



**Virginia Railway  
Express**

Gary Skinner  
Chairman

Paul Smedberg  
Vice-Chairman

Maureen Caddigan  
Secretary

Sharon Bulova  
Treasurer

John C. Cook  
Katie Cristol  
John Jenkins  
Matt Kelly  
Paul Milde  
Jennifer Mitchell  
Suhas Naddoni  
Martin Nohe  
Bob Thomas  
Jonathan Way

#### Alternates

Marc Aveni  
Pete Burrus  
Jay Fisette  
Todd Horsley  
Frank Jones  
Jeanine Lawson  
Jeff McKay  
Wendy Maurer  
Paul Trampe  
Billy Withers

Doug Allen  
Chief Executive Officer

1500 King Street, Suite 202  
Alexandria, VA 22314-2730

# MINUTES

## VRE Operations Board Meeting PRTC Headquarters – Prince William County, Virginia September 16, 2016

Members Present	Jurisdiction
Maureen Caddigan (PRTC)	Prince William County
John C. Cook (NVTC)	Fairfax County
Katie Cristol (NVTC)	Arlington County
Matt Kelly (PRTC)	City of Fredericksburg
John D. Jenkins (PRTC)	Prince William County
Martin Nohe (PRTC)*	Prince William County
Gary Skinner (PRTC)	Spotsylvania County
Paul Smedberg (NVTC)	City of Alexandria
Bob Thomas (PRTC)	Stafford County

Members Absent	Jurisdiction
Sharon Bulova (NVTC)	Fairfax County
Paul Milde (PRTC)	Stafford County
Jennifer Mitchell	DRPT
Suhas Naddoni (PRTC)	City of Manassas Park
Jonathan Way (PRTC)	City of Manassas

Alternates Present	Jurisdiction
Pete Burrus	DRPT

Alternates Absent	Jurisdiction
Marc Aveni (PRTC)	City of Manassas
Jay Fisette (NVTC)	Arlington County
Frank C. Jones (PRTC)	City of Manassas Park
Jeanine Lawson (PRTC)	Prince William County
Jeff McKay (NVTC)	Fairfax County
Wendy Maurer (PRTC)	Stafford County
Paul Trampe (PRTC)	Spotsylvania County
Billy Withers (PRTC)	City of Fredericksburg

Staff and General Public	
Khadra Abdulle – VRE	Christine Hoeffner – VRE
Doug Allen – VRE	Pierre Holloman – City of Alexandria
Tracy Baynard – McGuire Woods	Maggie Kasperski – VRE
Donna Boxer – VRE	John Kerins – Keolis
Alex Buchanan – VRE	Mike Lake – Fairfax County
Unwanna Dabney – Parsons Brinckerhoff	Lezlie Lamb – VRE
Rich Dalton – VRE	Bob Leibbrandt – Prince William County
Wynne Davis – Parsons Brinckerhoff	Alicia Lewis – VRE
Paul Dean – VRE	Steve MacIsaac – VRE legal counsel
John Duque – VRE	Eric Marx – PRTC Staff
Patrick Durany – Prince William County	Kate Mattice – NVTC Staff
Rhonda Gilchrest – NVTC Staff	Matthew McDermott – Amec Foster Wheeler
Oscar Gonzalez – VRE	Pat Pate – City of Manassas
Charlie Grymes – Prince William	Dallas Richards – VRE
Conservation Alliance	Lynn Rivers – Arlington County
Chris Henry – VRE	Theresa Stevenson – VRE
Kim Herman – Stafford County	Joe Swartz – VRE
Tom Hickey – VRE	

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

Chairman Skinner called the meeting to order at 9:11 A.M. Following the Pledge of Allegiance, Roll Call was taken.

#### Approval of the Agenda – 3

Chairman Skinner stated the Agenda has been amended to remove #8C “Authorization to Extend and Amend the Vendor Agreement for Sale of Fare Media with the Convention Store.”

Ms. Caddigan moved, with a second by Ms. Cristol, to approve the amended Agenda. The vote in favor was cast by Board Members Burrus, Caddigan, Cook, Cristol, Kelly, Jenkins, Skinner, Smedberg and Thomas.

#### Approval of the Minutes of the July 15, 2016 Operations Board Meeting – 4

Ms. Caddigan moved, with a second by Mr. Kelly, to approve the Minutes. The vote in favor was cast by Board Members Burrus, Caddigan, Cook, Cristol, Kelly, Skinner, Smedberg and Thomas. Mr. Jenkins abstained.

#### Chairman’s Comments – 5

Chairman Skinner stated since Mr. Way nor his alternate were able to attend this meeting, Mr. Pat Pate, Manassas City Manager, is attending as a non-voting participant.

Chairman Skinner announced Clifton Days is scheduled for October 11<sup>th</sup>. As in past years, VRE will run excursion trains for the event.

#### Chief Executive Officer’s Report –6

Mr. Allen reported on safety and security activities, including training for the Undercover Law Enforcement Program. VRE has over 100 law enforcement personnel who participate in this program.

Mr. Allen reported overall on-time performance (OTP) for the month of August was 88 percent (Fredericksburg line 79 percent and Manassas line 96 percent) and Average Daily Ridership was 18,500. In response to a question from Chairman Skinner, Mr. Henry noted there were heat restrictions on the Fredericksburg line almost every day during the summer. Track work and rail congestion also contributed to the delays.

Mr. Allen introduced three new employees, Paul Dean, Manager of Public Affairs and Government Relations; Dallas Richards, Manager of Project Implementation; and Alicia Lewis, Associate Accountant.

Mr. Allen reported he gave a presentation at the July 28<sup>th</sup> Commonwealth Transportation Board (CTB) meeting on VRE’s 2040 Plan and Financial Forecast. DRPT hired a consultant to review VRE’s plans and the consultant draft report will be presented to the CTB Rail Committee on September 20<sup>st</sup>.

Mr. Cook asked about potential liability with the Undercover Law Enforcement Program. Mr. MacIsaac agreed to look at the issue and report back to the Board. Mr. Dalton explained the training involves how to interact with crews and equipment familiarization. Chairman Skinner directed staff to wait to hold any more Undercover Lay Enforcement Program training sessions until the liability issue is resolved. There were no objections.

[Mr. Nohe arrived at 9:31 A.M.]

#### VRE Riders' and Public Comment – 7

Mr. Charlie Grymes, chair of the Prince William Conservation Alliance, encouraged the Operations Board to make wise decisions on the use of resources for the study of the Gainesville-Haymarket Extension. VRE should not be passive going into Phase II of the Gainesville-Haymarket Extension Study. He encouraged the Board to focus on the Godwin Road or Innovation as alternative end of the line stations. If VRE continues to study the Haymarket as an end of line station, VRE will be throwing good money away. VRE needs to look at how many riders will be attracted and at what cost.

#### Referral of Preliminary FY 2018 VRE Operating and Capital Budget to the Commissions – 8

Mr. Allen asked the Operations Board to authorize him to refer the Preliminary FY 2018 VRE Operating and Capital Budget to the Commissions for their consideration, so they in turn can refer these recommendations to the jurisdictions for their review and comment. Resolution #8A-09-2016 would accomplish this.

Ms. Boxer gave an overview of the budget process, key budget assumptions and highlights of the FY 2018 preliminary budget. The Operations Board will see the final balanced budget in December and at that time will be asked to adopt it and refer it to the Commissions for adoption. The FY 2018 preliminary budget totals \$137.2 million and includes a three percent fare increase, no proposed subsidy increase, and a current net unfunded amount of \$4.39 million.

Mr. Cook stated VRE's Financial Forecast shows the system will go out of business by 2032 if it doesn't receive additional dedicated state funding. DRPT has also predicted less and less state funding will be available. VRE needs to be more realistic and start putting together budgets based on a 15-year shutdown plan if there are no new funding sources. VRE needs to show this as a budget line that says "absent of change, this is what will happen."

Ms. Boxer stated the Commonwealth has been an excellent partner with VRE and gave examples of funding assistance for various projects. She agreed VRE needs to be realistic. This is why VRE developed its Financial Forecast and presented it to the Commonwealth Transportation Board. VRE is also looking for other sources of discretionary funding. She stated staff could include in the six-year plan examples of what would happen without additional funding, such as delays in replacing mid-day storage. VRE's Financial Forecast already lays out the financial implications of no additional funding.

Mr. Cook suggested adding slides to the budget presentation describing the measures that will have to be taken if VRE doesn't receive additional funding. Chairman Skinner suggested including tangible examples.

Ms. Boxer reminded the Board federal funds were used to purchase all of VRE's rolling stock. If federally funded assets are taken out of service permanently, VRE would owe the funds back to the federal government or need to transfer the federal interest to another transit agency. Chairman Skinner observed this type of information should be included in a separate section explaining what could happen without additional funding. Mr. Cook suggested including mid-day storage implications.

Mr. Kelly observed VRE may be able to continue to financially "muddle through" year to year, but that is not the way to run a railroad. Fundamentally, VRE needs to look at changing the dynamic, otherwise it will go out of business. VRE needs to take a close look at access agreements and railroad agreements.

Ms. Cristol stated the Board may want to revisit these budget issues in the context of the discussion of the Legislative Agenda. In response to a question from Ms. Cristol, Ms. Boxer explained the access agreements in the context of the budget.

Chairman Skinner stated Mr. Way provided by email several concerns and questions about the budget. First, the budget draws down capital/operating reserves by \$1 million and Mr. Way observed this is not a one-time problem so the use of the reserve is not appropriate without a clear, credible replenishment plan. Ms. Boxer stated she will talk directly with Mr. Way to clarify his concern and that the draw down was in fact part of the FY17 budget, not the FY18 Preliminary budget. In regards to Mr. Way's concern about the \$4.39 million budget gap, Ms. Boxer explained staff will present a balanced budget in December. Mr. Way also provided the comment VRE needs a budget alternate base which restricts VRE operations to reasonably projected revenues.

Mr. Buchanan gave an overview of where staff will look to close the budget gap, including looking closer at ridership projections and average fares; reviewing departmental budgets, defraying rising costs of the step-up ticket, and eliminating two dead head train trips when mid-day storage is completed at L'Enfant. In response to a question from Chairman Skinner, Ms. Hoeffner gave a detailed explanation how staff calculates the ridership projections, but it is not an exact science. Mr. Buchanan explained the final budget will show a farebox recovery ratio at least 50 percent. Currently, the preliminary budget is showing it at 49 percent. The Master Agreement requires a 50 percent ratio. Mr. Kelly requested staff to provide the rationale behind any changes in ridership projections.

Ms. Abdulle gave an overview of the capital program for FY 2018. The six-year Capital Improvement Program (CIP) will be presented in December. The total FY 2018 preliminary capital budget is \$49.1 million (\$35.5 federal formula; \$3 million capital reserve; and \$10.7 million CMAQ/REF). Currently there is \$13 million in unfunded projects. Mr. Nohe noted there is no reference to NVTa funding in the capital overview. Ms. Boxer explained the FY 2018 NVTa program has not been approved yet. Previous year funding from NVTa will be shown in the six-year CIP to be presented in December.

Mr. Jenkins moved, with a second by Ms. Cristol, to approve Resolution #8A-09-2016 to refer the budget to the Commissions. Mr. Cook asked for a friendly amendment to add information which was discussed, including adding an extra slide and a projection line that conveys that the budget is based on current state funding levels and not aspirational. Both Mr. Jenkins and Ms. Cristol agreed to amend the motion. The Board then voted and the motion passed. The vote in favor was cast by Board Members Burrus, Caddigan, Cook, Cristol, Kelly, Jenkins, Nohe, Skinner, Smedberg and Thomas.

#### Authorization to Execute a Contract for Delivery of Lubricating Oil for VRE Locomotives – 8B

Mr. Allen asked the Operations Board to authorize him to execute a contract with Quarles Petroleum, Inc. of Fredericksburg, Virginia for the delivery of lubricating oil for VRE locomotives in the amount of \$408,310 (approximately \$81,662 annually), plus a 10 percent contingency of \$40,841, for a total amount not to exceed \$449,141. This would cover a base year and four option years, with the CEO exercising the option years at his discretion. Resolution #8B-09-2016 would accomplish this.

Mr. Kelly moved, with a second by Mr. Thomas, to approve Resolution #9B-09-2016. The vote in favor was cast by Board Members Burrus, Caddigan, Cook, Cristol, Kelly, Jenkins, Nohe, Skinner, Smedberg and Thomas.

#### Recommend Approval of the 2016/17 Legislative Agenda – 8D

Mr. Allen asked the Operations Board to recommend the Commissions approve the 2016/17 Legislative Agenda and authorize him to actively pursue the elements set forth in the document. Resolution #8D-09-2016 would accomplish this.

Mr. Cook expressed his opinion that the Legislative Agenda does not convey the gravity of VRE's financial issues, as the Board discussed in the budget item. With respect to Issue #2, He suggested using the chart in Agenda #8A (pg. 2) and add the number of riders served by VRE. The Legislative Agenda should include the amount of funding VRE needs to continue and expand service though the System Plan 2040. Mr. Allen stated the annual amount needed is \$40-60 million in capital and operating needs. Mr. Cook suggested splitting these two amount out since they come from different sources. Ms. Cristol stated VRE needs to convey the urgency of passing gas tax floor legislation. Mr. Cook stated the Legislative Agenda should also include the argument why VRE's local subsidy can't just be increased to solve the funding issues and explain the impact to the smaller jurisdictions.

Mr. Burrus stated as part of DRPT's consultant study they looked at the implications to the Commonwealth if VRE goes away, including ridership impacts and costs. This report will go back to the General Assembly. Mr. Nohe stated VRE needs to be ready to respond regarding its operating needs. NVTa funding is available for capital needs but cannot be used for operating expenses. VRE needs to have answers ready to respond to legislators who are not familiar with Northern Virginia.

Chairman Skinner suggested deferring this action for a month to allow staff to incorporate these comments.

Mr. Nohe moved, with a second by Mr. Kelly, to defer action to the October meeting. The vote in favor was cast by Board Members Burrus, Caddigan, Cook, Cristol, Kelly, Jenkins, Nohe, Skinner, Smedberg and Thomas.

In response to an inquiry from Ms. Cristol, Mr. Burrus offered to have DRPT's consultant give their presentation at the next Operations Board meeting.

#### Spending Authority Report – 9A

Mr. Allen reported on the following expenditures described in the written report, including:

- Contract in the amount of \$83,612 to RPI Group, Inc. for a Risk and Security Assessment of VRE's Bandwidth and Network Infrastructure;
- Task Order to STV Inc. for \$53,870 to Create Technical Specification for PTC Back Office Services;
- Task Order to HDR for \$93,600 for Engineering and Design Services for L'Enfant South Storage Track Wayside Power; and
- Purchase Order for \$65,407 for the Purchase and Installation of a New Facility Access Control System.

#### 2016 Customer Service Survey Results – 9B

Mr. Allen reported VRE conducted its annual customer service survey on May 4<sup>th</sup>. VRE riders gave an overall satisfaction rating of 89 percent, an all-time high. The top three concerns expressed by the riders continue to be on-time performance, cost, and frequency of service.

In response to a question from Mr. Smedberg, Mr. Henry explained "Usefulness of Rail Time" refers to VRE's interactive map showing real-time information on where the trains are on the system. VRE is working to upgrade the systems at all the stations for real time arrival information.

Chairman Skinner asked how VRE communicates with riders during delays. Mr. Henry explained the Communication Room communicates with crews if trains are delayed five minutes. After a 10-minute delay, a Train Talk notice will go out and crews will make an announcement on the train. They are then required to update passengers every 10 minutes.

#### Long Bridge Project Update – 9C

Mr. Gonzalez, Project Manager, gave a brief presentation updating the Board on the Long Bridge Project. VRE is collaborating with the District Department of Transportation (DDOT), Federal Railroad Administration (FRA), DRPT and CSXT to analyze potential railroad capacity solutions for the Long Bridge. As part of the project development process, an Environmental Impact Statement is being prepared in accordance with the National Environmental Policy Act Of 1969 (NEPA). A public scoping meeting is planned for September 14, 2016.

#### Sale of Legacy Cars to Chicago Metra – 9D

Mr. Allen reported in September the Commissions authorized the sale of seven VRE Legacy railcars to Chicago Metra. Because of timing over the August recess and after consultation with Chairman Skinner, the authorization was taken directly to the Commissions at their September meetings. By selling these railcars, VRE will forego future costs for storing and dismantling them.

#### Gainesville-Haymarket Extension Update – 9E

Mr. Allen stated staff plans to come back at the October meeting to brief the Board on the technical evaluation and staff recommendations for advancing the GHX study. Mr. Cook stated it is important to get feedback from Prince William County on their perspective of the extension, since they will bear the greatest financial burden. Ms. Caddigan stated the County Board is not united on this issue. Mr. Nohe stated it is difficult to imagine Prince William County identifying a source of funding for the \$9 million the county needs to fund operating this extension.

[Mr. Thomas left the meeting at 11:18 A.M. and did not return.]

Mr. Kelly noted at the last PRTC meeting, both Manassas Park and City of Manassas members had concerns about the alternative being proposed to eliminate service at the Broad Run Station. He stated VRE has reached the point where it needs to make a decision if this project moves forward.

Mr. Allen stated VRE appreciates NVTC funding to conduct this study, which will help the Operations Board to make an informed decision.

#### Operations Board Members Time – 11

There were no comments.

#### Adjournment

Mr. Smedberg moved, with a second by Mr. Kelly, to adjourn. Without objection, Chairman Skinner adjourned the meeting at 11:30 P.M.

Approved this 21<sup>st</sup> day of October 2016.

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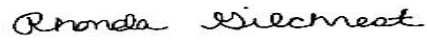
Gary F. Skinner  
Chairman

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Maureen Caddigan  
Secretary

## CERTIFICATION

This certification hereby acknowledges that the minutes for the September 16, 2016 Virginia Railway Express Operations Board Meeting have been recorded to the best of my ability.

A handwritten signature in cursive script that reads "Rhonda Gilchrest".

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Rhonda Gilchrest