

AGENDA ITEM 8-A
ACTION ITEM

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: FEBRUARY 15, 2008

**RE: AUTHORIZATION TO RELEASE DRAFT FARE INDEXING POLICY
FOR PUBLIC COMMENT**

RECOMMENDATION:

The VRE Operations Board is being asked to release a draft fare indexing policy for discussion at upcoming public hearings.

BACKGROUND:

At the December and January Operations Board meetings, discussions took place on fare indexing, during which time the Operations Board requested that a policy be developed and included in the upcoming public hearings.

Following discussion at the public hearings, staff will return to the Board with a summary of comments, information as to the pros and cons of adopting the policy and how this would be applied during the FY 2010 budget process.

In the interim, a 3% fare increase is being considered for FY 2009 and would become effective June 30, 2008. A report on public comments will be made to the Operations Board in April 2008.

Proposed Plan

As discussed, future fare increases would be based on the Six-Year Plan that is required by the Master Agreement and provided as part of the annual budget process. The fare increase would be adjusted year-to-year as part of the budget process. The

six-year plan takes into consideration service and ridership levels, capital requirements, federal and state funding levels, and anticipated increases in various cost components. As such, it provides a comprehensive snap-shot of future funding needs and estimates the future fare revenue necessary to achieve financial stability.

Based on these discussions, VRE recommends the following approach to fare indexing:

1. As part of the annual budget process, develop a calculation of the average annual increase needed in fare and subsidy funds over a six year period, beginning in FY 2010.
2. Provide information on historical increases to relevant standard indices including the Association of American Railroads (AAR) QMPW Index and the Bureau of Labor Statistics (BLS) Consumer Price Index – All Urban Consumers, U.S. Transportation only and U.S. All Items.
3. If a fare increase for the proposed budget year is recommended, it will be within the general range of the Six-Year Plan average annual increase, with the following considerations:
 - a. The impact of fare increases on ridership and total fare revenue
 - b. The pros and cons of annual vs. biannual fare increases
 - c. The extent to which year to year variability can be managed by adjusting annual subsidy levels
 - d. Other special circumstances

FISCAL IMPACT:

There is no fiscal impact associated with adopting the policy. Any fiscal impact regarding a fare increase would be discussed as part of the annual budget process.

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD
FROM: DALE ZEHNER
DATE: FEBRUARY 15, 2008
RE: AUTHORIZATION TO RELEASE DRAFT FARE INDEXING POLICY
FOR PUBLIC COMMENT

RESOLUTION
8A-02-2008
OF THE
VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD

WHEREAS, at the December and January Operations Board meetings, discussions took place on fare indexing, during which the Operations Board requested that a policy be developed and included in the upcoming public hearings; and,

WHEREAS, fare increases will be based on the Six-Year Plan that is required by the Master Agreement and provided as part of the annual budget process; and,

WHEREAS, the proposed policy will be discussed at the upcoming public hearings.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board releases the following draft fare indexing policy for discussion at upcoming public hearings:

1. As part of the annual budget process, develop a calculation of the average annual increase needed in fare and subsidy funds over a six year period, beginning in FY 2010.
2. Provide information on historical increases to relevant standard indices including the Association of American Railroads (AAR) QMPW Index and the Bureau of Labor Statistics (BLS) Consumer Price Index – All Urban Consumers, U.S. Transportation only and U.S. All Items.
3. If a fare increase for the proposed budget year is recommended, it will be within the general range of the Six-Year Plan average annual increase, with the following considerations:
 - e. The impact of fare increases on ridership and total fare revenue
 - f. The pros and cons of annual vs. biannual fare increases
 - g. The extent to which year to year variability can be managed by adjusting annual subsidy levels
 - h. Other special circumstances

AGENDA ITEM 8-B
ACTION ITEM

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: FEBRUARY 15, 2008

RE: AUTHORIZATION TO ISSUE REQUEST FOR PROPOSALS FOR INSURANCE BROKERAGE SERVICES

RECOMMENDATION:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to issue a Request for Proposals (RFP) for insurance brokerage services. The contract term will be for three years with two, one-year options.

BACKGROUND:

The state Division of Risk Management (DRM) has been responsible for procuring insurance coverage for the operation of the Virginia Railway Express, as an adjunct to their duties under the Commuter Rail Operations Liability Insurance Plan. During recent negotiations on changes and clarifications to the Insurance Plan, VRE and DRM agreed that this function could be more efficiently handled by VRE.

In 2003, DRM entered into an agreement with Marsh USA, Inc. for brokerage services for the five year period ending June 30, 2008. A new contract must be in place for the year that begins July 1, 2008. This procurement will accomplish that. The selected proposer will arrange for all required property and liability insurance for the Virginia Railway Express, make recommendations regarding the use of self-insurance, and serve as liaison between VRE, the state Division of Risk Management (DRM) and the insurers.

VRE staff will return to the Operations Board in the spring with a recommendation for award. The contract term will be for three years with two, one-year options.

FISCAL IMPACT:

The costs of insurance brokerage services are budgeted in the Insurance Trust Fund.

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD
FROM: DALE ZEHNER
DATE: FEBRUARY 15, 2008
RE: AUTHORIZATION TO ISSUE REQUEST FOR PROPOSALS FOR
INSURANCE BROKERAGE SERVICES

RESOLUTION
8B-02-2008
OF THE
VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD

WHEREAS, the state Division of Risk Management (DRM) has been responsible for procuring insurance coverage for the operation of the Virginia Railway Express, as an adjunct to their duties under the Commuter Rail Operations Liability Insurance Plan; and,

WHEREAS, VRE and DRM have agreed that this function could be more efficiently handled by VRE; and,

WHEREAS, in 2003, DRM entered into an agreement with Marsh USA, Inc. for brokerage services for the five year period ending June 30, 2008; and,

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board authorizes the Chief Executive Officer to issue a Request for Proposals (RFP) for insurance brokerage services. The contract term will be for three years with two, one-year options.

AGENDA ITEM 8-C
ACTION ITEM

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: FEBRUARY 15, 2008

RE: AUTHORIZATION TO AWARD A TASK ORDER FOR ENVIRONMENTAL AND ENGINEERING WORK AT THE LEELAND VRE STATION

RECOMMENDATION:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to execute a task order with DMJM Harris for an environmental assessment and preliminary engineering for parking expansion at the Leeland VRE station. This authorization is being requested in an amount not to exceed \$157,000, plus a 10% contingency of \$15,700, for a total amount not to exceed \$172,700.

BACKGROUND:

On June 15, 2007, the VRE Operations Board approved a task order for environmental assessment and design of a parking expansion at the Brooke VRE station. Subsequent discussions with Stafford County have prompted VRE to also request a task order estimate from DMJM Harris to complete environmental and engineering work at the Leeland station. Tasks would include preparation of an Environmental Assessment (EA), as required by the National Environmental Policy Act (NEPA), alternatives analysis, public outreach, and agency coordination and preliminary design. This effort will be performed concurrently with the Brooke project in order to realize a more cost effective approach.

VRE will manage the project in coordination with Stafford County. Expansion potential is approximately 200 spaces. Task order work is estimated to take twelve months and will include preparation of a more accurate construction cost estimate.

Once work is complete at both the Leeland and Brooke stations, VRE will seek guidance from Stafford County as to the schedule for advancement of both projects. Additional authorization would then be sought for final design, any property acquisition and construction.

FISCAL IMPACT:

Funding for this task order is being provided using CMAQ funds for parking expansion at the Leeland VRE station.

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD
FROM: DALE ZEHNER
DATE: FEBRUARY 15, 2008
RE: AUTHORIZATION TO AWARD A TASK ORDER FOR ENVIRONMENTAL AND ENGINEERING WORK AT THE LEELAND VRE STATION

**RESOLUTION
8C-02-2008
OF THE
VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD**

WHEREAS, VRE and Stafford County have been working to initiate a parking expansion at the Leeland VRE station; and,

WHEREAS, efficiencies will be realized by performing the work concurrent with the Brooke project; and,

WHEREAS, tasks for the Leeland work include preparation of an Environmental Assessment (EA), alternatives analysis, public outreach, agency coordination and preliminary design.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board authorizes the Chief Executive Officer to execute a task order with DMJM Harris for an environmental assessment and preliminary engineering for parking expansion at the Leeland VRE station. This authorization is being requested in an amount not to exceed \$157,000, plus a 10% contingency of \$15,700, for a total amount not to exceed \$172,700.