



MINUTES

VRE OPERATIONS BOARD MEETING PRTC HEADQUARTERS – PRINCE WILLIAM COUNTY, VIRGINIA NOVEMBER 21, 2008

VIRGINIA RAILWAY EXPRESS

BOARD MEMBERS

JOHN JENKINS
CHAIRMAN

SHARON BULOVA
VICE-CHAIRMAN

CHRIS ZIMMERMAN
TREASURER

PAUL MILDE
SECRETARY

MAUREEN CADDIGAN
WALLY COVINGTON
PATRICK HERRITY
FRANK JONES
MATT KELLY
KEVIN PAGE
GEORGE SCHWARTZ
PAUL SMEDBERG
JONATHAN WAY

ALTERNATES

MARC AVENI
BRAD ELLIS
JAY FISETTE
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
Sharon Bulova (NVTC)*	Fairfax County
Maureen Caddigan (PRTC)	Prince William County
Patrick Herrity (NVTC)*	Fairfax County
John D. Jenkins (PRTC)	Prince William County
Matthew Kelly (PRTC)	City of Fredericksburg
Paul Milde (PRTC)	Stafford County
Kevin Page	DRPT
George H. Schwartz (PRTC)	Stafford County
Jonathan Way (PRTC)	City of Manassas
Christopher Zimmerman (NVTC)	Arlington County

MEMBERS ABSENT	JURISDICTION
Wally Covington (PRTC)	Prince William County
Frank C. Jones (PRTC)	City of Manassas Park
Paul Smedberg (NVTC)	City of Alexandria

ALTERNATES ABSENT	JURISDICTION
Marc Aveni (PRTC)	City of Manassas
Jay Fiset (NVTC)	Arlington County
Timothy Lovain (NVTC)	City of Alexandria
Michael C. May (PRTC)	Prince William County
Jeff McKay (NVTC)	Fairfax 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
Donna Boxer – VRE	Betsie Massie – PRTC staff
John Duque – VRE	Peyton Onks – Sup. Herrity's office
Mike Garber – PBGH	Dick Peacock – citizen
Anna Gotthardt – VRE	Mike Schaller – citizen
Al Harf – PRTC staff	Brett Shorter – VRE
Ann King – VRE	Jennifer Straub – VRE
Mike Lake – Fairfax County	Rick Taube – NVTC staff
Bob Leibbrandt – Prince William County	Sara Wolfenden – Stafford County
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 9:39 A.M. Following the Pledge of Allegiance, roll call was taken.

Approval of the Agenda – 3

Chairman Jenkins stated that “Agenda Item #8E: Closed Session” should be added to the agenda. There were no objections.

Ms. Caddigan moved, with a second by Mr. Kelly, to approve the amended agenda. The vote in favor was cast by Board Members Caddigan, Jenkins, Kelly, Milde, Page, Schwartz, Way and Zimmerman.

Minutes of the October 17, 2008, VRE Operations Board Meeting – 4

Mr. Zimmerman moved, with a second by Mr. Kelly, to approve the minutes. The vote in favor was cast by Board Members Caddigan, Jenkins, Kelly, Milde, Page, Schwartz, Way and Zimmerman.

Chairman’s Comments – 5

Chairman Jenkins stated that the Audit Committee met with VRE’s auditor prior to this meeting to review VRE’s audit, which will be discussed later in the agenda. He also reported that VRE ridership continues to increase. VRE has hit ridership of 16,500+ passenger trips per day sixteen times during the month of October. Two of those days were over 17,000 passenger trips. Four of VRE’s top ridership days occurred in October. So far the reduction in fuel costs has not affected ridership, but it is probably too early to tell how it could impact ridership in the future.

Chairman Jenkins announced that VRE will conduct its 12th Annual Operation Lifesaver Santa Trains on Saturday, December 13th. As in previous years, VRE will collect toys for the Marine Corps’ Toys for Tots campaign. Tickets will go on sale on Monday, December 1st and will cost \$5. Net proceeds will benefit Operation Lifesaver. Chairman Jenkins encouraged Board Members to participate.

[Ms. Bulova entered the room at 9:41 A.M.]

Chief Executive Officer’s Report – 6

Mr. Zehner stated that he and his wife Linda have been Santa and Mrs. Claus for the past 3-4 years for the Santa trains. This year VRE has enlisted more female volunteers so that a Mrs. Claus can accompany Santa on each Santa train.

Mr. Zehner explained that initially when planning the budget VRE was not going to run service on Inauguration Day. Since record numbers of people are expected to attend

this event, VRE has received informal permission from CSXT and Norfolk Southern (NS) to run service on this day. CSXT, NS and Amtrak are concerned with some of the security issues, especially rail traffic through the First Street Tunnel and L'Enfant Station. VRE will attempt to modify its schedule to work around these issues. Chairman Jenkins stated that it is important for VRE to be involved in this Inaugural event. Record breaking crowds (estimated anywhere from 800,000 to 5 million) are expected.

Mr. Zehner displayed pictures of the new facility at the Crossroads Yard. The new engine house and adjacent train washer building are now completed. This \$7 million project was finished in about a year. VRE will now focus on similar work at the Broad Run Yard, which will move VRE maintenance out to the yards.

VRE Riders' and Public Comment – 7

Dick Peacock applauded VRE's decision to run service on Inauguration Day.

[Mr. Herrity joined the meeting at 9:50 A.M.]

George Billmyer reported that during the recent election 72 percent of rail issues on the ballots passed across the country, which totals about \$75 billion. The rail initiative in Seattle, Washington passed while the highway initiative failed. Mr. Billmyer stated that he is excited about the high speed rail initiative that passed in California. This will bring North America into the 21st Century by putting rail service on its own dedicated rail line and not dependent on freight rail lines.

Authorization to Select a Nominating Committee for VRE Officers – 8A

Chairman Jenkins explained that the VRE Operations Board is being asked to select a Nominating Committee for the appointment of a new slate of officers for the upcoming term, which runs from January 2009 to December 2009. Resolution #8A-11-2008 will accomplish this. He explained that the Chairman position rotates each year between NVTC and PRTC members of the Operations Board. He appointed Ms. Bulova and Ms. Caddigan to serve as the Nominating Committee and asked them to present a slate of officers at the December meeting. The election will be held at the January meeting.

Ms. Bulova moved, with a second by Mr. Milde, to approve Resolution #8A-11-2008. The vote in favor was cast by Board Members Caddigan, Herrity, Jenkins, Kelly, Milde, Page, Schwartz, Way and Zimmerman.

Authorization to Forward the FY 2008 Audited Financial Statements and Management Letter – 8B

Chairman Jenkins reported that the FY 2008 audit was conducted by the firm of PBGH, LC, which has served as the auditors for VRE, PRTC and NVTC for the last few years.

He introduced Mike Garber, who is a partner with PBGH. Mr. Garber stated that he met with the Audit Committee prior to this meeting to go over in depth the audit findings. PBGH has issued three opinions that are unqualified, which is the best opinion an auditor can give. Mr. Garber stated that he anticipates that VRE will be successful in receiving the GFOA's Certificate of Achievement for Excellence in Financial Reporting for a second year. This is the highest form of recognition in governmental accounting and financial reporting. Only six percent of counties and five percent of cities across the country receive this award each year, so Donna Boxer and her staff should be commended for their outstanding work.

Ms. Bulova moved, with a second by Mr. Milde, to approve Resolution #8B-11-2008, which authorized VRE's CEO to forward the audited financial statements to the Commissions for consideration. The vote in favor was cast by Board Members Caddigan, Herrity, Jenkins, Kelly, Milde, Page, Schwartz, Way and Zimmerman.

Authorization to Issue a Request for Proposals for Locomotive Fuel Delivery Services – 8C

Mr. Zehner reported that Resolution #8C-11-2008 would authorize him to issue a RFP for the delivery of fuel to the VRE locomotive fleet at both VRE yards. The current Broad Run contract expires on July 5, 2009 and the Crossroads contract expires on October 4, 2009. VRE staff proposes to solicit for these services earlier than normal so that new contracts can be awarded and futures pricing initiated, if appropriate.

Ms. Bulova moved, with a second by Ms. Caddigan, to approve the resolution. The vote in favor was cast by Board Members Caddigan, Herrity, Jenkins, Kelly, Milde, Page, Schwartz, Way and Zimmerman.

Authorization to Issue a Task Order for Comprehensive Periodic HEP Inspections – 8D

Mr. Zehner explained that as part of VRE's efforts to maintain recent high levels of on-time performance, VRE's locomotive head end power units (HEPs) currently receive daily inspections as well as 92 day inspections. The daily inspections are more for service preparedness and insure the locomotives are ready and loaded with oil and water. The 92 day inspections include more comprehensive preventive maintenance. Despite these inspections, some locomotive failures have still occurred. Therefore, VRE staff is proposing an intermediate HEP inspection which would perform light preventive maintenance such as changing the oil and filter more frequently. As funding for locomotive replacement beyond the five units ordered is unknown, steps are being taken now to insure VRE's locomotives operate to their full capacity for several more years. Resolution #8D-11-2008 would authorize VRE's CEO to issue a task order to Transportation Technologies, Inc. (TTI) to perform comprehensive HEP inspections for one year in an amount not to exceed \$227,040.

Mr. Zimmerman moved, with a second by Mr. Milde, to approve the resolution. The vote in favor was cast by Board Members Caddigan, Herrity, Jenkins, Kelly, Milde, Page, Schwartz, Way and Zimmerman.

Closed Session – 8E

Ms. Bulova moved, with a second by Mr. Kelly, the following motion:

Pursuant to the Virginia Freedom of Information Act (Sections 2.2-3711.A.3 of the Code of Virginia), the VRE Operations Board authorizes a Closed Session for the purpose of discussing one matter concerning the acquisition of real property for public purpose where discussions in public would adversely affect VRE's bargaining position.

The vote in favor was cast by Board Members Caddigan, Herrity, Jenkins, Kelly, Milde, Page, Schwartz, Way and Zimmerman.

The Board entered into Closed Session at 10:05 A.M. and returned to Open Session at 10:14 A.M.

Ms. Bulova moved, with a second by Mr. Kelly, 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 Chapter 37, Title 2.2 of the Code of Virginia 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, Herrity, Jenkins, Kelly, Milde, Page, Schwartz, Way and Zimmerman.

Chairman Jenkins stated that the Operations Board has nothing to report out of Closed Session.

Adjournment

Ms. Caddigan moved, with a second by Ms. Bulova, to adjourn the meeting. The vote in favor was unanimous. Chairman Jenkins adjourned the meeting at 10:15 A.M.

Approved this 19th day of December, 2008.

JOHN D. JENKINS
Chairman

PAUL MILDE
Secretary

CERTIFICATION

This certification hereby acknowledges that the minutes for the November 21, 2008 Virginia Railway Express Operations Board Meeting have been recorded to the best of my ability.

Rhonda Gilchrest

Rhonda Gilchrest