



MINUTES

VRE OPERATIONS BOARD MEETING PRTC HEADQUARTERS – PRINCE WILLIAM COUNTY, VIRGINIA MAY 16, 2008

**VIRGINIA RAILWAY
EXPRESS**

BOARD MEMBERS

JOHN JENKINS
CHAIRMAN

SHARON BULOVA
VICE-CHAIRMAN

CHRIS ZIMMERMAN
TREASURER

PAUL MILDE
SECRETARY

MAUREEN CADDIGAN
WALLY COVINGTON
MARV DIXON
PATRICK HERRITY
FRANK JONES
KEVIN PAGE
GEORGE SCHWARTZ
PAUL SMEDBERG
DOUG WALDRON

ALTERNATES

MARC AVENI
JAY FISETTE
MATT KELLY
TIMOTHY LOVAIN
MICHAEL MAY
JEFF McKAY
MARTIN NOHE
BRYAN POLK
JOHN STIRRUP
MATT TUCKER

DALE ZEHNER
CHIEF EXECUTIVE
OFFICER

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MEMBERS PRESENT	JURISDICTION
Maureen Caddigan (PRTC)	Prince William County
Wally Covington (PRTC)	Prince William County
Marvin J. Dixon (PRTC)*	City of Fredericksburg
Patrick Herrity (NVTC)*	Fairfax County
John D. Jenkins (PRTC)	Prince William County
Paul Milde (PRTC)	Stafford County
George H. Schwartz (PRTC)	Stafford County
Paul Smedberg (NVTC)*	City of Alexandria
Doug Waldron (PRTC)	City of Manassas

MEMBERS ABSENT	JURISDICTION
Sharon Bulova (NVTC)	Fairfax County
Frank C. Jones (PRTC)	City of Manassas Park
Kevin Page	DRPT
Christopher Zimmerman (NVTC)	Arlington County

ALTERNATES PRESENT	JURISDICTION
Jeff McKay (NVTC)	Fairfax County
Sharmila Samarasinghe	DRPT

ALTERNATES ABSENT	JURISDICTION
Marc Aveni (PRTC)	City of Manassas
Jay Fiset (NVTC)	Arlington County
Matthew Kelly (PRTC)	City of Fredericksburg
Timothy Lovain (NVTC)	City of Alexandria
Michael C. May (PRTC)	Prince William County
Martin E. Nohe (PRTC)	Prince William County
Bryan Polk (PRTC)	City of Manassas Park
John Stirrup (PRTC)	Prince William County
Matthew Tucker	DRPT

STAFF AND GENERAL PUBLIC	
George Billmyer – citizen	April Maguigad – VRE
Dan Gentz – D.C. Examiner	Betsy Massie – PRTC staff
Al Harf – PRTC staff	Peyton Onks – Sup. Herrity's office
Ann King – VRE	Mark Roeber – VRE
Mike Lake – Fairfax County	Mike Schaller – citizen
Lezlie Lamb – VRE	Jennifer Straub – VRE
Bob Leibbrandt – Prince William County	Rick Taube – NVTC staff
Steve Maclsaac – VRE counsel	Dale Zehner – VRE

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

Chairman Jenkins called the meeting to order at 9:31 A.M. Following the Pledge of Allegiance, roll call was taken. He welcomed Mr. McKay, who will serve as a voting member in Ms. Bulova's absence, as well as Ms. Sharmila Samarasinghe, representing DRPT.

Approval of the Agenda – 3

Chairman Jenkins noted that the agenda was revised to include #8F "Support for Transportation Funding in the Special Session of the Virginia General Assembly."

Ms. Caddigan moved, with a second by Mr. Milde, to approve the revised agenda. The vote in favor was cast by Board Members Caddigan, Covington, Jenkins, McKay, Milde, Samarasinghe, Schwartz and Waldron.

Minutes of the April 18, 2008, VRE Operations Board Meeting – 4

Mr. Covington moved, with a second by Ms. Caddigan, to approve the minutes. The vote in favor was cast by Board Members Caddigan, Covington, Jenkins, McKay, Milde, Samarasinghe and Schwartz. Mr. Waldron abstained.

[Board Members Smedberg and Dixon arrived at 9:34 A.M. and 9:35 A.M., respectively.]

Chairman's Comments – 5

Chairman Jenkins reported that VRE ridership continues to climb. Ridership is up 5.3 percent and fare revenue is up 10.7 percent compared to the same time last year. As of May 1st, the cumulative average daily ridership reached 14,538, which is the highest it has been since June 2006.

Chairman Jenkins announced that the ribbon cutting ceremonies for the two new parking garages are scheduled for June 26th at 11:00 A.M. for the Manassas parking garage and June 28th at 1:00 P.M. for the Burke Centre parking garage. Board Members should be receiving their invitations soon. Mr. Zehner stated that both facilities are impressive and should boost ridership.

Chief Executive Officer's Report – 6

Mr. Zehner reported that system wide on-time performance dipped to 80.3 percent in April. The largest cause of delays was train interference and slow orders on the Fredericksburg Line due to CSX repairing mainline tracks. Following CSX conducting track inspections, a number of minor track defects were detected, resulting in slow orders. All repairs were completed within three weeks and on-time performance has improved. Only nine delays out of a total of 126 delays in April were due to mechanical issues. Another major problem is that VRE trains, especially afternoon trains, are being

held for late Amtrak trains, which are causing delays to VRE's schedule. Mr. Zehner stated that VRE staff plans to address this issue with Amtrak management. Mr. Milde expressed his concern regarding on time performance, especially coming into the summer months. He encouraged staff to be vigilant.

[Mr. Herrity arrived at 9:41 A.M.]

Mr. Zehner stated that the fourth MOU project is nearing completion, which includes extending the third mainline track at "RO," an area just south of the Potomac River Bridge near the Crystal City station. The work will require three days of signal suspension and VRE will experience service disruptions on both lines on Friday, May 30th. VRE staff has decided to terminate VRE train service outside of the suspension area. Fredericksburg Line trains will be terminated at the Franconia-Springfield station and Manassas Line trains will end at the Norfolk Southern facility near the Van Dorn Metrorail station where passengers will be bused to the Metro station. VRE passengers will be able to transfer to Metro using their VRE ticket. The process will be reversed in the afternoon. Mr. Zehner explained that if VRE continued trains through the work zone, delays could be up to an hour or more. Passenger notification has already begun and will continue through the month of May. Chairman Jenkins suggested additional TV and radio coverage. Ms. Caddigan suggested using the county cable stations. Chairman Jenkins directed staff to provide press release materials to the jurisdictions. In response to a question from a Mr. McKay asking if WMATA is issuing public service announcements to its passengers, Mr. Zehner responded that Metro runs so many trains that this shouldn't impact Metro riders, but he will contact WMATA's General Manager.

Mr. Zehner reported that another five new railcars arrived on May 15th and are being inspected today and should be put into service next week. VRE has received 30 of the 50 railcars, with final delivery of the last five railcars in September. Mr. Zehner applauded the contractors, Sumitomo and Nippon Sharyo.

Mr. Zehner announced that the annual Manassas Railway Festival will be held on June 7th and VRE will operate excursion trains hourly from 10:00 A.M. to 3:00 P.M. The trains are very popular.

Mr. Zehner reminded Board Members that at the last meeting Mr. Billmyer talked about a new commuter rail service in Utah and Ms. Bulova asked for additional information. Mr. Zehner reviewed more details about this new start rail project, which cost \$518 million. He also stated that at the same meeting, Mr. Herrity inquired about WiFi/WiMax capabilities on VRE trains. Mr. Zehner explained that staff ran connectivity testing on both lines and found that currently there is no continuous connectivity. On the Fredericksburg Line there are more areas that do not have service, but both lines don't have continuous service. He stated that as more cell towers are installed, continuity will improve. But for now, VRE cannot provide WiFi/WiMax capabilities. Staff will continue to revisit this issue.

Mr. Covington stated that it is his understanding that Amtrak is exploring initiating a commuter line out of Culpepper. He asked about the progress of this initiative and how

it would impact VRE service. Mr. Zehner stated that it would not be in operation until 2010 and would originate in Lynchburg. Mr. Covington stated that it will be just one more train on the line causing more congestion.

VRE Riders' and Public Comment – 7

George Billmyer stated that he is glad to see that VRE ridership has increased on both lines, which can probably be attributed to rising fuel costs. Ridership is also increasing across the country. He provided an overview of several speakers at the National Association of Rail Passengers (Amtrak) Board meeting. He stated that federal legislation has been introduced to fund Amtrak with \$14.3 billion for the next five years, as well as legislation for high-speed corridors and a provision for state funds for rail to be matched by federal funds (80/20 percent match). Amtrak's Chairman of the Railway and Infrastructure Committee stated that his top priority corridor is the Southeast corridor and he would like to see the Washington-Richmond-Charlotte-Atlantic corridor receive priority.

Mr. Billmyer stated that freight railroads do not like passenger service on their rail lines because it costs them money and causes capacity issues. Norfolk Southern is looking into building a Culpepper-Front Royal rail line, which could include a long tunnel. Norfolk Southern freight business is increasing and this would serve as a rail bypass to keep trains moving faster. He also provided details about a new technology, called Positive Train Control, which would replace the antiquated block signals with computerized controls.

Authorization to Issue a Solicitation for Security Services – 8A

Mr. Zehner explained that the VRE Operations Board is being asked to authorize him to issue a solicitation for security services at VRE facilities. Resolution #8A-05-2008 would accomplish this.

Mr. Zehner stated that in September 2003, the Operations Board authorized a five-year contract for security services that included evening and weekend security coverage at both the Crossroads and Broad Run yards and on-call service at other locations. This contract expires November 30, 2008 and a solicitation must be reissued to ensure uninterrupted coverage. The solicitation will be structured as a labor hours contract and include evening and weekend coverage at the yards, on-call services, and the option for round-the-clock security coverage at both yards. Following the solicitation, a recommendation for award will be brought back to the Operations Board for action. There were no questions or comments from Board Members.

Mr. Smedberg moved, with a second by Mr. Milde, to approve the resolution. The vote in favor was cast by Board Members Caddigan, Covington, Dixon, Herrity, Jenkins, McKay, Milde, Samarasinghe, Schwartz, Smedberg and Waldron.

Authorization to Issue a Task Order for Locomotive Top Deck Rebuild Work – 8B

Mr. Zehner reported that the Operations Board is being asked to approve Resolution #8B-05-2008, which would authorize VRE's CEO to issue a task order to Transportation Technologies, Inc. (TTI) to perform top deck rebuild work on two locomotives in an amount not to exceed \$450,000, plus a contingency of \$45,000, for a total of \$495,000. Board Members had no questions.

Ms. Caddigan moved, with a second by Mr. Dixon, to approve the resolution. The vote in favor was cast by Board Members Caddigan, Covington, Dixon, Herrity, Jenkins, McKay, Milde, Samarasinghe, Schwartz, Smedberg and Waldron.

Authorization to Issue a Purchase Order for Printing Services for the VRE Update – 8C

Mr. Zehner stated that Resolution #8C-05-2008 provides authorization for the CEO to issue a purchase order to Lake Litho Printing and Marketing Services of Manassas, Virginia in an amount not to exceed \$50,000 for printing services related to the publication of VRE's bi-weekly on-board newsletter.

Mr. Zehner explained that in October 2004, VRE brought the publication of the on-board bi-weekly VRE newsletter in-house. While VRE staff writes and lays out the newsletter, the services of an outside printing company must be obtained in order to publish the newsletter. In September 2006, the Board authorized a \$50,000 purchase order to Lake Litho Printing, but presently there is less than \$5,000 in funding under this prior authorization. As a result, VRE staff has obtained quotes from four vendors to arrive at the lowest possible printing cost for a new purchase order. The work scope includes copying, folding, and delivery to the outlying train yards. Lake Litho Printing's quote was the lowest.

Mr. Zehner stated that staff continues to seek advertisers for the back page of the newsletter and a small space on the inside back cover. Advertising is sold and managed by VRE and conforms to Operations Board approved advertising guidelines. Advertising generated approximately \$15,000 last year.

Mr. Smedberg asked if VRE has a way to electronically communicate with passengers. Mr. Zehner stated that VRE does communicate with passengers through e-mail notices, but the newsletter allows VRE to address bigger issues and information, as well as write more in-depth articles.

Mr. Smedberg moved, with a second by Mr. Herrity, to approve the resolution.

In response to a question from Mr. Milde, Mr. Zehner explained that the net costs will be about \$35,000 because of the approximate \$15,000 advertising revenue generated. Also, it is a one-year contract.

The Board then voted on the motion and it passed. The vote in favor was cast by Board Members Caddigan, Covington, Dixon, Herrity, Jenkins, McKay, Milde, Samarasinghe, Schwartz, Smedberg and Waldron.

Authorization to Sell Five Gallery Cars – 8D

Mr. Zehner reported that the VRE Operations Board is being asked to recommend that the Commissions authorize the VRE CEO to sell five Gallery cars to Chicago Metra for \$5,500 per car. Resolution #8D-05-2008 would accomplish this.

Mr. Zehner stated that in March 2007, the Board granted authority to sell up to 25 Gallery railcars in anticipation of the new railcar delivery. To-date, 20 of the 25 cars have been sold. On May 8, 2008, VRE received a proposal from Metra to purchase the final five railcars for \$5,500 each. Previous Gallery car sales were approved at \$1 per car (for cars without working air conditioning) and \$4,000 per car (for cars with working air conditioning). If the sale is approved, VRE staff estimates that the cars will be shipped in June. While VRE has calculated that no federal or state interest will remain in these cars at the time of sale, formal approval from the Federal Transit Administration is still pending. Sale of these cars is contingent on this approval and will not occur until this approval is received.

Ms. Caddigan moved, with a second by Mr. Milde, to approve the resolution.

Mr. Dixon asked if there would be a need for these cars in the near future with VRE's increasing ridership. Mr. Zehner responded that VRE does not need these railcars since it has 45 Gallery cars in addition to the original 11 railcars and the 50 new railcars. Another problem is that VRE does not have the storage space for these cars. In response to a question from Mr. Covington, Mr. Zehner stated that the buyer will pay all the freight charges to remove the cars from VRE property.

The Board then voted on the motion and it passed. The vote in favor was cast by Board Members Caddigan, Covington, Dixon, Herrity, Jenkins, McKay, Milde, Samarasinghe, Schwartz, Smedberg and Waldron.

Authorization to Exercise Marketing Contract Option Year – 8E

Mr. Zehner reported that Resolution #8E-05-2008 would authorize the CEO to exercise the fifth option of the marketing contract with Williams Whittle Associates in an amount not to exceed \$550,000 during the contract year. Board Members had no questions or comments.

Ms. Caddigan moved, with a second by Mr. Smedberg, to approve the resolution. The vote in favor was cast by Board Members Caddigan, Covington, Dixon, Herrity, Jenkins, McKay, Milde, Samarasinghe, Schwartz, Smedberg and Waldron.

Support for Transportation Funding in the Special Session of the Virginia General Assembly – 8F

Chairman Jenkins explained that Resolution #8F-05-2008 would urge the General Assembly to adopt a dedicated funding program which funds transportation at levels equal to or greater than the amounts approved by HB3202 beginning in FY 2009. The resolution would be sent to the Governor, the President of the Senate, and the Speaker of the House. The Special Session will convene on June 23, 2008. The resolution has been reviewed by legal counsel.

Mr. Waldron suggested the resolution include the names of the jurisdictions represented on VRE, as well as references to the number of VRE riders. Mr. Smedberg also requested that a copy be sent to the Northern Virginia delegation. Mr. Waldron suggested also sending it to the Chairman of the Senate Finance Committee and the Chairman of the House Appropriations Committee. Mr. McKay suggested including projections of ridership growth for the future, especially in light of the BRAC proposal. Chairman Jenkins stated these are excellent suggestions. He stated that he would like these suggestions incorporated into the document and because of time constraints, staff could e-mail the final version to Board Members for review. Mr. Waldron stated that he does not think that it is necessary since the Board has just reviewed it and made suggestions. Mr. Smedberg agreed but stated that if there is a cover letter accompanying the resolution, it should be reviewed by the Executive Committee.

Mr. Waldron moved to authorize approval of the resolution, after incorporating the changes and suggestions, and then have the Executive Committee review any cover letter. Mr. Smedberg seconded the motion. The Board then voted on the motion and it passed. The vote in favor was cast by Board Members Caddigan, Covington, Dixon, Herrity, Jenkins, McKay, Milde, Samarasinghe, Schwartz, Smedberg and Waldron.

Delegation of Authority Plan – 9A

Mr. Zehner reminded Board Members that in late 2007, the Operations Board and Commissions, respectively, adopted the final phase of a delegation of authority plan to be implemented July 1, 2008. Next month's meeting will be the final month of the current delegation of authority, which presently is limited to financial decisions of \$1 million or less. The following responsibilities will not be delegated and will remain at the Commission level:

- Amendments to the Master Agreement;
- Hiring and termination of the CEO;
- Statewide and federal grant applications;
- Approval of legislative agendas and the strategic plan;
- Sale or purchase of real property and equipment in the Commissions' name;
- Other major policies such as terms for new entrants;
- Other actions reserved for the Commissions by the Master Agreement, such as approving annual budgets and six-year financial plans;

- Approval of CSX and NS Operating Access Agreements; and
- Insurance agreements.

Board Members had no questions or comments.

Closed Session – 10

Ms. Caddigan moved, with a second by Mr. Dixon, the following motion:

Pursuant to the Virginia Freedom of Information Act (Sections 2.2-3711A (1) of the Code of Virginia), the VRE Operations Board authorizes a Closed Session to discuss a personnel item.

The vote in favor was cast by Board Members Caddigan, Covington, Dixon, Herrity, Jenkins, McKay, Milde, Samarasinghe, Schwartz, Smedberg and Waldron.

The Board entered into Closed Session at 10:19 A.M. and returned to Open Session at 11:08 A.M.

Ms. Caddigan moved, with a second by Mr. Milde, the following certification:

The VRE Operations Board certifies that, to the best of each member's knowledge and with no individual member dissenting, at the just concluded Closed Session:

1. Only public business matters lawfully exempted from open meeting requirements under the Freedom of Information Act were discussed; and
2. Only such public business matters as were identified in the motion by which the Closed Session was convened were heard, discussed or considered.

The vote in favor was cast by Board Members Caddigan, Covington, Dixon, Herrity, Jenkins, McKay, Milde, Samarasinghe, Schwartz, Smedberg and Waldron.

Mr. Milde moved to adopt the recommendations made during the Closed Session concerning Mr. Zehner's evaluation. Ms. Caddigan seconded the motion. The vote in favor was cast by Board Members Caddigan, Covington, Dixon, Herrity, Jenkins, McKay, Milde, Samarasinghe, Schwartz, Smedberg and Waldron.

Adjournment

On a motion by Mr. Dixon, and a second by Ms. Caddigan, the Board unanimously voted to adjourn. Chairman Jenkins adjourned the meeting at 11:09 A.M.

Approved this 20th day of June, 2008.

JOHN D. JENKINS
Chairman

PAUL MILDE
Secretary

CERTIFICATION

This certification hereby acknowledges that the minutes for the May 16, 2008 Virginia Railway Express Operations Board Meeting have been recorded to the best of my ability.

Rhonda Gilchrest

Rhonda Gilchrest