MINUTES

VRE Operations Board Meeting
PRTC Headquarters – Prince William County, Virginia
October 18, 2013

Members Present  Jurisdiction
Sharon Bulova (NVTC)  Fairfax County
Maureen Caddigan (PRTC)  Prince William County
John Cook (NVTC)  Fairfax County
Wally Covington (PRTC)  Prince William County
John D. Jenkins (PRTC)  Prince William County
Matt Kelly (PRTC)*  City of Fredericksburg
Paul Milde (PRTC)  Stafford County
Paul Smedberg (NVTC)  City of Alexandria
Jonathan Way (PRTC)  City of Manassas
Christopher Zimmerman (NVTC)*  Arlington County

Members Absent  Jurisdiction
Suhas Naddoni (PRTC)  City of Manassas Park
Kevin Page  DRPT
Gary Skinner (PRTC)  Spotsylvania County
Bob Thomas (PRTC)  Stafford County

Alternates Present  Jurisdiction
David Awbrey*  DRPT
Benjamin T. Pitts (PRTC)  Spotsylvania County

Alternates Absent  Jurisdiction
Marc Aveni (PRTC)  City of Manassas
Brad Ellis (PRTC)  City of Fredericksburg
Jay Fisette (NVTC)  Arlington County
Frank C. Jones (PRTC)  City of Manassas Park
Tim Lovain (NVTC)  City of Alexandria
Michael C. May (PRTC)  Prince William County
Jeff McKay (NVTC)  Fairfax County
Martin E. Nohe (PRTC)  Prince William County
Susan Stimpson (PRTC)  Stafford County

Staff and General Public
Doug Allen – VRE  Ann King – VRE
Gregg Baxter – Keolis  Mike Lake – Fairfax County
Donna Boxer – VRE  Lezlie Lamb – VRE
Kelley Coyner – NVTC staff  Richard Lee – STV
Walt Burke – NV Enterprises  Bob Leibbrandt – Prince William County
Rich Dalton – VRE  Steve Maclsaac – VRE counsel
Greg Deibler – VRE  Betsy Massie – PRTC staff
John Duque – VRE  Steven Mudge – STV
Patrick Durany – Prince William County  Foster Nichols – Parson Brinckerhoff
Kip Foster – VRE  Dick Peacock – Citizen
Rhonda Gilchrest – NVTC staff  Lynn Rivers – Arlington County
Al Harf – PRTC staff  Mark Roebel – VRE
Chris Henry – VRE  Mike Schaller – Citizen
Kimberly Herman – Stafford County  Scott Schenkl – Free Lance Star
Gerry Hill – VRE  Neil Villerin – NV Enterprises
Christine Hoefner – VRE

* Delineates arrival following the commencement of the Board meeting. Notation of exact arrival time is included in the body of the minutes.
Chairman Smedberg called the meeting to order at 9:42 A.M. Following the Pledge of Allegiance, roll call was taken.

**Approval of the Agenda – 3**

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

**Approval of the Minutes of the September 20, 2013 Operations Board Meeting – 4**

Mr. Milde moved approval of the minutes and Mr. Cook seconded. The vote in favor was cast by Board Members Bulova, Caddigan, Cook, Covington, Jenkins, Milde, Smedberg and Way. Mr. Pitts abstained.

**Chairman’s Comments – 5**

Chairman Smedberg reported that the federal government shutdown has ended after 16 days. More workers were impacted in Virginia than any other state. He also updated the Operations Board on the Transportation Planning Board’s draft Regional Transportation Priorities Plan (RTPP) which has been circulated for comment. The first draft did not include a great deal on commuter rail but Mr. Allen reported that Ron Kirby has stated that more on the potential for commuter rail will be added to the RTPP.

Chairman Smedberg reported that the military also recognizes the importance and value of VRE. The Department of Navy, in conjunction with the National Capital Region, has produced a video for Department of Defense employees highlighting different commuting option rather than driving and VRE is recommended as the preferred commuting option for outlying jurisdictions.

Chairman Smedberg acknowledged Ms. Bulova and Mr. Cook who gave details about “Jeans Day.” Ms. Bulova explained that today is “Jeans Day” in Fairfax County, which is a promotional initiative where businesses are encouraged to let their employees donate $5 to wear jeans for the day to raise awareness and funds to end homelessness. Mr. Cook further stated that it is a joint project between Fairfax County and the Fairfax Chamber of Commerce.

[Mr. Awbrey joined the discussion at 9:46 A.M.]
Chief Executive Officer’s Report – 6

Mr. Allen reported on the overall impact to VRE service from the federal government shutdown. Before the government shutdown, overall on-time performance (OTP) was excellent at 97 percent, with the Manassas Line reaching 99 percent. The government shutdown had a significant impact on VRE ridership, which saw a reduction in ridership of about 30 percent; however, ridership rebounded back the first day the government reopened with 19,000 daily trips. He also explained that the SmartBenefits program was disrupted by the shutdown but staff is hopeful that the program will be back in full swing by November. Mr. Allen also reported that VRE ran an “S” schedule on Columbus Day but ridership was low due most likely to the government shutdown.

Mr. Allen reported on several VRE events. VRE participated in the annual Clifton Days Event. Unfortunately due to weather conditions, attendance was light and VRE carried only 750 passengers. Mr. Allen has also continued to make a priority to meet with General Assembly members, including Delegate Plum and Delegate Keam. Mr. Allen stated that Delegate Plum invited him to make an appearance on his cable TV show.

Mr. Allen reported that following the APTA Annual Conference in Chicago, he traveled to Rochelle, Illinois and toured the Nippon Sharyo manufacturing plant to see VRE’s railcars being manufactured. In response to a question from Mr. Jenkins, Mr. Allen explained that eight cars have been ordered and will be delivered in two groups of four railcars beginning in early in 2014. The new railcars will be divided between VRE’s two lines for service. Mr. Way asked if delivery of these railcars will complete the replacement of the older Legacy railcars. Mr. Allen stated that VRE needs to purchase seven more railcars to replace all of the Legacy cars. Hopefully, with MAP-21 and the State of Good Repair Improvement Program, VRE will receive additional funding to purchase more railcars.

VRE Riders’ and Public Comment – 7

Mr. Peacock stated that he is pleased to hear that ridership bounced back after the government shutdown ended. This shows that people like to ride VRE. He expressed his opinion that VRE needs to seek more advertising revenue, including seeking advertising revenue from various Chamber of Commerce. VRE should also welcome back the federal government riders and emphasize VRE’s excellent OTP and how VRE gets them to work on time. Mr. Allen responded that VRE is working to increase advertising revenue and the recent Ride Magazine includes a thank you to all the riders.

Mr. Jenkins asked if there will be riders with expired or invalid tickets resulting from the government shutdown. Mr. Allen explained that there shouldn’t be many issues since the majority of VRE riders purchase monthly tickets. Consequently, VRE did not see a big
revenue reduction during the shutdown. He assured the Board that VRE customer service representatives are ready to help riders with any problems.

Approval of Financial and Debt Management Principles and Referral to Commissions – 8A

Mr. Allen stated that the VRE Operations Board is being asked to approve the Financial and Debt Management Principles and refer them to the Commissions for their review and approval. Resolution #8A-10-2013 would accomplish this.

Mr. Allen stated that the Capital Committee was established by Immediate Past Chairman Covington in December 2012. The Committee is chaired by Mr. Way and current members are Mr. Cook, Mr. Zimmerman, Mr. Jenkins, Mr. Milde, and Mr. Skinner. The Committee has met regularly to establish and maintain a set of Financial and Debt Management Principles for VRE; to provide an in-depth review of major capital needs; and to analyze capital funding sources and identify new sources and mechanisms.

Ms. Boxer further explained that VRE’s financial advisor, PFM, assisted in the development of these principles and comments were solicited from the CAO Task Force, the Commissions and DRPT. These principles provide a framework for evaluating the long-term impact of current decisions and support high quality credit ratings, if needed. The adoption of these principles will confirm the commitment of the Operations Board, the Commissions, and the management of VRE to adhere to sound financial and debt management practices in the conduct of VRE’s business. Ms. Boxer then reviewed each principle.

Mr. Way observed that for Principle #10C it should read “A” and not “A-” pertaining to the bond rating. He stated that if VRE can achieve all of these principles it will result in a very sound financial state for VRE. Some principles might be a stretch right now, but the important thing is that VRE is striving as an entity to achieve all the principles. He also noted that the principles will be integrated into the budget process. The principles are credible and consistent with what local jurisdictions are also doing. It is important to have a maintenance reserve as VRE’s fleet ages. In regards to Principle #13, he stated that he does not like variable rate financing, but it was included in the principles as a compromise to acknowledge that VRE could consider it.

Mr. Cook acknowledged Mr. Way’s leadership as Committee Chairman as well as VRE staff for their assistance. He stated that this is a big deal because VRE has been purchasing new equipment and it is important that VRE can afford to maintain the equipment. Funds will now be set aside every year to maintain the fleet. He stated that if VRE sticks to these principles, 10 years from now VRE will have a great, expanded system that is paid for and well maintained.

Mr. Way moved, with a second by Mr. Cook, to approve the resolution.
Ms. Bulova agreed with Mr. Cook that this is a big deal. It will help keep VRE disciplined and focused on VRE's financial responsibilities. Mr. Zimmerman agreed that this is a prudent step for an agency that has substantial capital assets. The timing of this is also important with NVTA funding. It is important to show the public that in advance of using taxpayer revenue that VRE has financial principles in place.

In response to a question from Chairman Smedberg, Ms. Boxer stated that Joanne Carter from PFM was instrumental in assisting VRE with this process. VRE used the Prince William County contract with PFM. VRE also asked the jurisdictions, CAO Task Force and DRPT to comment in order to reach consensus since it will impact VRE's budget and future decisions moving forward. Chairman Smedberg acknowledged Mr. Covington and his contribution to the process as it was his idea and leadership that moved this committee forward.

The Board then voted on the motion and it passed. The vote in favor was cast by Operations Board Members Awbrey, Bulova, Caddigan, Cook, Covington, Jenkins, Kelly, Milde, Pitts, Smedberg, Way and Zimmerman.

Approval of the Joint Audit Committee as VRE Operations Board Audit Committee – 8B

Mr. Allen explained that the VRE Operations Board is being asked to approve the creation of a VRE Audit Committee, the members of which shall be the members of the Joint Audit Committee created by the Commissions. Resolution #8B-10-2013 would accomplish this. Mr. Allen stated that at their respective October 2, 2013 meetings, NVTC appointed Mr. Smedberg, Mr. Zimmerman and Mr Cook and PRTC appointed Mr. Milde, Mr. Way and Mr. Covington to serve on the Joint Audit Committee.

[Mr. Milde left the room at 10:16 A.M.]

Ms. Bulova moved, with a second by Mr. Kelly, to approve the resolution. The vote in favor was cast by Board Members Awbrey, Bulova, Caddigan, Cook, Covington, Jenkins, Kelly, Pitts, Smedberg, Way and Zimmerman.

Authorization to Award a Contract for Security Services for VRE Commuter Passenger Rail Operations – 8C

Mr. Allen reported that Resolution #8C-10-2013 would authorize him to execute a contract with New Horizons Security Services, Inc. of Manassas, Virginia, for security services for five years in the amount not to exceed $1,546,226, plus a five percent contingency of $77,311, for a total not to exceed $1,623,527.

Mr. Allen explained that following a RFP process, four responses were received. The Technical Evaluation Team reviewed the proposals and determined that New Horizons Security Services, Inc. was technically compliant and unanimously selected to be the best
value for the project. Funding is provided in the FY 2014 operating budget and will be provided for in subsequent budgets through FY 2018.

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

In response to a question from Mr. Way, Mr. Dalton explained that the total contract price is for a five year period (one base year with four option years to be exercised at the discretion of the CEO). The Board asked that future items be written more clearly in this regard.

Mr. Way asked if armed guards are necessary. Mr. Dalton explained that VRE falls within the area designated for this enhanced security. Mr. Way asked if VRE needs prior approval from state or federal agencies to have armed security. Mr. Dalton responded that VRE does not need to seek formal approval, but there is communication between state and federal agencies. In response to a question from Chairman Smedberg, Mr. Dalton stated that there are no formal reporting requirements. However, there is a reporting and information sharing mechanism among agencies if there are any potential threats or vulnerability that needs to be conveyed.

[Mr. Milde returned to the discussion at 10:22 A.M.]

Mr. Zimmerman observed that the VRE Operations Board has not approved budgets beyond FY 2014. Mr. Allen explained that the intent is that it would be included in the proposed budgets for those future years. In response to a question from Chairman Smedberg, Mr. Dalton stated that the current contract expires on November 13, 2013. Mr. Zimmerman stated that it would be helpful to see what was budgeted and how it compares to the bid price. Ms. Boxer explained that VRE has a process where estimates are prepared before the competitive bid process begins and then once the bids are received they are compared to the budget amounts. She assured the Board that action would not be requested if it was not within the budget amount. Mr. Zimmerman asked that in the future, staff include the amounts by budget year and some indication how the bid/proposed price compares to the budgeted amount. Ms. Boxer stated that this specific information for this action item can be provided to Board Members following this meeting.

Mr. Covington moved, with a second by Ms. Caddigan, to approve Resolution #8C-10-2013. The vote in favor was cast by Board Members Awbrey, Bulova, Caddigan, Cook, Covington, Jenkins, Kelly, Milde, Pitts, Smedberg, Way and Zimmerman.

Authorization to Award a Contract for the Delivery of Brake Shoes –8D

Mr. Allen reported that Resolution #8D-10-2013 would authorize him to execute a contract with Railroad Friction Products Corporation of Laurinburg, Northern Carolina for the purchase of brake shoes in the amount of $193,118, plus a fifteen percent contingency of $28,968, for a total amount not to exceed $222,086. The contract is for a base year with two option years, with the VRE CEO exercising the option years at his discretion.
Mr. Allen stated that following a competitive bid process, only one response was received. VRE staff conducted a survey to determine why only a single bid was received and is satisfied with the results.

Chairman Smedberg asked about the fifteen percent contingency amount. Mr. Allen explained that the contingency amount is higher because there could be other variables and staff wants to make sure that there is enough contingency if additional brake shoes are needed.

Mr. Jenkins moved, with a second by Mr. Milde, to approve Resolution #8D-10-2013. The vote in favor was cast by Board Members Awbrey, Bulova, Caddigan, Cook, Covington, Jenkins, Kelly, Milde, Pitts, Smedberg, Way and Zimmerman.

Authorization to Award a Contract for Air Brake Overhaul Services – 8E

Mr. Allen stated that Resolution #8E-10-2013 would authorize him to execute a contract with Wabtec Global Services of Columbia, South Carolina, for Air Brake Overhaul Services in the amount not to exceed $716,577, plus a ten percent contingency of $71,657, for a total amount not to exceed $788,234.

Mr. Allen reported that VRE issued a RFP for air brake overhaul services and two responses were received. The Technical Evaluation Team reviewed the proposals and determined that the proposal from Wabtec Global Services was the only technically compliant proposal, but further negotiation with Wabtec was required concerning their exceptions to VRE's terms and conditions. Wabtec Global Services eventually withdrew the majority of their exceptions and VRE staff now concludes Wabtec Global Services has provided a proposal that is the best value for VRE.

Ms. Bulova moved, with a second by Mr. Zimmerman, to approve Resolution #8E-10-2013. The vote in favor was cast by Board Members Awbrey, Bulova, Caddigan, Cook, Covington, Jenkins, Kelly, Milde, Pitts, Smedberg, Way and Zimmerman.

Authorization to Approve a Contract Amendment for Tracks and Tie Rehabilitation at the VRE Broad Run and Crossroads Yards – 8F

Mr. Allen reported that Resolution #8F-10-2013 would authorize him to amend the contract with G.W. Peoples Contracting Company, Inc. for track and tie rehabilitation at the VRE Broad Run and Crossroads Yards in the amount of $395,048, plus a ten percent contingency, for a total amount not to exceed $434,553.

Mr. Dalton explained that during the rehabilitation work at the Crossroads Yard, it was observed that the track between the existing S&I Building and Train Wash Building, which is covered by asphalt, was sinking significantly under locomotive loading conditions. After further investigation, which involved the removal of several tons of asphalt to access the
track ties, it was discovered that the track ties in this area had become spongy due to water being trapped under the asphalt and needed to be replaced. Mr. Dalton stated that once the work began it became clear that there was a more substantial problem with the ties. Due to the extent of the necessary remediation, the cost exceeded the ten percent contingency. In response to a question from Chairman Smedberg, Mr. Allen stated that no pre-engineering was done prior to the original construction.

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

**Authorization to Extend a Lease Agreement for Parking at the VRE Rippon Station – 8G**

Mr. Allen explained that the VRE Operations Board is being asked to authorize him to extend a lease agreement with KP Big Crest Lane, LLC for 320 parking spaces at the Rippon Station in the amount of $164,890 for one year, through February 2015.

Mr. Allen stated that the average cost of $42.94 per space, per month is comparable to the current market value VRE is paying elsewhere. The intent is for a parking garage to be built at the station in the future.

Ms. Caddigan moved, with a second by Mr. Jenkins, to approve Resolution #8G-10-2013. The vote in favor was cast by Board Members Awbrey, Bulova, Caddigan, Cook, Covington, Jenkins, Kelly, Milde, Pitts, Smedberg, Way and Zimmerman.

**Authorization to Award a Supplemental GEC VI Task Order for Field Work for the Alexandria King Street Station Pedestrian Tunnel Project – 8H**

Mr. Allen stated that Resolution #8H-10-2013 would authorize him to award a Supplemental Task Order under the GEC VI contract to AECOM for Task Order #2 for field work for the Alexandria King Street Station Pedestrian Tunnel Project in an amount of $26,709, plus a ten percent contingency of $2,671, for a total amount not to exceed $29,321.

Mr. Allen explained that during the course of the project WMATA notified VRE of additional permitting and insurance requirements for work on WMATA property. Similarly, upon receipt of the CSX permit application initiated by VRE, additional coordination by AECOM is required to comply with CSX insurance requirements. This supplemental task order covers additional services to assist VRE in obtaining the necessary permits and insurance to allow field work to continue.

Mr. Zimmerman moved, with a second by Ms. Bulova, to approve Resolution #8H-10-2013. The vote in favor was cast by Board Members Awbrey, Bulova, Caddigan, Cook, Covington, Jenkins, Kelly, Milde, Pitts, Smedberg, Way and Zimmerman.
Support for Momentum: The Next Generation of Metro Strategic Plan – 8I

Chairman Smedberg explained that the VRE Operations Board is being asked to formally support Metro’s Strategic Plan called Momentum: The Next Generation of Metro. The plan is a result of more than a year of outreach and input from key stakeholders. WMATA is now seeking endorsements from the business community, local jurisdictions and other partners in the region. Mr. Allen stated that as one of WMATA’s regional partners, VRE has an interest in the plan and investments recommended to address Metro’s future growth.

Ms. Hoeffner gave a brief presentation on the Momentum Plan. She stated that the Momentum goals are aligned with VRE’s mission statement. With twenty-five percent of all VRE riders transferring to Metrobus or Metrorail to complete their daily commute, the future of Metro is important to VRE and its riders. VRE is already collaborating with WMATA on the King Street Pedestrian Tunnel Project, the New Electronic Payments Program (NEPP), and Metro 2040, which is WMATA’s long-term plan under development. Ms. Hoeffner then reviewed the seven key investment priorities of the plan.

Mr. Zimmerman moved, with a second by Ms. Bulova, to approve Resolution #8I-10-2013 which would support WMATA’s Momentum Plan. The vote in favor was cast by Board Members Awbrey, Bulova, Caddigan, Cook, Covington, Jenkins, Kelly, Milde, Pitts, Smedberg, Way and Zimmerman.

Operations Board Members’ Time – 9

There were no comments.

VRE System Plan Update – 10A

Mr. Allen stated that VRE staff and the planning consultant have been working since the July Workshop to develop preliminary plan recommendations based on the input received at the Workshop. Staff is seeking Operations Board feedback and general consensus on those recommendations to carry forward in the final plan. He introduced Foster Nichols of Parsons Brinckerhoff, VRE’s planning consultant. Mr. Allen asked Ms. Hoeffner to give a presentation on the status of the VRE System Plan.

Ms. Hoeffner reviewed the three potential VRE service initiatives. The first initiative would maximize existing service, which would satisfy short-term growth in the existing VRE commuter markets. The investments for this initiative would be “3S” — Seats, Stations and Storage. It would include additional railcars, the Potomac Shores Station, longer station platforms and other station improvements, and train storage. The projected ridership would rise to 25,000 daily trips by 2020. Mr. Zimmerman observed that VRE’s current
ridership projections show standing room only on peak trains by next year. Ms. Hoeffner stated that as new initiatives are added, more capacity will be added.

Ms. Hoeffner stated that the second initiative focuses on long-term growth that would expand service beyond VRE’s current system and would include “4S”—Seats, Stations, Storage and Slots. It would encompass a two-pronged approach that would focus on increased service to the traditional “commute to work” market to the Core (more peak trains, express trains, Gainesville-Haymarket extension) and target new markets (reverse commute, off peak service).

Mr. Way stated that VRE lent train slots to DRPT for their regional state train service and he asked when VRE expects these slots back. Mr. Zimmerman stated that it has been several years since DRPT borrowed the train slots, but the Operations Board was assured that VRE would get the slots back. Ms. Hoeffner stated that the agreements do not specify a certain date for the return of the slots. Mr. Zimmerman asked Mr. Awbrey to take this question back to DRPT. Mr. Kelly asked for a briefing from DRPT at next month’s meeting regarding the status of the state rail service and when VRE can expect the slots back. In response to a question from Ms. Bulova, Ms. Hoeffner explained that under the current railroad agreement VRE has a net total of eight available slots, including two round trips (four slots) DRPT is using and two round trips (four slots) VRE has available. Mr. Allen stated that it is his understanding that VRE will get the four slots back from DRPT when they expand their existing Amtrak Virginia service. Mr. MacIsaac further clarified that based on the CSX railroad agreement, before DRPT could add service, they would need to fund sufficient capital improvement to the CSX railroad to provide additional capacity for the four train slots to operate without affecting freight operations.

Ms. Hoeffner stated that the third initiative is to build a regional rail network, which could include VRE run-through service to Maryland, MARC run-through service to Virginia, and/or other markets. VRE could not do this on its own and will require a regional commitment to build this network.

Mr. Covington stated that he personally does not see an advantage to VRE service into Maryland. He stated that he would be more interested in seeing an overlay of the bus connections, as well as pedestrian access and walkable communities, throughout the region including Maryland for future planning efforts. Ms. Bulova stated that Fairfax County is currently working on a countywide Transit Network Plan and it might be useful for VRE to have a brief presentation at a future meeting as to how it relates to VRE to see the connections to VRE service. It could also be helpful to hear about other jurisdictional plans, such as from Prince William County and the Fredericksburg region.

Mr. Kelly stated that he would like to know how any future high speed rail will impact resources for VRE as it looks to its future plans. Mr. Allen stated that this could be included in next month’s presentation.

Mr. Harf asked in regards to the projected ridership growth chart, how do variables such as the commuter benefit play a part in that growth? Ms. Hoeffner explained that the
commuter benefits was not part of the calculations. It is difficult to predict what will happen regarding the transit benefit. Mr. Nichols stated that the chart is based on demographic growth projected through 2040 including population and employment in VRE’s service area and in the Alexandria-Arlington-DC Core. Mr. Harf stated that when VRE reaches the point of contemplating significant investments to the system, it will be important to understand the sensitivity to ridership projections. He stated that changes in the commuter benefit or the implications of the new I-95 Express Lanes to Spotsylvania should be explicitly looked at before major capital investments are made. Mr. Zimmerman stated that Mr. Harf’s point has validity but there is a myriad of factors than can impact ridership and some of them are impossible to predict. In regards to the I-95 Express Lanes, they could take riders away from VRE or draw riders to VRE service. Ultimately, VRE needs to look at demand for service. He stated his belief that if VRE had the capacity today, it would be carrying 45,000 daily riders. It’s not that people don’t want to ride, but right now VRE has limited capacity and service. For a region that is predicted to add another 2-3 million people over the next 30 years, it is not farfetched to believe VRE will be carrying 45,000 people in the future.

Ms. Bulova asked if there are things VRE can be doing now to make connections better for passengers to connect to MARC trains, such as changing frequency of service, Smartcard technology, etc. Ms. Hoeffner stated that based on VRE survey results there are VRE riders who have final destinations in Maryland and transfer to MARC service at Union Station. VRE and MARC already have a cross honor agreement where passengers can transfer to either VRE or MARC at no additional cost to them. The future improvements to Union Station will also help make connections better between MARC and VRE. Mr. Nichols stated that an easy improvement is for VRE to provide more information about transfer opportunities to MARC on its website.

The Board then discussed Mr. Kelly’s suggestion to ask DRPT for a report. Mr. Kelly stated that since the state is more involved in VRE, it would be good for VRE to receive a quarterly report from DRPT.

[Mr. Jenkins left the meeting at 11:33 A.M.]

Annual Customer Service Survey Results –10B

Mr. Henry reported that VRE conducted its annual customer service survey on May 8, 2013 and it was completed by 6,305 riders, which is basically the same number of responders as last year. The survey gives riders an opportunity to evaluate VRE operations and system performance. VRE saw improvement in 33 of 41 categories. This does not mean that there aren’t opportunities for improvement. While OTP has been the number one concern of VRE riders for many years, 89 percent of responders rated OTP as excellent or above average, which is the highest rating VRE has received in this category. Train crew performance also rated higher this year in most categories. The number one issue this year was cost. However, it should be noted that the survey was done shortly after a fare increase was announced. More frequent service and more capacity are still big priorities for passengers.
VRE received a high rating in cleanliness of trains, cleanliness of stations, and responsiveness of staff.

Mr. Henry gave some examples of initiatives VRE is pursuing to continue to make improvements. VRE staff has already taken the initiative to implement a plan to improve service further in some areas that may result in higher scores going forward. An example is VRE’s plan to improve Rail Time and include a way to differentiate each line, with the hope in the future to show individual tracks. Mr. Way asked if “staff” is considered train crews or VRE staff. Mr. Henry replied that it depends on how the responder interpreted “staff.”

Mr. Covington stated that he is pleased to see the improvements reflected in the survey results, especially during Mr. Allen’s first year as CEO. He congratulated both Mr. Allen and his staff. Mr. Zimmerman agreed and also stated that he liked that the presentation was not just a review of the results of the survey but that it showed how the results are being incorporated into VRE system improvements and how VRE is addressing the issues.

Maintenance and Custodial Service for VRE Facilities – 10C

Chairman Smedberg noted the lateness of the hour and asked if Board Members would like a briefing on this issue. Mr. Cook reminded members that back in May 2013 the Operations Board directed staff to come back with a report. Board Members agreed that staff should give a report on this issue.

Mr. Allen asked Ms. Boxer to provide a brief review and status. Ms. Boxer also introduced Gerri Hill, VRE’s Procurement Officer. Ms. Boxer noted that the written report provides a detailed history of the procurement and contracts, so her presentation will focus on other procurement options for moving forward. The base year of the two current Custodial and Maintenance contracts expire on May 1, 2014. She reviewed the four alternatives, as well as the pros and cons of each, which the Operations Board could consider as alternatives to exercising the first of the four option years for one or both contracts at this time:

- Separate scope of work into smaller contracts.
- Bring service in-house.
- Service provided by jurisdictions.
- Include responsibilities in the scope of work for the operations and maintenance contract.

[Ms. Caddigan left the meeting at 11:48 A.M.]

Mr. Cook asked if VRE can ask Keolis if they want to add it to their contract. Ms. Boxer stated that VRE would need to look at the details of the procurement and the contract documents with the Keolis contract. There would be more flexibility at the contract renewal. Mr. Dalton stated that the Keolis contract expires in July 2015.
stated that the scope could not be amended but Keolis could submit a proposal as part of a new VRE solicitation.

Other VRE Matters

Chairman Smedberg announced that he will be appointing members to serve on the Nominating Committee to recommend a slate of officers for 2014. He will also be sending an e-mail regarding Mr. Allen's performance review. Mr. Way reminded Capital Committee members that a meeting has been scheduled following the Operations Board meeting.

Adjournment

On a motion by Ms. Bulova and a second by Mr. Kelly, the Board unanimously agreed to adjourn. Chairman Smedberg adjourned the meeting at 11:50 A.M.

Approved this 15th day of November, 2013.

_____________________________
Paul Smedberg
Chairman

_____________________________
John Cook
Secretary

CERTIFICATION

This certification hereby acknowledges that the minutes for the October 18, 2013 Virginia Railway Express Operations Board Meeting have been recorded to the best of my ability.

_____________________________
Rhonda Gilchrest