



MINUTES

VRE OPERATIONS BOARD MEETING PRTC HEADQUARTERS – PRINCE WILLIAM COUNTY, VIRGINIA JANUARY 23, 2009

VIRGINIA RAILWAY EXPRESS

BOARD MEMBERS

CHRIS ZIMMERMAN
CHAIRMAN

PAUL MILDE
VICE-CHAIRMAN

WALLY COVINGTON
TREASURER

SHARON BULOVA
SECRETARY

MAUREEN CADDIGAN
PATRICK HERRITY
JOHN JENKINS
MATTHEW KELLY
SUHAS NADDONI
KEVIN PAGE
GEORGE SCHWARTZ
PAUL SMEDBERG
JONATHAN WAY

ALTERNATES

MARC AVENI
CHARLES BADGER
BRAD ELLIS
JAY FISETTE
FRANK JONES
TIMOTHY LOVAIN
MICHAEL MAY
JEFF McKAY
MARTIN NOHE
BRYAN POLK
JOHN STIRRUP

DALE ZEHNER
CHIEF EXECUTIVE
OFFICER

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MEMBERS PRESENT	JURISDICTION
Sharon Bulova (NVTC)	Fairfax County
Maureen Caddigan (PRTC)	Prince William County
Wally Covington (PRTC)	Prince William County
Patrick Herrity (NVTC)	Fairfax County
John D. Jenkins (PRTC)	Prince William County
Paul Milde (PRTC)	Stafford County
Kevin Page	DRPT
George H. Schwartz (PRTC)*	Stafford County
Paul Smedberg (NVTC)	City of Alexandria
Jonathan Way (PRTC)	City of Manassas
Christopher Zimmerman (NVTC)	Arlington County

MEMBERS ABSENT	JURISDICTION
Matthew Kelly (PRTC)	City of Fredericksburg
Suhas Naddoni (PRTC)	City of Manassas Park

ALTERNATES PRESENT	JURISDICTION
Charles Badger	DRPT

ALTERNATES ABSENT	JURISDICTION
Marc Aveni (PRTC)	City of Manassas
Brad Ellis	City of Fredericksburg
Jay Fiset (NVTC)	Arlington County
Frank C. Jones (PRTC)	City of Manassas Park
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

STAFF AND GENERAL PUBLIC	
George Billmyer – citizen	Betsie Massie – PRTC staff
John Duque – VRE	Sirel Mouchantaf – VRE
Anna Gotthardt – VRE	Peyton Onks – Sup. Herrity's office
Al Harf – PRTC staff	Dick Peacock – citizen
Ann King – VRE	Lynn Rivers – Arlington County
Mike Lake – Fairfax County	Mark Roeber – VRE
Bob Leibbrandt – Prince William County	Mike Schaller – citizen
Steve Maclsaac – VRE counsel	Jennifer Straub – VRE
April Maguigad – VRE	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 9:35 A.M. Following the Pledge of Allegiance, roll call was taken.

Remarks from Outgoing Chairman and Installation of New Officers – 2

Chairman Jenkins expressed his appreciation for being given the opportunity to serve as Chairman in 2008. He is very proud to have served as VRE Chairman for two different terms. This past year, VRE had a remarkable year with record breaking ridership, hitting 17,000 daily passenger trips several times. For Inauguration Day, VRE was sold out, averaging 16,000 people being transported to and from the Inauguration without incident. He thanked staff for their hard work. He recognized Ann King, Jennifer Straub, April Maguigad and Mark Roeber for their assistance throughout the year helping make his job as Chairman easier.

Chairman Jenkins stated that he previously appointed a Nominating Committee consisting of Board Members Caddigan and Bulova. He asked Ms. Caddigan to provide the Nominating Committee report. Ms. Caddigan stated that the Committee recommends the following slate of officers for 2009:

Chairman: Chris Zimmerman
Vice-Chairman: Paul Milde
Treasurer: Wally Covington
Secretary: Sharon Bulova

There were no other nominations. Chairman Jenkins declared the nominations closed. Ms. Bulova moved, with a second by Ms. Caddigan, to approve the slate of officers. The vote in favor was cast by Board Members Bulova, Caddigan, Covington, Herrity, Jenkins, Milde, Page, Smedberg, Way and Zimmerman.

Mr. Jenkins passed the gavel to newly elected Chairman Zimmerman. Chairman Zimmerman presented a gift of appreciation to Mr. Jenkins for his service as chairman during 2008.

[Mr. Schwartz arrived at 9:43 A.M.]

Approval of the Agenda – 4

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

Minutes of the December 19, 2008, VRE Operations Board Meeting – 5

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

New Chairman's Comments – 6

Chairman Zimmerman stated that it is an honor to serve as the Chairman of the VRE Operations Board. VRE had a remarkable year last year and one of the most successful years in VRE's history. VRE sustained ridership even when gas prices fell, which is an indication of the tremendous improvements VRE has made in its quality of service. At the same time, VRE, as well as local governments, are faced with a very difficult time with the current economic crisis. Following transit's most successful day in this region (Inauguration Day), as well as a great year overall for transit ridership in 2008, the transit industry is facing issues such as energy independence, global warming, traffic congestion, and air pollution. People need to use transit more and more as these issues are addressed. However, because of the budget crisis, transit agencies are having to make severe budget cuts, which could impact service. WMATA is scheduled to cut almost 900 jobs. VRE has had to have three fare increases in the last 18 months. Chairman Zimmerman expressed his concern that the federal answer of a stimulus package will not fully address these issues. Hopefully, VRE should receive some funds to purchase locomotives from the stimulus package, but there does not seem to be any federal understanding that the transit industry needs to maintain its services, not just receive funding for capital projects. He stated that the real challenge will be to maintain VRE's service and the reputation that it has earned.

Chief Executive Officer's Report – 7

Mr. Zehner gave an overview of VRE service on Inauguration Day. It was a good day for transit and for VRE. He provided a detailed description of how many people were involved to make VRE's service a success on January 20th. Eighty percent of the VRE passengers were not regular riders. The crowds were large, but they were orderly and patient. In the afternoon, many of the people wanted to leave early because of the cold weather. VRE moved a lot of people out of town quickly by packing the trains. CSX and Norfolk Southern railroads were extremely helpful and held back freight trains. Union Station was so crowded that the Fire Marshall shut it down and limited the number of people who could enter at one time. VRE turned back two trains to Union Station to pick up VRE passengers who got caught in the crowds and missed their trains. In response to a question from Mr. Covington, Mr. Zehner stated that the \$25 ticket revenues covered VRE's costs for the day. In response to a question from Chairman Zimmerman, Mr. Zehner stated that VRE sold about 9,000 round-trip tickets, but only approximately 8,000 tickets were used.

Mr. Zehner reported that ridership is up 15 percent higher than last December of 2007. Year-to-date, VRE ridership is up 11 percent. On-time performance was 92 percent on the Fredericksburg line and 94 percent on the Manassas line.

VRE Riders' and Public Comment – 8

George Billmyer stated that VRE needs a better funding base because it cannot operate the service that passengers want now. One success story is in Los Angeles, where a sales tax was passed by ballot that will bring in \$40 billion for transit over the next 30 years. The high speed rail line from Richmond is another initiative underway.

Dick Peacock stated that he agrees with Mr. Billmyer's comments. He stated that the Commonwealth needs to raise the gasoline sales tax, which has not been raised in 22 years. Fuel prices are down and people should have more money to cover the tax increase. Property taxes are also down. He thanked Mr. Zehner and his staff for providing great service on Inauguration Day. Out-of-town visitors had a good experience on VRE. When they have a good experience, they are encouraged to come back as tourists, which will increase revenues because they will spend money in the region. Chairman Zimmerman agreed that the gasoline tax should be increased.

Authorization to Amend the Contract for Warehouse Management – 9A

Mr. Zehner reported that the VRE Operations Board is being asked to authorize him to amend the contract with RailPlan International, Inc., for the management of the VRE warehouse in Manassas, Virginia, by extending the contract through June 30, 2010 in an amount not to exceed \$402,000. Resolution #9A-01-2009 would accomplish this.

Mr. Zehner explained the rationale for extending the contract. The second and final option year of the RailPlan contract expires in April of 2009. VRE intends to award a new Operations and Maintenance contract to become effective on July 1, 2010, which includes management of the VRE warehouse. After consultation with VRE counsel, it was determined that the limited duration of this contract, coupled with the extensive costs incurred by a new firm to train and mobilize, would make it cost prohibitive for a new proposer to successfully submit a proposal. In addition, if the option to advertise a wholly new RFP for these services for 14 months were pursued, a new warehouse management firm is estimated to require two months to become fully and reliably trained in the use of the warehouse inventory control software system. As such, it was concluded that the existing firm would have an unfair advantage over new proposers. Therefore, it was determined that the existing contract be extended.

Ms. Caddigan moved, with a second by Mr. Smedberg, to approve Resolution #9A-01-2009. The vote in favor was cast by Board Members Bulova, Caddigan, Covington, Herry, Jenkins, Milde, Page, Schwartz, Smedberg, Way and Zimmerman.

Authorization to Award a Contract for Septic Tank Plumbing of VRE Fleet – 9B

Mr. Zehner stated that Resolution #9B-01-2009 authorizes the CEO to enter into a contract with Don's Johns, Inc., of Chantilly, Virginia, for septic tank pumping services for the VRE fleet in the amount of \$238,000 over a three year period. Following a competitive procurement process, VRE received only one proposal, but it exceeded the budget for these services. The solicitation was cancelled and a second RFP was posted on November 25, 2008, with proposals due on January 5, 2009. One proposal was received that was less than the bids received during the first solicitation. Following review, a recommendation is being made to award the contract to Don's Johns. The term of the contract would be for one year, with options for two additional years, exercised at the discretion of the CEO.

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

Closed Session – 10A

Chairman Zimmerman moved, with a second by Ms. Bulova, the following motion:

Pursuant to the Virginia Freedom of Information Act (Sections 2.2-3711A (7) of the Code of Virginia), the VRE Operations Board authorizes a Closed Session for the purpose of discussing legal matters concerning an amendment to the Washington-Richmond Corridor Improvement Project MOU between VRE, DRPT and CSX.

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

The Board entered into Closed Session at 10:05 A.M. and returned to Open Session at 11:03 A.M.

Chairman Zimmerman moved, with a second by Ms. Bulova, 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, Covington, Jenkins, Kelly, Milde, Page, Schwartz, Way and Zimmerman.

In response to a question from Ms. Bulova, Mr. Zehner stated that VRE has requested stimulus funding for \$60 million for VRE locomotive acquisition. It has been estimated that the federal government is considering \$17 million for VRE locomotives, which would pay for four more locomotives. The Commonwealth of Virginia may request funds for rail improvement projects along the CSX corridor, including the Cherry Hill Station.

Washington-Richmond Corridor – 10A

Mr. Page announced that a milestone has been reached where the last two Washington-Richmond Corridor improvement projects will be completed in 2009. The Commonwealth has proposed for this calendar year to provide demonstrations on two very important corridors, which will positively impact VRE. Two intercity passenger rail demonstrations will be initiated, one from Richmond and one from Lynchburg to Washington, D.C. The first challenge is an amendment to the MOU with the two Commissions. He stated that it is very important for the VRE Operations Board to at least move it forward to the Commissions for them to review and take action at their February meetings.

Mr. Page stated that time is of the essence. The Commonwealth plans to make modifications to the Richmond and Lynchburg train stations; complete the rehabilitation of two eight-car train sets and two locomotives; and complete all the negotiations with the railroads and Amtrak. It is understood that VRE and the Commissions may have some concerns that will need to be addressed. In conclusion, he asked that the Board take action to at least forward this MOU to the Commissions.

Mr. Badger stated that this is a very important project to the Commonwealth. This request is exceptional because of the limited time this project has been presented to the Board and the need for quick action. Chairman Zimmerman sympathized with the time crunch, but he observed that it does not seem possible that it could be presented and action taken by the Commissions at their February meetings. The Operations Board does not have anything to pass along because negotiations are ongoing. Secondly, the February time frame does not work for NVTC since they are having an abbreviated meeting down in Richmond, which would not allow enough time to discuss the issue. March is the earliest time the Commissions could be expected to consider it. Chairman Zimmerman stated that it is his opinion that the Commissions will expect the VRE Operations Board to fully review the MOU before the Commissions are asked to act on it. Mr. Badger stated that he appreciates the Chairman's comments. He stated that the process has been a moving target where an agreement seems to be reached and then an issue arises that needs to be negotiated.

Chairman Zimmerman stated that the Commonwealth's plan and goals are good for the future of transportation across the state. However, there is a concern that before implementing any demonstration project, it is important to make sure that it will not

detract or damage existing rail service. Mr. Badger stated that the Commonwealth fully understands these concerns and will not push forward anything that would damage VRE service.

In response to a question from Mr. Schwartz, Mr. Page stated that an official name of the rail service has not been determined yet. It is now referred to as the "Richmond to Washington" and the "Lynchburg to Washington" service. Chairman Zimmerman stated that an issue is how the service would be branded or presented to the public. He asked if it would be essentially a component of Amtrak service? Mr. Badger explained that it is going to be a state sponsored Amtrak train. When passengers board a train in Lynchburg or Richmond, they can travel farther than Washington, D.C., since Amtrak runs service further north, such as New York City.

Mr. Schwartz asked if there is any plan to have a unified statewide rail service in the future, under one brand and one logo. Mr. Badger stated that this could be looked at in the future. Mr. Page stated that specific corridors are being identified for service and the branding of the service will occur as the project moves forward.

[Mr. Milde left the meeting at 11:16 A.M.]

Adjournment

Chairman Zimmerman announced that the next meeting is scheduled for February 20, 2009. Without objection, Chairman Zimmerman adjourned the meeting at 11:18 A.M.

Approved this 20th day of February, 2009.

Christopher Zimmerman
Chairman

Sharon Bulova
Secretary

CERTIFICATION

This certification hereby acknowledges that the minutes for the January 23, 2009 Virginia Railway Express Operations Board Meeting have been recorded to the best of my ability.

Rhonda Gilcrest

Rhonda Gilcrest