - Security/Transit enhancements - \$200k
  - Lorton platform extension - \$1.5M (CMAQ)
  - Rippon second platform - \$2.3M (CMAQ)
  - Brooke/Leeland second platform - \$5.0M (REF)



# FY 2016-2021 CIP

- Continuation of expanded CIP
  - **Programmed** – formula funds or discretionary funds already awarded
  - **Unprogrammed** – generally shown in FY 2021 except for pending NVTAs application
  - Only programmed funds in FY 2016 Capital Budget
- Contribution to Capital Reserve - \$3M annually
  - Unallocated balance at end of FY15 - \$13.3M
  - Unallocated balance at end of FY16 - \$16.3M
  - Increase needed to support System Plan projects
  - Financial Plan
    - Quantify need for new funding streams and review alternatives
    - Develop target range for Capital Reserve



# FY 2016 – 2021 CIP PROGRAMMED

- Programmed - \$529.2M
  - Track access - \$141.0M
  - Equipment storage - \$53.0M
  - 15 replacement railcars - \$38.4M
  - Debt service - \$38.2M
  - 14 expansion railcars - \$36.8M
  - Equipment life cycle maintenance - \$24.1M
  - Maintenance facility - \$22.5M
  - Capital reserve - \$21.0M
  - Lorton station - \$18.6M
  - Brooke/Leeland - \$17.8M



# FY 2016 – 2021 CIP UNPROGRAMMED

- Unprogrammed - \$675.1M
  - Gainesville/Haymarket - \$292.0M
  - Locomotives/Railcars (expansion) - \$84.0M
  - CSX – Fredericksburg line third track - \$72.0M
  - Equipment storage - \$50.0M
  - Fredericksburg station - \$39.1M
  - Manassas Park station - \$27.0M
  - Rolling Road station - \$15.5M
  - Franconia/Springfield station - \$13.0M
  - Broad Run station - \$11.4M
  - Rippon Station - \$10.0M



# FINANCIAL AND DEBT POLICIES

- CIP & Budget developed in conformance with Financial and Debt Management Principles:
  - Project selection based on priority areas
    - Regulatory, maintenance, current service, passenger safety
  - Asset management plans for all major capital assets
    - Life cycle plan for rolling stock; facilities plan in process
  - Maintenance reserve to meet peak needs IF no reliable source of funding
    - Federal SGR available to meet this need
  - Assessment of impact of long-term debt
    - If recommended, impact shown through ratios and six-year plan



# FINANCIAL AND DEBT POLICIES

Description	FY16	FY17	FY18	FY19	FY 20	FY 21
<b>Operating cost ratio (cost recovery) higher than 50%</b>						
<b>Projected</b>	<b>56%</b>	<b>57%</b>	<b>60%</b>	<b>60%</b>	<b>62%</b>	<b>61%</b>
<b>Debt service limited to 20% of annual operating costs:</b>						
Total operating costs	82,116,611	83,943,321	86,684,931	89,387,356	92,179,086	95,022,075
Existing annual debt service cost	6,714,870	6,714,870	6,714,870	6,714,870	6,714,870	6,714,870
<b>Existing debt service as a % of operating costs</b>	<b>8.2%</b>	<b>8.0%</b>	<b>7.7%</b>	<b>7.5%</b>	<b>7.3%</b>	<b>7.1%</b>
<b>Working capital reserves not less than 2 months and goal of 3 months by 2023</b>						
<b>Number of months</b>	<b>2.6</b>	<b>2.5</b>	<b>2.5</b>	<b>2.4</b>	<b>2.4</b>	<b>2.4</b>
<b>PAYGO equal to a minimum of 20% of the funded portion of the CIP over the 6-year period:</b>						
Funded portion of CIP	46,315,000	32,039,000	30,009,000	28,264,000	26,495,000	23,895,000
<b>PAYGO %</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>



# BASELINE FY 2016 BUDGET

Description	Budget	Budget	Difference
	FY 2015	FY 2016	
Fare Revenue	36,900,000	38,890,000	1,990,000
Local Subsidy	16,428,800	16,428,800	(0)
Federal/State	66,971,701	70,912,811	3,941,110
Other	7,689,100	2,200,000	(5,489,100)
Total	127,989,601	128,431,611	442,010
Operating Expenses	17,369,774	18,965,650	1,595,876
Fuel	5,932,250	5,310,000	(622,250)
R&M - Railcars/Loco	2,950,000	3,725,000	775,000
Train Operations	20,241,112	20,931,000	689,888
Amtrak	4,582,942	4,640,000	57,058
Insurance	4,200,000	3,950,000	(250,000)
Access Fees	15,602,500	16,690,000	1,087,500
Total Operating	70,878,578	74,211,650	3,333,072
Reserves/Contingency	3,936,152	1,140,091	(2,796,061)
Debt Payments	6,764,870	6,764,870	-
Capital Program	46,410,000	46,315,000	(95,000)
Total	127,989,601	128,431,611	442,011
Net Unfunded		-	0



# MAJOR EXPENSE CHANGES

- Total budget increase - \$442k
- Operating Expenses - \$3.3M increase
  - Access fees - \$1.1M for additional train and contractual increases
  - R&M – Locomotives/Railcars - \$775k for PTC
  - Train operations - \$690k for CPI increase and contingency
  - Project development - \$460k for consulting/other professional services
  - R&M – Facilities - \$350k for Spotsylvania station and Alexandria office expansion rent
  - Additional staff - \$300k for three positions (salary and fringes)
  - Fuel – \$620k decrease for lower per gallon fuel projection
- Other operating expenses - \$2.8M decrease:
  - Mobilization - \$2.0M decrease (one-time funding from FY15)
  - Operating Reserve – \$550k decrease (eliminated for FY16)
  - Insurance – \$250k decrease based on claim history



# FARE/SUBSIDY

- 4% fare increase effective July 1, 2015
  - Revenue increase - \$1.14M
  - Last fare increases – 3% on July 1, 2012; 4% on July 1, 2013
- Step Up ticket cost increase to the rider from \$3 to \$5 when state subsidy ends
- Assumes no increase to jurisdictional subsidy
  - Last subsidy increase – 3% on July 1, 2012
- Alternative Option: 3% fare increase and 2.3% subsidy increase
  - Revenue increase from fares - \$770k
- With either option, a 5% subsidy increase is programmed for FY 2017



# RIDERSHIP CHANGES

	Oct 2014 Survey	Oct 2013 Survey		
	FY16 Riders	FY15 Riders	Change	% Change
Prince William County	2,910	3,292	(382)	-11.6%
Fairfax County	2,099	2,351	(252)	-10.7%
Stafford County	1,837	1,938	(101)	-5.2%
Spotsylvania County	1,075	1,111	(36)	-3.2%
City of Manassas	463	443	20	4.5%
City of Fredericksburg	369	461	(92)	-20.0%
City of Manassas Park	328	253	75	29.6%
Other	770	855	(85)	-9.9%
Total	9,851	10,704	(853)	-8.0%



# SUBSIDY BREAKDOWN – NO INCREASE

	FY 2015	FY 2016	Net	%
Jurisdiction	Subsidy	Subsidy	Inc/(Dec)	Change
Prince William County	\$ 5,485,333	\$ 5,309,674	(175,659)	-3.3%
Fairfax County	4,852,953	4,847,284	(5,669)	-0.1%
Stafford County	2,689,391	2,855,607	166,216	5.8%
Spotsylvania County	1,401,382	1,303,888	(97,494)	-7.5%
Manassas	686,944	766,491	79,547	10.4%
Manassas Park	401,762	576,699	174,937	30.3%
Fredericksburg	581,244	439,366	(141,878)	-32.3%
Alexandria	133,894	133,894	-	0.0%
Arlington	195,897	195,897	-	0.0%
Total Subsidy	\$ 16,428,800	\$ 16,428,800	\$ 0	



# SUBSIDY BREAKDOWN – 2.25% INCREASE

	<b>FY 2015</b>	<b>FY 2016</b>	<b>Net</b>	<b>%</b>
<b>Jurisdiction</b>	<b>Subsidy</b>	<b>Subsidy</b>	<b>Inc/(Dec)</b>	<b>Change</b>
Prince William County	\$ 5,485,333	\$ 5,424,430	(60,903)	-1.1%
Fairfax County	4,852,953	4,920,392	67,439	1.4%
Stafford County	2,689,391	2,932,764	243,373	8.3%
Spotsylvania County	1,401,382	1,352,553	(48,829)	-3.6%
Manassas	686,944	785,497	98,553	12.5%
Manassas Park	401,762	589,830	188,068	31.9%
Fredericksburg	581,244	456,122	(125,122)	-27.4%
Alexandria	133,894	136,907	3,013	2.2%
Arlington	195,897	200,305	4,408	2.2%
Total Subsidy	\$ 16,428,800	\$ 16,798,800	\$ 370,000	



# PROPOSED FARES – 4% INCREASE

4% Increase	Current		
	Monthly	10 Trip	Single
Fredericksburg to Union Station	305.90	101.50	11.10
Broad Run to Union Station	250.80	83.20	9.10
	Proposed		
	Monthly	10 Trip	Single
Fredericksburg to Union Station	318.10	105.60	11.50
Broad Run to Union Station	260.80	86.50	9.50
	Difference		
	Monthly	10 Trip	Single
Fredericksburg to Union Station	12.20	4.10	0.40
Broad Run to Union Station	10.00	3.30	0.40



# PROPOSED FARES – 3% INCREASE

	Current		
3% Increase	Monthly	10 Trip	Single
Fredericksburg to Union Station	305.90	101.50	11.10
Broad Run to Union Station	250.80	83.20	9.10
	Proposed		
	Monthly	10 Trip	Single
Fredericksburg to Union Station	315.10	104.50	11.40
Broad Run to Union Station	258.30	85.70	9.40
	Difference		
	Monthly	10 Trip	Single
Fredericksburg to Union Station	9.20	3.00	0.30
Broad Run to Union Station	7.50	2.50	0.30



# CAO TASKFORCE RECOMMENDATIONS

- Supports maintaining the jurisdictional subsidy at \$16.4M
- Supports 4% fare increase
- Supports additional positions
- Adopt a constrained system plan. Current system plan is unconstrained.
- Develop appropriate goal for local capital reserve contribution
- Include facility and programmatic costs of capital projects in Six Year Plan



# QUESTIONS?



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VIRGINIA RAILWAY EXPRESS  
OPERATIONS BOARD

**Agenda Item 9-A**  
**Action Item**

**To: Chairman Milde and the VRE Operations Board**

**From: Doug Allen**

**Date: December 19, 2014**

**Re: Approval of 2015 VRE Officers**

---

**Recommendation:**

The VRE Operations Board is asked to approve the nominees for the 2015 VRE Officers as recommended by the Nominating Committee. The nominees are as follows:

Chairman: John Cook (NVTC)  
Vice Chairman: Gary Skinner (PRTC)  
Secretary: Paul Smedberg (NVTC)  
Treasurer: Maureen Caddigan (PRTC)

Installation of the 2015 VRE Officers shall take place at the January 16, 2015 VRE Operations Board Meeting.

**Background:**

According to the VRE Bylaws, each of the Commissions shall provide two officers from among its Operations Board Members. The offices of Chairman and Vice Chairman shall not be held at the same time by members representing the same jurisdiction or the same appointing Commission and the office of Chairman shall be rotated each year between the two Commissions.



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Transportation Commission  
2300 Wilson Blvd. #620  
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1500 King Street, Suite 202  
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VRE.org



Potomac and Rappahannock  
Transportation Commission  
14700 Potomac Mills Road  
Woodbridge, VA 22192  
703.580.6121

**Virginia Railway Express  
Operations Board**

**Resolution  
9A-12-2014**

**Approval of 2015 VRE Officers**

**WHEREAS**, the VRE Bylaws provides for the annual election of Officers to serve as Chairman, Vice Chairman, Secretary and Treasurer; and,

**WHEREAS**, the Office of Chairman shall be rotated each year between the two Commissions; and,

**WHEREAS**, the Chairman appointed a Nomination Committee and that Committee has made its recommendation of 2015 VRE Officers to the Operations Board;

**NOW, THEREFORE, BE IT RESOLVED THAT**, the VRE Operations Board does hereby affirm the election of John Cook as Chairman, Gary Skinner as Vice Chairman, Paul Smedberg as Secretary and Maureen Caddigan as Treasurer to serve as the 2015 VRE Officers to be installed at the January 16, 2015 Operations Board Meeting.

Approved this 19<sup>th</sup> day of December 2014

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Paul Milde  
Chairman

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Gary Skinner  
Secretary



VIRGINIA RAILWAY EXPRESS  
OPERATIONS BOARD

**Agenda Item 9-F**  
**Action Item**

**To: Chairman Milde and the VRE Operations Board**

**From: Doug Allen**

**Date: December 19, 2014**

**Re: Adoption of the VRE Operations Board Member Recognition Program**

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**Recommendation:**

Adoption of the proposed VRE Operations Board Member Recognition Program and approval of nominated members.

**Background:**

The purpose of this item is to establish a program to recognize and honor members of the VRE Operations Board who played key roles in establishing the VRE service and whose extraordinary efforts contributed to its success. VRE will honor these members of the Operations Board by placing their names on VRE's locomotives.

The VRE Operations Board's Executive Committee has nominated a list of former and current VRE Operations Board members (attached) to receive recognition under the new program.

**Fiscal Impact:**

Adopting this program has minimal fiscal impact.



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**Virginia Railway Express  
Operations Board**

**Resolution  
9F-12-2014**

**Adoption of the VRE Operations Board  
Member Recognition Program**

**WHEREAS**, the VRE Operations Board is grateful for all Operations Board members' service to the VRE; and,

**WHEREAS**, the VRE Operations Board wants to recognize extraordinary service of early and long tenured Operations Board members with significant accomplishments; and,

**WHEREAS**, the VRE Operations Board wants to honor these members by placing their names on VRE locomotives;

**NOW, THEREFORE, BE IT RESOLVED THAT**, the VRE Operations Board does hereby adopt the VRE Operations Board Member Recognition Program, Attachment 1.

**BE IT FURTHER RESOLVED THAT**, the VRE Operations Board does hereby approve the list, Attachment 2, of former and current VRE Operations Board members nominated by the VRE Operations Board Executive Committee for recognition under the new program.

Approved this 19<sup>th</sup> day of December 2014

---

Paul Milde  
Chairman

---

Gary Skinner  
Secretary

## **VRE Operations Board Member Recognition Program**

---

### **Purpose:**

To recognize and honor members of the VRE Operations Board who have played key roles in establishing the VRE service and whose extraordinary efforts have contributed to its success.

### **Eligibility:**

Early or long-tenured members of the VRE Operations Board who have played key roles in establishing VRE and in its success.

### **Form of Recognition:**

Name placed on a VRE locomotive.

### **Selection:**

Nomination by the VRE Operations Board Executive Committee and approval by the VRE Operations Board.

## **Executive Committee Nominations for VRE Operations Board Recognition Program**

---

- Edwin King – Prince William County (Original Member)
- James Hugh Payne Sr.- City of Manassas (First Elected City of Manassas Member)
- Bernard Cohen – VA House of Delegates (Original Member)
- Bob Gibbons - Stafford County (First Elected Stafford Member)
- Sally H. Cooper – VDOT (Original Member)
- Sharon Bulova – Fairfax County (Original and Continuously Serving Member)
- John Jenkins – Prince William County (Long Serving Member)
- Hilda Barg – Prince William County (Long Serving Member)
- Elaine McConnell – Fairfax County (Long Serving Member - previously recognized)

## WORK SESSION #9: TRANSIT ALTERNATIVES ANALYSIS STUDY OF THE ROUTE 7 CORRIDOR

TO: Chairman Smedberg and NVTC Commissioners  
FROM: Kelley Coyner and Claire Gron  
DATE: December 29, 2014  
SUBJECT: Transit Alternatives Analysis Study of the Route 7 Corridor

---

### **Executive Summary**

The Route 7 project team, including Parsons Brinckerhoff, will brief Commissioners on the outcomes of the first phase the Transit Alternatives Analysis Study of the Route 7 Corridor and the expected outcomes of Phase II. The project team seeks a preferred modal option and alignment that is eligible for federal funding and enjoys strong champions among stakeholders and member jurisdictions. Conducted in two phases, the study has already examined multiple modal options and alignments for high capacity transit along the 13-mile Route 7 corridor between Tysons Corner in Fairfax County and the City of Alexandria. With the support of a Technical Advisory Committee (TAC), the project team plans extensive public involvement, including engagement with elected officials through NVTC, transportation and planning leadership in each jurisdiction, and with riders and businesses served by the corridor. The TAC consists of representatives from NVTC member jurisdictions, DRPT, MWCOG/TPB, WMATA, and VDOT. The Study is expected to be completed in March 2016.

### **Background**

Phase I of the study concluded in December 2013. Phase I was funded through a Federal FY 2010 SAFETEA-LU earmark (to the City of Falls Church) and non-federal matching funds. The project team held two public meetings during Phase I of the study. At the conclusion of Phase I, six possible alternatives were identified for further study. They included:

- No-Build Alternative
- Alternative 1-A-B: Bus Rapid Transit from Tysons to King Street Metrorail Station via East Falls Church Metrorail station
- Alternative 1-B-TSM: Transit TSM (Transportation Systems Management)
- Alternative 3-A-B: Bus Rapid Transit from Tysons to Van Dorn Metrorail Station via East Falls Church Metrorail station
- Alternative 3-A-L: Light Rail Transit from Tysons to Van Dorn Metrorail Station via East Falls Church Metrorail station
- Alternative 3-B-B: Bus Rapid Transit from Tysons to Van Dorn Street Metrorail station



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The “Purpose and Need” and “Definition of Alternatives” reports provide additional information on the project and possible alternatives.

Last summer, NVTC received a grant from the Northern Virginia Transportation Authority (NVTA) in the amount of \$838,000 to conduct Phase II work. During Phase II, the remaining six alternatives will be examined in more detail and the preferred mode, alignment, and termini will be determined. In addition to focusing on alignment and modal options, Phase II will explore funding options. NVTC is currently working with PB and the TAC to develop an intensive outreach strategy to engage elected and appointed officials, agency executives and senior staff, and public and community stakeholders. The project will conclude in March 2016.

### **Next Steps**

In addition to regular updates to the NVTCs Commissioners, next steps include:

- December 2014: Finalize Outreach Plan
- January 2015: Presentation to the NVTC Board
- December 2014-February 2015: Development of operating plans for alternatives and connection services
- February-May 2015: Ridership forecasting
- Fall 2015: NVTC Update
- Fall 2015: Public meeting



# NEWS

## January 2015

### I-66 Multimodal Project Expands

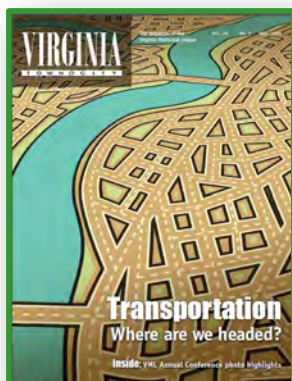
On December 12<sup>th</sup>, Secretary Aubrey Layne announced that the Commonwealth will be evaluating the extension of Express Lanes inside the Beltway along with transit improvements. VDOT and DRPT will hold public hearings on the original scope (outside the beltway) in January. This project seeks to increase the number of lanes, provide for HOT Lanes outside the beltway, and establish a rapid bus transit service. [NVTC provided staff comments](#) on the transit and transportation demand management aspects of the project. Among other things, NVTC asked VDOT how it might incorporate a midday storage option for rapid bus vehicles as part of the project.

### HB2 Implementation Moves Forward

On January 8<sup>th</sup>, Sec. Layne will host a half day workshop on options for implementing [HB2](#). HB2 provides a framework for the evaluation of new capacity transportation projects based upon six different factors. In addition to cost benefit, the factors will include congestion mitigation, economic development, accessibility, safety, and environmental quality. VTA has asked NVTC, along with Hampton Roads Transit, to represent transit in Richmond. This workshop will also be broadcast at the VDOT Northern Virginia headquarters in Fairfax, VA. Virginia officials aim to publish the proposed framework public comment in March and to finalize the it in summer. Stay tuned: NVTC's David Koch is creating a virtual resource center with reference material as well as update on this effort.

### TPB Launches New GHG Working Group

The Transportation Planning Board considered a resolution that commits to establishing a multi-sector, multi-disciplinary working group to set targets and develop an action plan to reduce greenhouse gas emissions. The [Metropolitan Washington Air Quality Committee](#) approved a parallel resolution on December 15<sup>th</sup>.



*"Transit serves Virginians across the state. Transit brings new businesses, transit gets people to work and transit makes the commute on crowded roads better."*

*Del. Tom Rust*

#### In this issue

I-66 Multimodal Project.....	1
HB2 Implementation .....	1
WMATA Updates .....	2
VA Budget Priorities.....	3
P-3 Reform Legislation.....	3
Federal Legislative Action .....	3
Hampton Roads Event. ....	4
Regional Bus Coordination.....	4
NEPP .....	4
Upcoming Events .....	4

#### New Faces

The new Deputy Director of Virginia Department of Rail and Public Transportation (DRPT) is Cheryl Openshaw. [cheryl.openshaw@drpt.virginia.gov](mailto:cheryl.openshaw@drpt.virginia.gov) (804) 371-4056

The new Director of Northern Virginia Transit Programs for DRPT is Todd Horsley. [todd.horsley@drpt.virginia.gov](mailto:todd.horsley@drpt.virginia.gov) (703) 259-2117

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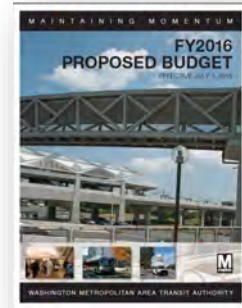
Executive Director  
Kelley Coyner

## WMATA News

### WMATA Releases Proposed FY 2016 Budget

On December 18<sup>th</sup>, WMATA's General Manager released its [Proposed FY 2016 Budget](#). The proposed operating budget for FY2016 is \$1.82 billion, an increase of less than four percent over FY 2015, and includes no fare changes. According to WMATA, the proposed Budget also transfers a limited number of bus routes to local bus operators "toward a broader 'recalibration' of the regional bus network that would allow local jurisdictions to control local bus services and enable Metro to focus on its core mission of providing regional transit services."

Metro's proposed FY2016 capital budget is \$1.31 billion, and the proposed six-year Capital Improvement Program (CIP) supports \$7 billion of investment to continue system rebuilding, advancing safety and state of good repair investments, and supporting Metro 2025 improvements, including eight-car trains.



WMATA Virginia Ridership November 2014			
	Nov. 2013	Nov. 2014	Percent Change
<b>Metrorail</b>			
Total	8,732,745	9,027,336	3.4%
Weekday Average	308,391	303,191	-1.7%
<b>Metrobus</b>			
Total	1,694,519	1,592,890	-6.0%
Weekday Average	73,004	69,973	-4.2%
<b>MetroAccess</b>			
Total	24,305	24,726	1.7%

### WMATA Parking Strategy Study

WMATA is examining parking replacement alternatives, shared parking options, and garage design criteria. They are also exploring the use of Public Private Partnerships (P3) at Metrorail stations.

### Giant Food Peapod Project

WMATA is launching a six-month long pilot project to offer grocery pick-up service at attended lockers at three Metrorail stations, including Vienna/Fairfax-GMU Station. Giant Foods provided WMATA Planning, Program Development and Real Estate Committee a [briefing on the Peapod by Giant Pilot Project](#).

### Proposed Elimination of the TIFF Fund Program

WMATA Board members expressed concern with proposed elimination of the TIFF fund, as presented [at the Planning, Program Development and Real Estate Committee](#) at its December 4<sup>th</sup> meeting. The TIFF was originally established to complete the Metrorail system and to finance transit-oriented projects. WMATA now proposes to close the TIFF and redirect funds to the Capital Improvement Program (CIP).

### **Crime Statistics at Virginia Metrorail Stations (3rd Quarter 2014)**

Metro Rail Station	Part I Crimes	Arrests
1. Braddock Road	12	5
2. King Street	11	1
3. Vienna	8	2
4. Franconia-Springfield	3	0
5. Rosslyn	3	1
6. Pentagon City	2	0
7. Virginia Square - GMU	2	0
8. Huntington	2	0
9. West Falls Church	1	0
10. Van Dorn Street	1	0
11. Spring Hill	1	0
12. National Airport	1	0
13. East Falls Church	1	0
14. Court House	1	0
15. Dunn Loring	1	0
16. Ballston	1	1
17. McLean	1	0
Total	52	10

### **Latest WMATA Reports**

#### **December**

[Finance & Administration Committee \(12/4\)](#)  
[Customer Service and Operations Committee \(12/4\)](#)  
[Audits and Investigations Committee \(12/4\)](#)  
[Planning, Programming Development and Real Estate Committee \(12/4\)](#)

#### **January** [Note: materials will be available 1/5]

[Finance & Administration Committee \(1/8\)](#)  
[Customer Service and Operations Committee \(1/8\)](#)  
[Planning, Programming Development and Real Estate Committee \(1/8\)](#)

## NVTC Legislative and Policy Briefing

December 4<sup>th</sup>, NVTC updated the General Assembly delegation on its policy and legislative priorities. Jeff McKay highlighted the region's transit milestones in 2014. Attendees discussed key state funding challenges, the importance of permanent authorization of a transit benefit on par with parking benefits, and the expiration in May of short terms fixes for the Highway Trust Fund and surface transportation reauthorization.

Key dates for NVTC in Richmond include:

- [VTA's Transit Day](#), January 26<sup>th</sup>
- Northern Virginia Delegation Briefing, January 26<sup>th</sup>
- NVTC February Commission Meeting, February 5<sup>th</sup> at the Speaker's Conference Room, 4:00 p.m.
- [VACo County Government Day 2015](#), February 5<sup>th</sup> at the Richmond Marriott, 11:00 a.m.

## Governor McAuliffe Highlights Budget Priorities

On Wednesday, December 17<sup>th</sup>, Governor McAuliffe released his [proposed amendments to the FY 2016 budget](#) to fill the projected revenue shortfall estimated at \$322 million. Overall, his plan is a combination of spending cuts at the state agency level, \$114.3 million from reduced tax preferences, \$9 million in higher fees on state services, additional money from the lottery and state liquor sales, and savings from Medicaid and lower school enrollment.

The Governor also proposed \$176.6 million in new spending, focusing on economic development priorities.

The Governor did not propose any new funding for transit in the budget to address the shortfalls expected by the bond cliff in 2018.

## Governor Announces P-3 Reform Legislation

At the opening of the I-95 Express Lanes, Governor McAuliffe announced that he will be seeking [P-3 reforms](#) that will increase transparency, minimize risk for taxpayers and draw clear lines of accountability. Delegate [Chris Jones, Suffolk](#), Chair of the House Appropriations will patron the bill.

## Federal Legislative Actions

The President signed [the Fiscal Year 2015 appropriations package](#) on December 16, 2014, which provides approximately \$1.1 trillion for FY 2015 for all government programs. For public transportation, this includes \$8.95 billion for formula programs, \$2.12 billion for Capital Investment Grants (New Starts/Small Starts/Core Capacity), as well as \$500 million for TIGER.

The President also passed the [Tax Increase Prevention Act](#), which provides for the retroactive extension of parity between employer-provided public transit and parking pre-tax/tax-free benefits for 2014. Although the retroactive provisions offer no immediate or practical benefit for public transit commuters or employers, their inclusion in a final bill will help in making parity permanent in the future. NVTC sent a [letter supporting transit benefit parity to the Virginia Congressional delegation in December](#).

## 2014 Regional Transit Milestones

- \* [Silver Line Ribbon Cutting](#)
- \* [New Multi Modal Transit Facility at Wiehle/Reston](#)
- \* [Rework of Local Bus Routes to Maximize Connection to Silver Line](#)
- \* VRE Stations: [Spotsylvania](#) and [Potomac Shores](#) Groundbreakings
- \* [Metroway, first Bus Rapid Transit, starts service](#)
- \* [NVTC celebrates 50<sup>th</sup> Anniversary and launches new programs](#)
- \* [Rt. 1 Study recommends Hybrid BRT/Metro solution](#)

## upcoming [events]

### Meetings:

#### Northern Virginia Transportation Commission Meetings

January 7  
February 5

#### NVTC Management Advisory Committee

January 20  
February 17

#### Northern Virginia Transportation Authority (NVTA) Meetings

January 22

#### Commonwealth Transportation Board (CTB) Meetings

January 15  
February 18

#### Virginia Railway Express (VRE) Operations Board

January 16  
February 20

#### Transportation Planning Board

January 21  
February 18

### Legislative Dates:

#### General Assembly Convenes

January 14

#### Virginia Municipal League

January 28 VML Day at the Capital

#### VTA Legislative Briefing and Legislative Reception

January 26

#### Northern Virginia Transportation Commission Meeting

Richmond

February 5

### Upcoming Conferences:

#### 4<sup>th</sup> Annual Transportation Camp

Washington, DC (GMU Founders Hall)  
January 10

#### Transportation Research Board (TRB) 94<sup>th</sup> Annual Meeting

Washington, DC

## NVTC to Explore Regional Bus Coordination

At its December 16<sup>th</sup> meeting, the NVTC Management Advisory Committee (MAC) identified a number of issues related to regional bus networks that could benefit from regional coordination and leadership. This discussion was in response to Commissioner direction at the December Board meeting. In January, NVTC staff and the MAC will continue this discussion and will identify specific activities that may include Commission workshops and/or technical working groups.

## Hampton Roads Hosted Forum on Transit and Economic Vitality

On December 11<sup>th</sup>, NVTC helped Hampton Road Transit coordinate a one-day event focused on the economic benefits of transit investments. Targeted to businesses, real estate developers, and local officials, HRT's event, "Achieving Regional Success: Transit and Economic Vitality," featured speakers from [The American Conservative Center for Public Transportation](#), [Transportation for America](#), the Charlotte Area Transit System (Charlotte, NC), and Hampton Road Transportation Planning Organization. HRT plans a follow-on event focusing on the importance of mobility to regional economic growth, tentatively scheduled for May.

## New Electronic Payments Program (NEPP)

WMATA plans to launch their pilot test of the NEPP system in mid-January 2015. Results of the pilot are expected in July 2015. WMATA will also be performing an independent study to identify impacts of the new electronic payment program on un/underbanked customers. WMATA continues to provide NEPP updates at the bi-weekly regional conference calls and quarterly in-person meetings. An initial meeting of the Regional NEPP Finance and Contracts Committee was held on November 19<sup>th</sup> and another meeting will be held in early January 2015. The Northern Virginia regional partners are scheduled to meet next on Monday January 26<sup>th</sup> at 9:30am. In the meantime, NVTC is working with Accenture and WMATA to gain a better understanding of contracting options and the costs associated with implementing NEPP throughout the region.

## AGENDA ITEM #11: WMATA

**TO:** Chairman Smedberg and NVTC Commissioners

**FROM:** Kelley Coyner and Claire Gron

**DATE:** December 29, 2014

**SUBJECT:** Report of the Virginia Members of the WMATA Board of Directors

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### A. Budget Developments

#### **FY16 Operating and Capital Budget**

The GM/CEO's [proposed FY 2016 Operating and Capital Budgets](#) were posted on WMATA's website. The proposed FY 2016 operating budget projects:

- Operating revenues of \$931M (-1.6% below FY 15)
- Operating expenses of \$1.824B (+3.9% over FY 15)
- A net operating subsidy of \$883M (+13.4% over FY 15). The Virginia portion of the net operating subsidy totals \$216.6M.

Key operational provisions include the possibility of a long-term, phased realignment of Metrobus services to focus on regional services and transfer the responsibility for local services to jurisdictional providers. In addition, although not included in the proposed budget, at the December 4<sup>th</sup> Finance and Administration Committee meeting, WMATA presented to the WMATA Board an option to reduce Metrorail service. WMATA committed to holding a budget work session with the WMATA Board to work through these, and other specific issues.

The proposed FY 2016 capital budget and proposed FY 2016-2021 Capital Improvement Program (CIP) projects:

- A FY 2016 investment of \$1.314B (+38.8% over FY 2015), including an additional jurisdictional investment of \$77.4M in Metro 2025 projects
- The Virginia portion of state and local contributions to the FY 2016 capital program to be \$132.3M
- An total additional jurisdictional investment of \$1.583B from FY 2016-2021 in Metro 2025 projects

The WMATA Board will continue to meet to discuss the budget in the coming weeks and prior to the commencement of public hearings. It is anticipated that the final FY 2016 operating and capital budgets will be approved in April 2015.

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WMATA is working with jurisdictional funding partners to develop the new Capital Funding Agreement (CFA) which will identify how capital investments will be funded for FY 2016-2021, including the first phase of *Momentum* known as Metro 2025. WMATA has been holding weekly meetings with jurisdictional funding partners to review a draft of the administrative framework for the new CFA; work on this portion of the CFA is nearing completion. Discussions have also commenced on funding levels. Meetings are scheduled into January to continue work on the CFA. WMATA's goal is to complete a draft agreement in December 2014 in order to have a final agreement in place before July 2015.

### C. Financial Reports (Dashboard)

#### D. Key WMATA Milestones/Dates

DATE	MEETING	KEY ISSUES
1/8	Finance & Administration Committee	FY 16 Operating and Capital Budgets Work Session
1/9	CFA Work Session	
1/22	WMATA Board Meeting	
2/12	Customer Service and Operations Committee	Vital Signs Quarterly Update
2/26	WMATA Board Meeting	

## AGENDA ITEM #12: COMMONWEALTH AND REGIONAL AGENCY REPORTS

**TO:** Chairman Smedberg and NVTC Commissioners

**FROM:** Kelley Coyner and NVTC Staff

**DATE:** December 29, 2014

**SUBJECT:** Commonwealth and Regional Agency Reports

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### **A. Department of Rail and Public Transportation (DRPT) (Attachment)**

### **B. Northern Virginia Transportation Authority (NVTA)**

#### **NVTA Project Agreements**

NVTA approved the following transit-related projects at their December Authority meeting: VRE Alexandria station tunnel; City of Alexandria traffic signal upgrades/transit signal priority; DASH/WMATA shelters and real-time transit information; City of Alexandria Potomac Yard Metrorail Station Environmental Impact Statement efforts; City of Falls Church pedestrian access to transit; and, VRE Lorton Station second platform.

#### **NVTA Bonds Issued**

In December, NVTA issued its first set of revenue bonds which were 2 ½ times oversubscribed.

#### **TransAction 2040**

NVTA expects to determine how to proceed on how to approach to TransAction2040 at the next Authority meeting on January 22<sup>nd</sup>.

#### **NVTA Meeting Schedule**

NVTA Meetings will now be at the fourth Thursday of the month and start at 6:00 p.m. to accommodate the 7:30 p.m. NVRC meetings in the same location.



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## Key NVTA Dates

Key Dates	Activity
January 12	PIWG Meeting
January 22	NVTA Meeting
Spring 2015	TransAction 2040 – Target for Releasing the RFP
Summer 2015	TransAction 2040 – Target Project Start



## COMMONWEALTH of VIRGINIA

Jennifer L. Mitchell  
Director

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800-828-1120 (TDD)

TO: Chairman Smedberg and NVTC Commissioners

FROM: Commissioner Dyke and incoming Commissioner Corcoran

DATE: December 22, 2014

SUBJECT: DRPT Update

### General Update

Todd Horsley, DRPT's Director of Northern Virginia Programs, started on December 1. Mr. Horsley is now the lead DRPT staff representative to all transit grantees in Northern Virginia and will be the primary staff person working on the next WMATA Capital Funding Agreement (CFA) in coordination with NVTC and the local jurisdictions. Mr. Horsley is also the main point of contact on major projects in Northern Virginia, such as the I-66 Corridor Improvement. He is located in the DRPT office space at the VDOT Northern Virginia District office in Fairfax. His email is [todd.horsley@drpt.virginia.gov](mailto:todd.horsley@drpt.virginia.gov). His office line is (703) 259-2117 and mobile number is (804) 929-4893.

DRPT's application process for capital and operating assistance opened on December 1. Grant applications can be submitted through DRPT's Online Grant Administration (OLGA) system, which can be accessed at [https://olga.drpt.virginia.gov/login.aspx?id=not\\_authenticated](https://olga.drpt.virginia.gov/login.aspx?id=not_authenticated). Program application guidance, the grantee handbook and state travel regulations can be found under the News & Information tab. Grant applications for all programs except FTA Section 5303 Metropolitan Planning are due February 2, 2015. DRPT is requiring that grant applications be consistent with the Transit Development Plan (TDP) annual update letters.

TDP annual update letters were due on December 1. A reminder was sent to all transit agencies that had not submitted an update letter or requested an extension on December 1. DRPT will not review grant applications without an annual update letter being submitted.

### Implementation of House Bill 2 (HB2)

DRPT has been working with VDOT and the Secretary of Transportation's office on the implementation of a statewide prioritization framework under HB2. DRPT has been holding monthly calls with several stakeholders from the Virginia Transit Association, including the Executive Director of NVTC, to brief them on latest developments and get input on transit issues. An outreach session is being held by VDOT on January 8, 2015 from 1-4pm, and can be accessed via teleconferencing

*The Smartest Distance Between Two Points*  
[www.drpt.virginia.gov](http://www.drpt.virginia.gov)

facilities at the Northern Virginia District office in Fairfax. The outreach session will also be taped for future use.

### **WMATA**

On December 16, DRPT executed the agreement with NVTC for the \$9 million in FY15 funding for Metro 2025. DRPT continues to participate in meetings regarding updating the Capital Funding Agreement (CFA). To date the meetings have focused on language in the agreement and several scheduling items.

### **I-66 Corridor Improvements**

The third Stakeholder Technical Advisory Group (STAG) has been held. At this meeting, the STAG was briefed on the project status as well as preliminary design concepts for interchanges and access locations. This is in preparation for the project Public Information Meetings scheduled for the last week in January. The meeting was attended by representatives from Fairfax County, Prince William County, Arlington County, City of Alexandria, City of Fairfax, NVTA, WMATA, VRE, PRTC, MWCOG, FHWA, the National Park Service, DRPT and VDOT. The December Transit Technical Advisory Group (TTAG) is being postponed to January 7. Transit and TDM efforts continue to focus on the location of park and ride lots, developing the travel demand forecast, finalizing the transit service scenarios and developing and refining the TDM strategies.

### **Route 1 Multimodal Alternatives Analysis**

The Route 1 Multimodal Alternatives Analysis is nearing completion. The study recommended a three phase Bus Rapid Transit (BRT) between Huntington and Woodbridge in the short term and a three mile Metrorail extension to Hybla Valley in the longer term. The Fairfax County Transportation Commission received a presentation at its December 9 meeting. The final report is expected in mid-January. Work in 2015 will focus on updating local, regional and state plans and preparing for environmental work.

The Executive Steering Committee resolution, presentations from the October 8 and 9 public meetings, all project boards and a video of the Fairfax County meeting can be found on the project website ([www.route1multimodalaa.com](http://www.route1multimodalaa.com)). The presentation to the October 27 Executive Steering Committee is also posted there.

### **Rail**

A total of 234 people attended four public scoping meetings between November 5 and 13 in the Washington, DC to Richmond high speed rail corridor. The scoping comment period ended on December 5. DRPT has received nearly 2,000 comments that are being reviewed and final tallied. DRPT will include comments in the scoping summary report that will be available on the project website. Please refer to the project website for further details - [www.DC2RVARail.com](http://www.DC2RVARail.com).

## AGENDA ITEM #13: FINANCIAL ITEMS

**TO:** Chairman Smedberg and NVTC Commissioners  
**FROM:** Kelley Coyner, Scott Kalkwarf and Colethia Quarles  
**DATE:** December 29, 2014  
**SUBJECT:** Financial Items for November 2014

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The financial items are provided for your information.

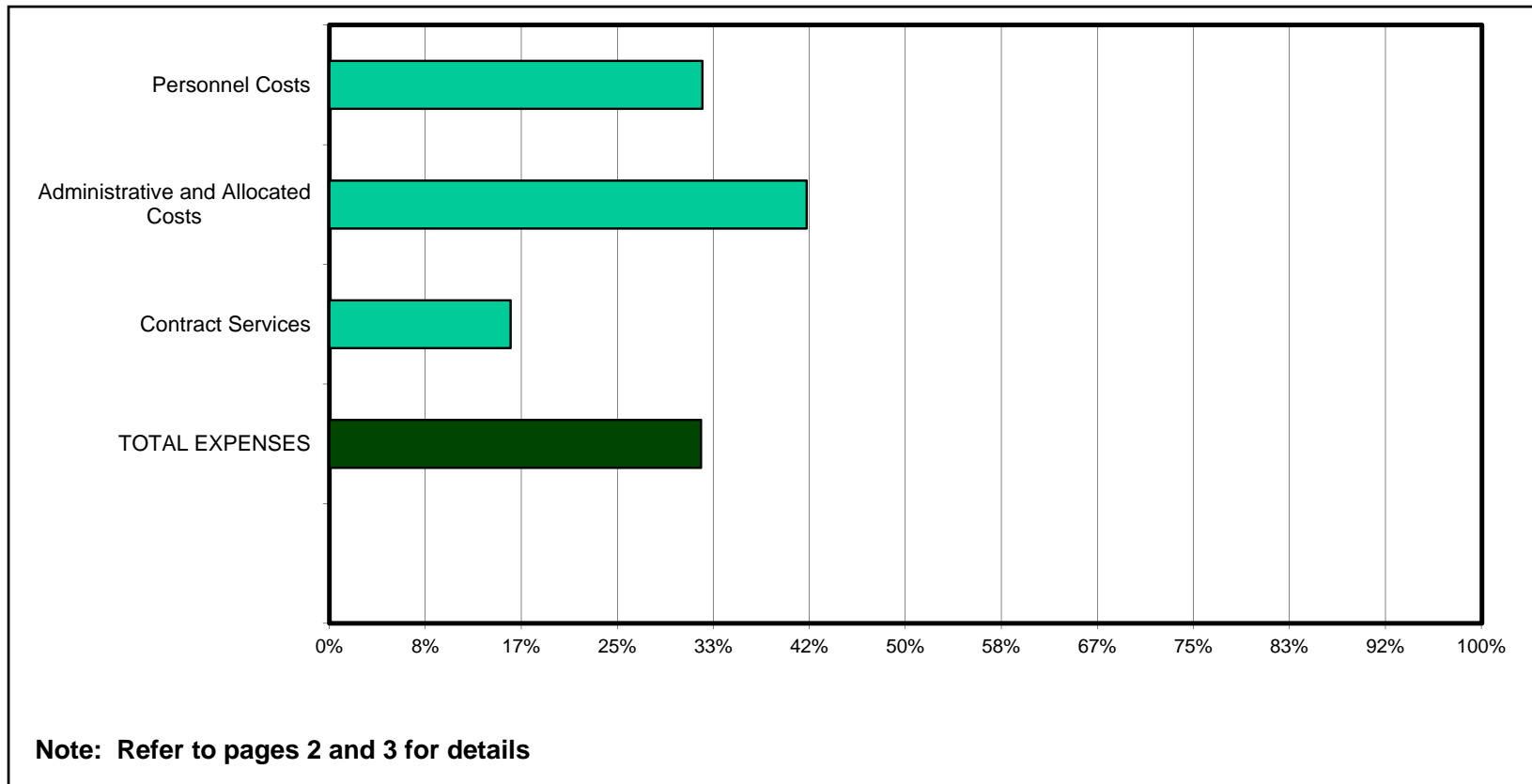


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# Northern Virginia Transportation Commission

Financial Reports  
November, 2014

Percentage of FY 2015 NVTC Administrative Budget Used  
November 2014  
(Target 41.67% or less)



**NORTHERN VIRGINIA TRANSPORTATION COMMISSION**  
**G&A BUDGET VARIANCE REPORT**  
**November 2014**

	<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 and Contract Wages	\$ 81,843.80	\$ 368,456.89	\$ 1,051,000.00	\$ 682,543.11	64.9%
Temporary Employee Services	-	-	-	-	
Total Personnel Costs	<u>81,843.80</u>	<u>368,456.89</u>	<u>1,051,000.00</u>	<u>682,543.11</u>	<u>64.9%</u>
<u>Benefits</u>					
Employer's Contributions:					
FICA	5,501.74	21,999.58	70,300.00	48,300.42	68.7%
Group Health Insurance	2,808.47	14,083.01	143,700.00	129,616.99	90.2%
Retirement	5,965.00	33,525.00	84,900.00	51,375.00	60.5%
Workmans & Unemployment Compensation	145.29	674.48	4,000.00	3,325.52	83.1%
Life Insurance	134.15	899.89	4,500.00	3,600.11	80.0%
Long Term Disability Insurance	330.62	1,665.46	5,050.00	3,384.54	67.0%
Total Benefit Costs	<u>14,885.27</u>	<u>72,847.42</u>	<u>312,450.00</u>	<u>239,602.58</u>	<u>76.7%</u>
<u>Administrative Costs</u>					
Commissioners Per Diem	650.00	3,785.12	11,000.00	7,214.88	65.6%
<i>Rents:</i>	<i>16,825.08</i>	<i>84,554.80</i>	<i>214,200.00</i>	<i>129,645.20</i>	<i>60.5%</i>
Office Rent	16,139.08	80,907.80	200,100.00	119,192.20	59.6%
Parking & Transit Benefits	686.00	3,647.00	14,100.00	10,453.00	74.1%
<i>Insurance:</i>	<i>1,422.62</i>	<i>2,607.34</i>	<i>6,100.00</i>	<i>3,492.66</i>	<i>57.3%</i>
Public Official Bonds	400.00	400.00	2,300.00	1,900.00	82.6%
Liability and Property	1,022.62	2,207.34	3,800.00	1,592.66	41.9%
<i>Travel:</i>	<i>3,393.98</i>	<i>14,382.43</i>	<i>21,400.00</i>	<i>7,017.57</i>	<i>32.8%</i>
Conference / Professional Development	99.00	3,335.16	7,800.00	4,464.84	57.2%
Non-Local Travel	124.40	2,330.00	1,800.00	(530.00)	-29.4%
Local Meetings & Related Expenses	3,170.58	8,717.27	11,800.00	3,082.73	26.1%
<i>Communication:</i>	<i>600.95</i>	<i>3,671.78</i>	<i>11,000.00</i>	<i>7,328.22</i>	<i>66.6%</i>
Postage	-	896.48	2,900.00	2,003.52	69.1%
Telephone and Data	600.95	2,775.30	8,100.00	5,324.70	65.7%
<i>Publications &amp; Supplies</i>	<i>839.75</i>	<i>9,503.45</i>	<i>15,800.00</i>	<i>6,296.55</i>	<i>39.9%</i>
Office Supplies	204.80	862.92	2,800.00	1,937.08	69.2%
Duplication and Paper	437.75	3,031.29	7,500.00	4,468.71	59.6%
Public Information	197.20	5,609.24	5,500.00	(109.24)	-2.0%

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION**  
**G&A BUDGET VARIANCE REPORT**  
**November 2014**

	<b><u>Current Month</u></b>	<b><u>Year To Date</u></b>	<b><u>Annual Budget</u></b>	<b><u>Balance Available</u></b>	<b><u>Balance %</u></b>
<i>Operations:</i>	6,871.44	8,337.29	24,800.00	16,462.71	66.4%
Furniture and Equipment (Capital)	6,641.35	6,726.84	17,000.00	10,273.16	60.4%
Repairs and Maintenance	-	-	1,000.00	1,000.00	100.0%
Computer Operations	230.09	1,610.45	6,800.00	5,189.55	76.3%
<i>Other General and Administrative:</i>	359.31	2,522.60	8,100.00	5,577.40	68.9%
Subscriptions	-	-	-	-	0.0%
Memberships	-	474.01	1,300.00	825.99	63.5%
Fees and Miscellaneous	359.31	1,798.59	5,600.00	3,801.41	67.9%
Advertising (Personnel/Procurement)	-	250.00	1,200.00	950.00	79.2%
Total Administrative Costs	<u>30,963.13</u>	<u>129,364.81</u>	<u>312,400.00</u>	<u>183,035.19</u>	<u>58.6%</u>
<u>Contracting Services</u>					
Auditing	-	-	22,500.00	22,500.00	100.0%
Research and Analytic Support	16,924.00	28,688.00	160,000.00	131,312.00	82.1%
Legal	-	-	-	-	0.0%
Total Contract Services	<u>16,924.00</u>	<u>28,688.00</u>	<u>182,500.00</u>	<u>153,812.00</u>	<u>84.3%</u>
 Total Gross G&A Expenses	<u><u>\$ 144,616.20</u></u>	<u><u>\$ 599,357.12</u></u>	<u><u>\$ 1,858,350.00</u></u>	<u><u>\$ 1,258,992.88</u></u>	<u><u>67.7%</u></u>

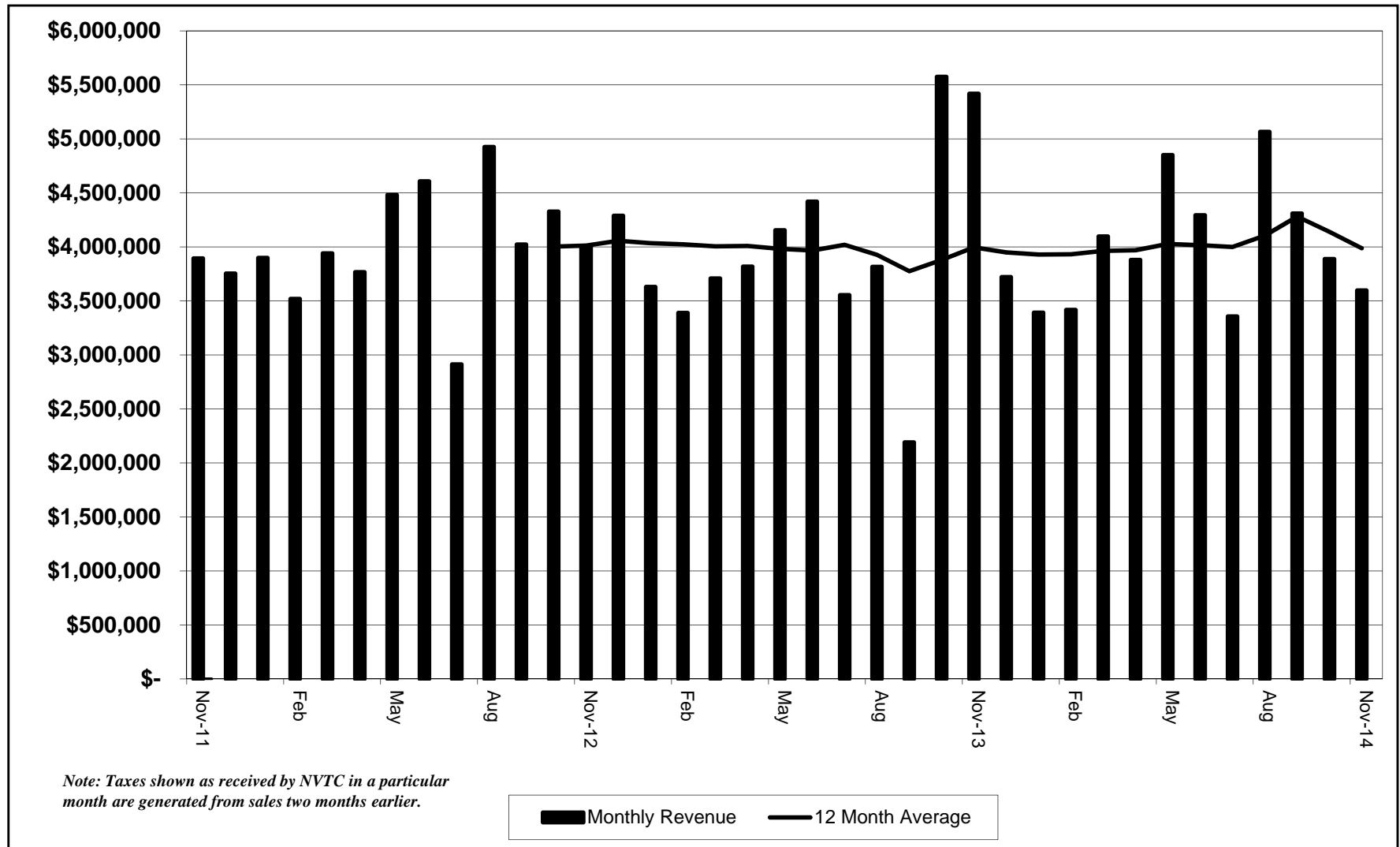
**NVTC**  
**RECEIPTS and DISBURSEMENTS**  
**November, 2014**

Payer/ Payee		Purpose	Wells Fargo	Wells Fargo	VA LGIP	
Date			(Checking)	(Savings)	G&A / Project	Trusts
RECEIPTS						
10	DRPT	Capital grants receipts - Fairfax				\$ 128,593.00
10	DRPT	Capital grants receipts				289,525.00
18	VRE	Reimbursement for staff support / expenses		53,990.52		
18	NVTA	Project revenue - Route 7		21,364.59		
19	DRPT	Operating assistance - VRE			2,256,190.00	
19	DRPT	Operating assistance - WMATA				8,265,724.00
19	DRPT	Operating assistance - City of Fairfax				166,527.00
19	DRPT	Operating assistance - Alexandria				826,399.00
19	DRPT	Operating assistance - Arlington				593,343.00
19	DRPT	Operating assistance - Fairfax				3,577,879.00
21	DMV	Motor Vehicle Fuels Sales tax receipt				3,317.68
25	DRPT	Capital grants receipts - VRE			23,310.00	
25	FTA	Grant receipt - Arlington			15,892.00	
25	DRPT	Capital grants receipts - Arlington				45,684.00
25	DRPT	Capital grants receipts				17,907.00
26	DRPT	Capital grants receipts - VRE			624,901.00	
28	DMV	Motor Vehicle Fuels Sales tax receipt				3,592,933.78
30	Banks	Interest income		1.30	283.64	12,776.38
			-	75,356.41	2,920,576.64	17,520,608.84
DISBURSEMENTS						
1-30	Various	G&A expenses	(129,157.21)			
19	VRE	Grant revenue			(2,256,190.00)	
20	Parsons	Consulting - Route 7	(21,364.59)			
21	Kimley Horn	Consulting - NEPP	(3,236.01)			
21	Stantec	Consulting - NTD	(15,573.36)			
25	VRE	Grant revenue			(23,310.00)	
25	Arlington	Costs incurred			(15,892.00)	
26	VRE	Grant revenue			(624,901.00)	
30	Banks	Service fees	(66.31)	(22.01)		
			(169,397.48)	(22.01)	(2,920,293.00)	-
TRANSFERS						
18	Transfer	From savings to checking	75,000.00	(75,000.00)		
20	Transfer	From LGIP to LGIP (NTD project)			15,573.36	(15,573.36)
20	Transfer	From LGIP to LGIP (NVTC G&A contribution)			1,335,553.00	(1,335,553.00)
21	Transfer	From LGIP to checking	150,000.00		(150,000.00)	
			225,000.00	(75,000.00)	1,201,126.36	(1,351,126.36)
NET INCREASE (DECREASE) FOR MONTH			\$ 55,602.52	\$ 334.40	\$ 1,201,410.00	\$ 16,169,482.48

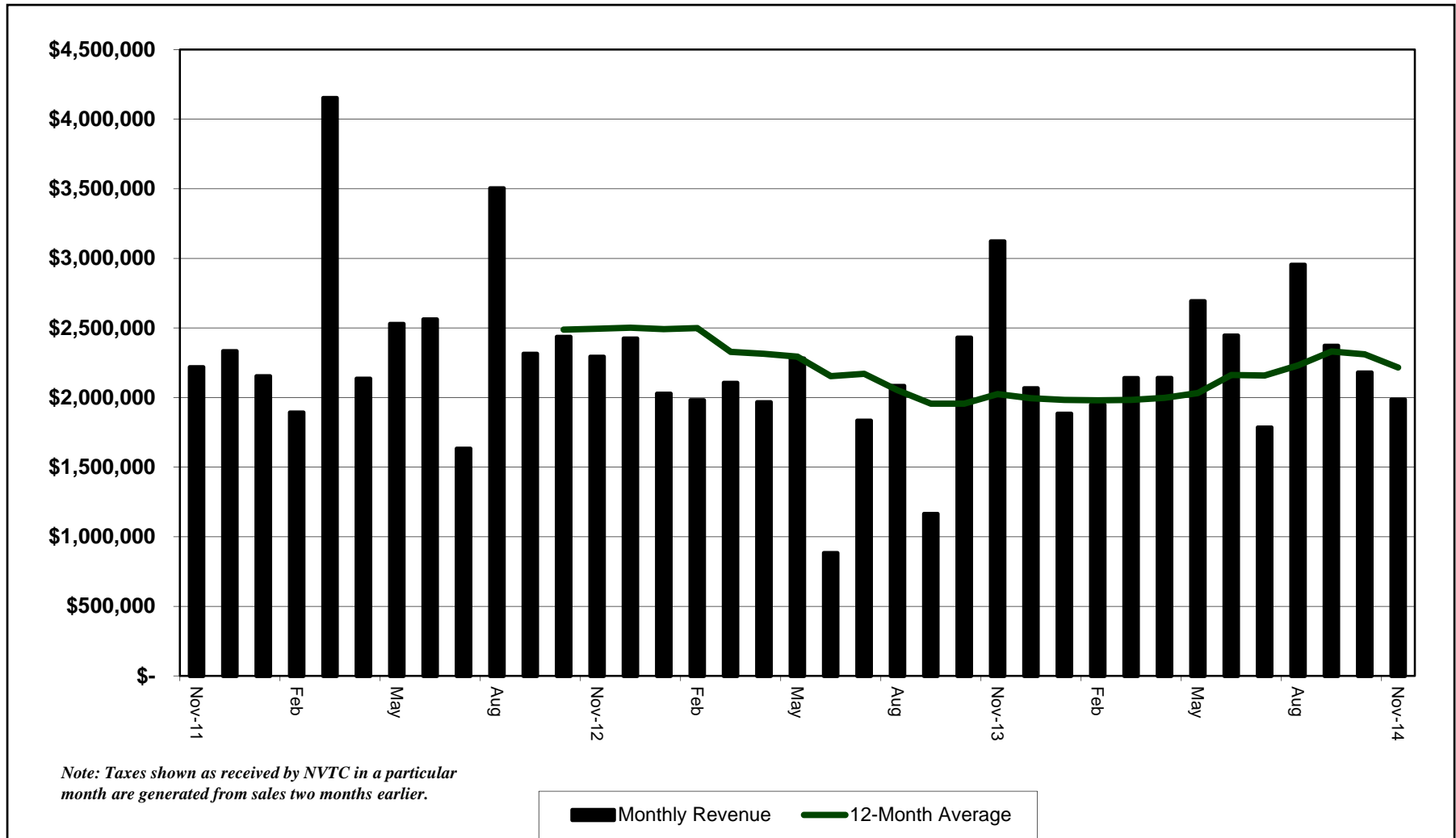
**NVTC  
INVESTMENT REPORT  
November, 2014**

<b>Type</b>	<b>Rate</b>	<b>Balance 10/31/2014</b>	<b>Increase (Decrease)</b>	<b>Balance 11/30/2014</b>	<b>NVTC G&amp;A/Project</b>	<b>Jurisdictions Trust Fund</b>	<b>Loudoun Trust Fund</b>
<b><u>Cash Deposits</u></b>							
Wells Fargo: NVTC Checking	N/A	\$ 61,329.38	\$ 55,602.52	\$ 116,931.90	\$ 116,931.90	\$ -	\$ -
Wells Fargo: NVTC Savings	0.200%	80,983.83	334.40	81,318.23	81,318.23	-	-
<b><u>Investments - State Pool</u></b>							
Bank of America - LGIP	0.100%	158,435,204.43	17,370,892.48	175,806,096.91	1,219,144.16	149,513,569.14	25,073,383.61
		<u>\$ 158,577,517.64</u>	<u>\$ 17,517,253.63</u>	<u>\$ 176,004,347.04</u>	<u>\$ 1,417,394.29</u>	<u>\$ 149,513,569.14</u>	<u>\$ 25,073,383.61</u>

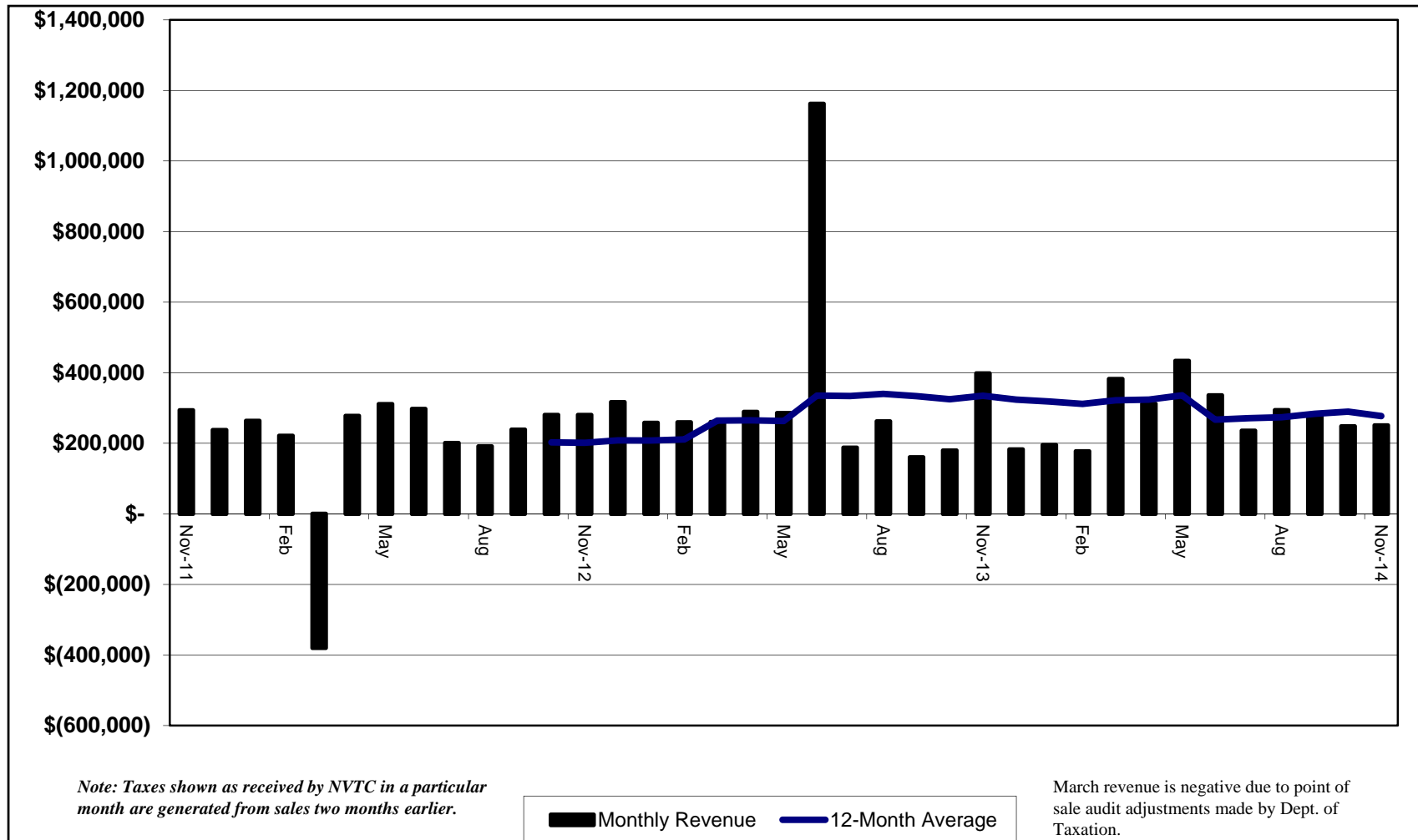
# NVTC MONTHLY GAS TAX REVENUE ALL JURISDICTIONS FISCAL YEARS 2012-2015



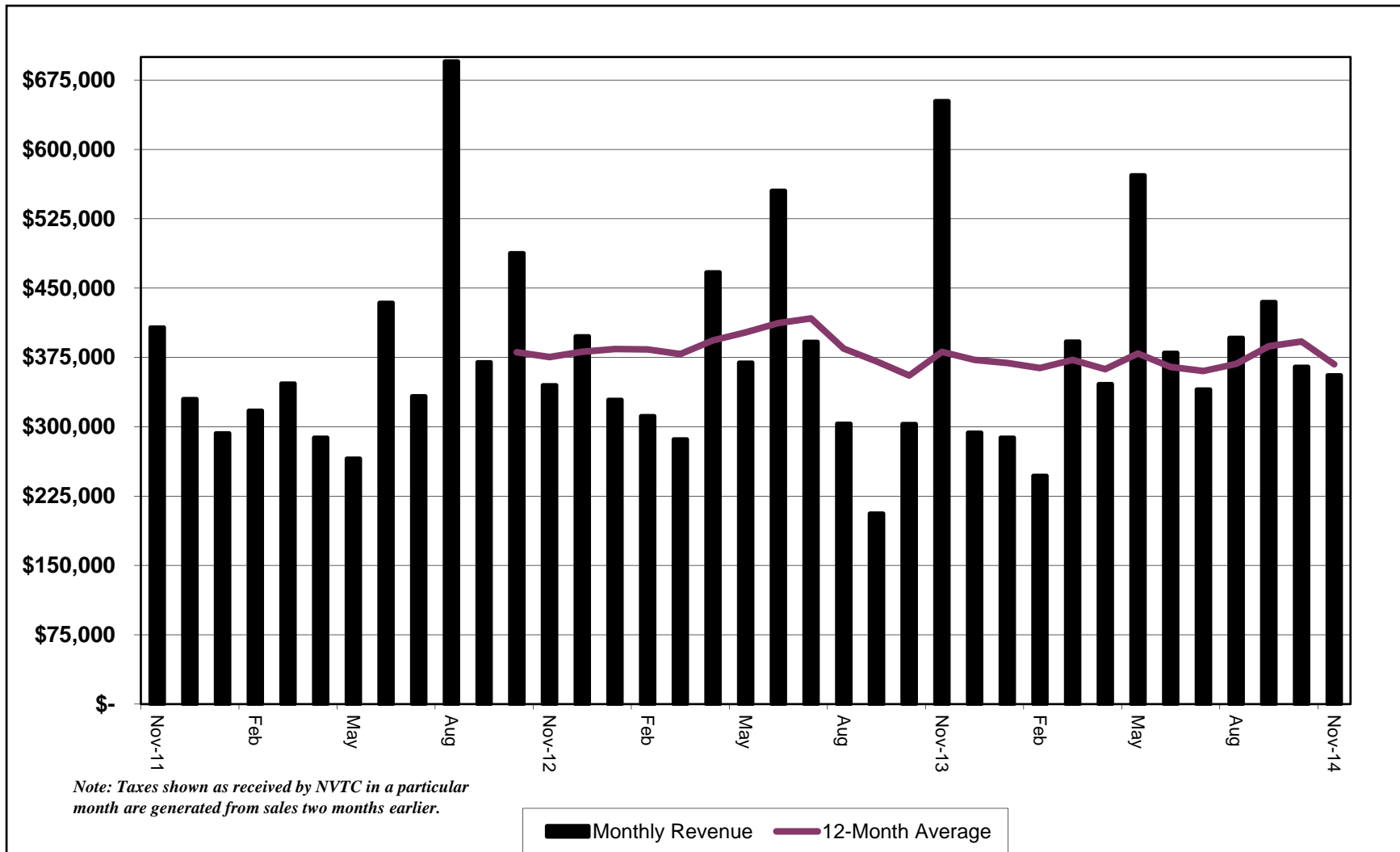
# NVTC MONTHLY GAS TAX REVENUE FAIRFAX COUNTY FISCAL YEARS 2012-2015



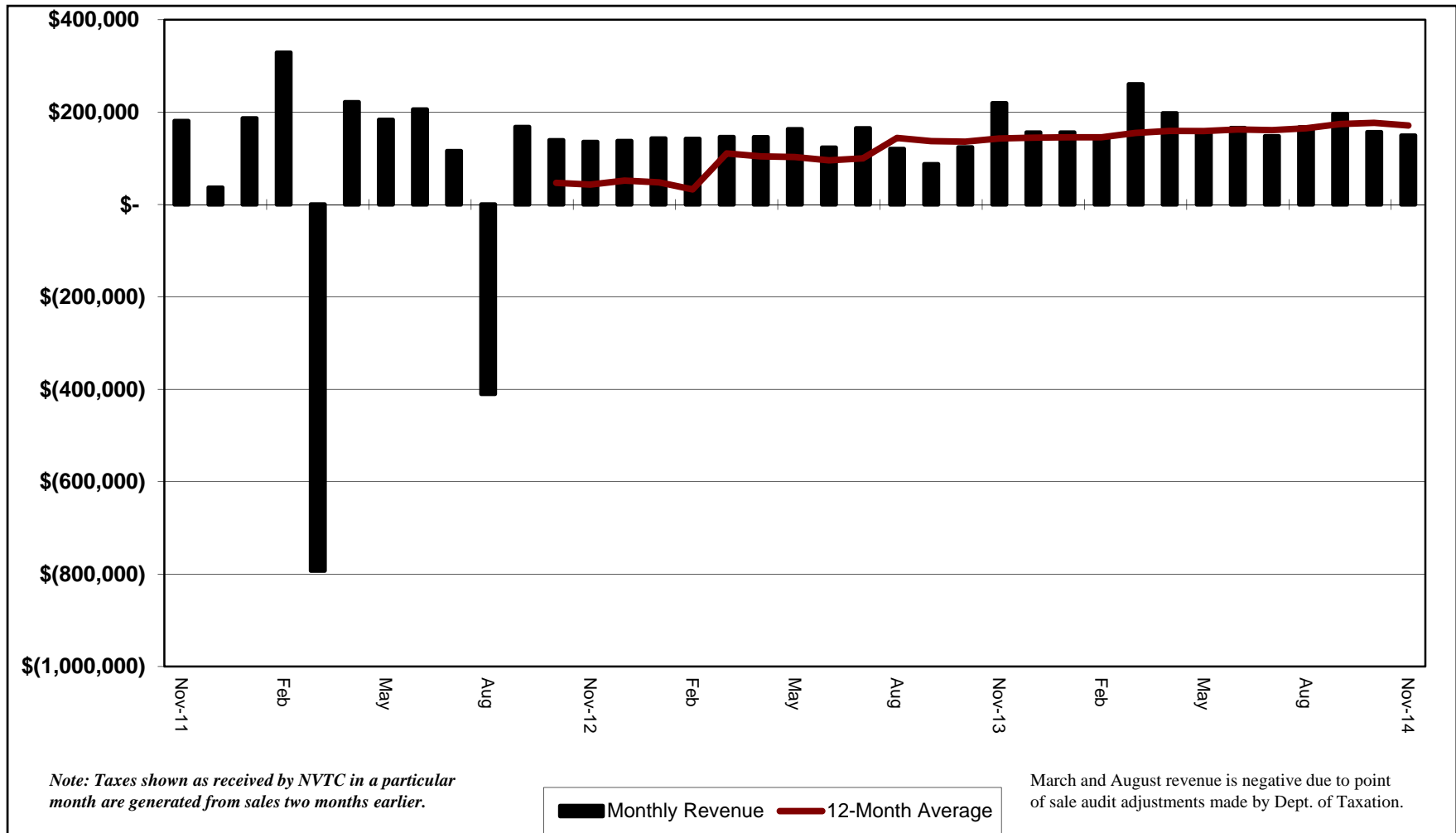
# NVTC MONTHLY GAS TAX REVENUE CITY OF ALEXANDRIA FISCAL YEARS 2012-2015



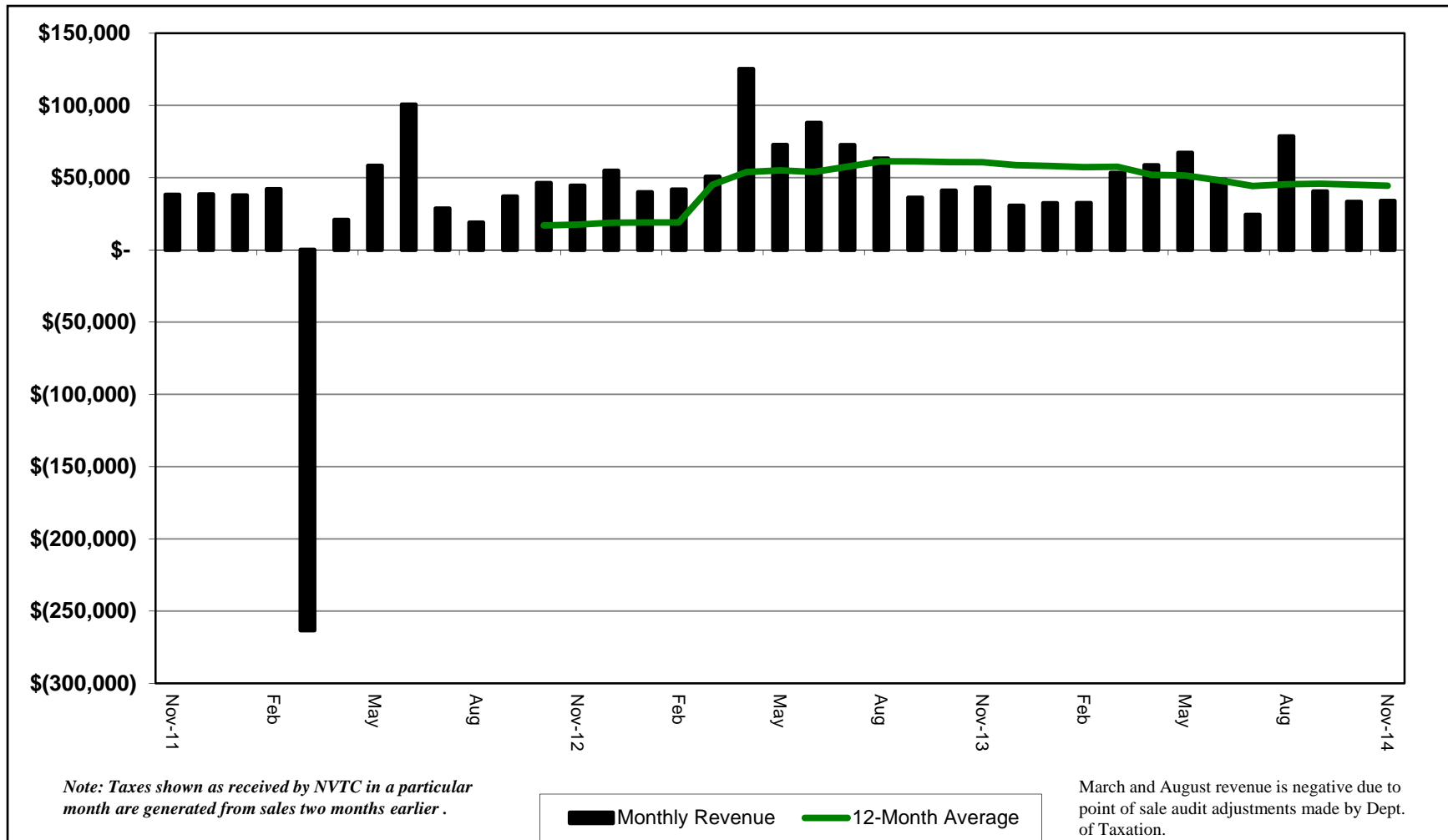
# NVTC MONTHLY GAS TAX REVENUE ARLINGTON COUNTY FISCAL YEARS 2012-2015



# NVTC MONTHLY GAS TAX REVENUE CITY OF FAIRFAX FISCAL YEARS 2012-2015



# NVTC MONTHLY GAS TAX REVENUE CITY OF FALLS CHURCH FISCAL YEARS 2012-2015



# NVTC MONTHLY GAS TAX REVENUE LOUDOUN COUNTY FISCAL YEARS 2012-2015

