



**Virginia Railway  
Express**

Paul Smedberg  
Chairman

Maureen Caddigan  
Vice-Chairman

Katie Cristol  
Secretary

Paul Milde  
Treasurer

Sharon Bulova  
John C. Cook  
John D. Jenkins  
Matt Kelly  
Jennifer Mitchell  
Suhas Naddoni  
Martin Nohe  
Pamela Sebesky  
Gary Skinner  
Bob Thomas

**Alternates**

Ruth Anderson  
Pete Candland  
Hector Cendejas  
Libby Garvey  
Jeanine Lawson  
Tim Lovain  
Jeff McKay  
Wendy Maurer  
Paul Trampe  
Billy Withers  
Mark Wolfe

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  
July 21, 2017**

Members Present	Jurisdiction
Sharon Bulova (NVTC)	Fairfax County
Maureen Caddigan (PRTC)	Prince William County
John C. Cook (NVTC)	Fairfax County
Katie Cristol (NVTC)	Arlington County
John D. Jenkins (PRTC)	Prince William County
Matt Kelly (PRTC)	City of Fredericksburg
Paul Milde (PRTC)	Stafford County
Jennifer Mitchell	DRPT
Martin Nohe (PRTC)	Prince William County
Pamela Sebesky (PRTC)	City of Manassas
Gary Skinner (PRTC)	Spotsylvania County
Paul Smedberg (NVTC)	City of Alexandria
Bob Thomas (PRTC)	Stafford County

Members Absent	Jurisdiction
Suhas Naddoni (PRTC)	City of Manassas Park

Alternates Present	Jurisdiction

Alternates Absent	Jurisdiction
Ruth Anderson (PRTC)	Prince William County
Pete Candland	Prince William County
Hector Cendejas (PRTC)	City of Manassas Park
Libby Garvey (NVTC)	Arlington County
Jeanine Lawson (PRTC)	Prince William County
Tim Lovain (NVTC)	City of Alexandria
Jeff McKay (NVTC)	Fairfax County
Wendy Maurer (PRTC)	Stafford County
Paul Trampe (PRTC)	Spotsylvania County
Billy Withers (PRTC)	City of Fredericksburg
Mark Wolfe (PRTC)	City of Manassas

Staff and General Public	
Khadra Abdulle – VRE	Todd Johnson – First Transit
Doug Allen – VRE	John Kerins – Keolis
Monica Backmon – NVTA	Cindy King – VRE
Nydia Blake – Prince William County	Mike Lake – Fairfax County DOT
Alex Buchanan – VRE	Lezlie Lamb – VRE
Rich Dalton – VRE	Bob Leibbrandt – Prince William County
James Davenport – Prince William DOT	Steve MacIsaac – VRE Legal Counsel
Chloe Delhomme – City of Manassas	Kate Mattice – NVTC
John Duque – VRE	Lynn Rivers – Arlington County
Rhonda Gilchrest – NVTC	Bob Schneider – PRTC
Anna Gotthardt – VRE	Mark Schofield – VRE
Chris Henry – VRE	Joe Swartz – VRE
Gerri Hill – VRE	Ann Warner – Ann Warner, LLC
Pierre Holloman – City of Alexandria	Ciara Williams – DRPT

\* 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 9:24 A.M. Following the Pledge of Allegiance, Roll Call was taken.

### Approval of the Agenda – 3

Chairman Smedberg announced there will be a Closed Session at the end of the meeting for the Chief Executive Officer's evaluation.

Mr. Kelly moved, with a second by Mr. Thomas, to approve the Agenda. The vote in favor was cast by Board Members Bulova, Caddigan, Cook, Cristol, Jenkins, Kelly, Milde, Mitchell, Nohe, Sebesky, Skinner, Smedberg and Thomas.

### Approval of the Minutes of the June 16, 2017 Operations Board Meeting – 4

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

### Chairman's Comments –5

Chairman Smedberg thanked everyone for attending the 25<sup>th</sup> Anniversary event in Fredericksburg on June 16<sup>th</sup>. He gave a special thanks to all those who had a role in making it a wonderful celebration, especially VRE staff. Mr. Skinner acknowledged the City of Fredericksburg for hosting the Operations Board meeting and anniversary event.

### Chief Executive Officer's Report –6

Mr. Allen reported as follow-up to the fatal trespasser accident a few weeks ago, VRE is working with Fairfax County and Prince William County police, fire and EMS divisions on how to manage incidents in the Bull Run area. He reviewed upcoming community safety outreach initiatives including railroad crossing safety blitzes held jointly with the host railroads and local police; outreach to area schools; partnering with Operation Life Saver; and participation in National Night-Out and Trunk or Treat events.

Mr. Allen reported ridership remains strong at over 19,000 average daily riders for the month of June with overall on-time performance (OTP) at 88 percent.

Mr. Allen introduced VRE's new Chief Financial Officer, Mark Schofield, who began his duties on July 5<sup>th</sup>. Mr. Schofield comes to VRE with a wealth of experience from WMATA, where he held the position of Director of Financial Planning and Analysis. He has a BS in Mathematics, a Masters in Economics, and a Masters in Transportation. Mr. Schofield introduced himself and stated at WMATA he worked with many of the jurisdictions and NVTC and he looks forward to continuing those relationships, as well as developing new ones with the other jurisdictions and PRTC. He observed VRE will be faced with funding and budget challenges in the near future in order for VRE to grow and sustain the level of service riders have come to expect. He will present the proposed FY 2019 VRE Operating and Capital Budget to the Operations Board at their September meeting.

Mr. Allen stated the Federal Railroad Administration (FRA) has released a Record of Decision for the Tier I NEPA review for the Northeast Corridor. Although VRE does not run service in this corridor, VRE has been monitoring this since it could affect VRE service, especially for future run-through opportunities with MARC.

Mr. Allen also noted the Eighth Circuit Court issued a ruling on the Surface Transportation Board's (STB) policy on Amtrak's on-time performance and found STB has no independent power to create on-time performance standards. VRE will continue to monitor any potential future rulings.

Mr. Allen gave brief updates on the following: a VRE system tour for approximately 50 Department of Transportation interns; retirement of all the Legacy railcars; his presentation at a recent Transportation Planning Board meeting, where commuter rail was recommended as one of the ten regionally significant transportation and land use initiatives to study and assess how well they might move the region closer to achieving its long-term transportation goals; and the advancement of the Manassas Line Improvement Program, which includes the Broad Run Expansion project, by NVTa to the Commonwealth Transportation Board for approval to receive \$128 million from the I-66 Outside the Beltway Concessionaire Payment.

Mr. Allen asked Ms. Mitchell to give an update on the Arkendale to Powell's Creek Third Track Project. Ms. Mitchell stated the project was delayed because the scope of the project needed to be modified, but she hopes to sign the agreement today. Mr. Allen observed the developer of Potomac Shores will now be able to move forward with certainty of track location. Ms. Caddigan thanked DRPT staff for their hard work to move this agreement forward and asked Ms. Mitchell to update SunCal, the Potomac Shores developer.

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

There were no comments.

#### Consent Agenda – 8A

On a motion by Mr. Milde and a second by Ms. Bulova, the Board unanimously approved the following Consent Agenda Item:

- Resolution #8A-07-2017: Authorization to Issue an Invitation for Bids for the Repair and Overhaul of Passenger Car HVAC Assemblies
- Resolution #8B-07-2017: Authorization to Issue an Invitation for Bids for the Repair and Overhaul of Passenger Car Wheelchair Lift Systems
- Resolution #8C-07-2017: Authorization to Issue a Request for Proposals for VRE Fare Media Sales

The vote in favor was cast by Board Members Bulova, Caddigan, Cook, Cristol, Jenkins, Kelly, Milde, Mitchell, Nohe, Sebesky, Skinner, Smedberg and Thomas.

### Authorization to Execute a Contract for Rehabilitation of Wheelsets and Traction Motor Assemblies – 9A

Mr. Allen asked the Operations Board to authorize him to execute a contract with UTCRAS, LLC of Morton, Pennsylvania for the rehabilitation of wheelset and traction motor assemblies in the amount of \$430,334, plus a 10 percent contingency of \$43,033, for a total amount not to exceed \$473,367, for a base year and three option years, with the CEO exercising the option years at his discretion. Resolution #9A-07-2017 would accomplish this.

Mr. Skinner moved, with a second by Ms. Bulova, to approve Resolution #9A-07-2017. The vote in favor was cast by Board Members Bulova, Caddigan, Cook, Cristol, Jenkins, Kelly, Milde, Mitchell, Nohe, Sebesky, Skinner, Smedberg and Thomas.

### Authorization to Execute a Contract Amendment for Environmental and Engineering Design Services for a Midday Train Storage Facility – 9B

Mr. Allen asked the Operations Board to authorize him to execute an amendment to the Environmental and Engineering Design Services for Midday Trains Storage Facility Contract with Vanasse Hangen Brustlin, Inc. of Vienna, Virginia, to add environmental and preliminary engineering and Amtrak design review services in an amount of \$378,823, plus a 10 percent contingency of \$37,882, for a total increase of \$416,705, resulting in an amended contract authorization not to exceed \$3,588,305. Resolution #9B-07-2017 would accomplish this.

Mr. Allen explained this is important work as VRE is developing a midday storage site for rolling stock north of Washington Union Station. The contract amendment is for environmental and design services required for additional track and storage facilities and Amtrak design review services beyond what was in the original scope of services. The additional services will be for a longer tail track and turntable facility. In response to a question from Ms. Cristol, Mr. Dalton explained a turntable design takes considerably less space than the original “Y” track configuration. Since there are space constraints, a turntable design is optimal.

Mr. Skinner moved, with a second by Ms. Bulova, to approve Resolution #9B-07-2017. The vote in favor was cast by Board Members Bulova, Caddigan, Cook, Cristol, Jenkins, Kelly, Milde, Mitchell, Nohe, Sebesky, Skinner, Smedberg and Thomas.

### Authorization to Execute a Lease for VRE Office Space – 9C

Mr. Allen asked the Operations Board to authorize him to execute a 15-year lease with one five-year option for additional office space in an amount not to exceed \$3,902,008. The office space is owned by the International Association of Refrigerated Warehouses and is located at 1500 King Street in Alexandria, adjacent to VRE’s current offices. Resolution #9C-07-2017 would accomplish this.

Mr. Henry explained the proposed space is on the same floor as VRE’s current space. VRE’s preference would be to purchase the space, so the lease includes a provision that VRE has the first right of offer to purchase if the owner decides to sell. Mr. Allen stated based on

comparable office space for lease in and around Alexandria, the proposed lease rate has been deemed fair and reasonable. The rate is essentially the same as the South Peyton Street property VRE is currently leasing. Ms. Bulova observed this would bring staff back under one roof.

Mr. Skinner asked if there is an opt-out clause in the contract. He observed 20 years is a long time to be locked into a lease, when there could be opportunities to purchase and own space. Mr. Cook stated it is his recollection the first priority is to get VRE employees in the same location. VRE's preference would be to own the space, but this opportunity provides an option if the owner decides to sell. In his opinion, the recommended action makes sense. Chairman Smedberg stated the owner could decide to sell in the future.

Ms. Bulova moved, with a second by Ms. Caddigan, to approve Resolution #9C-07-2017. The vote in favor was cast by Board Members Bulova, Caddigan, Cook, Cristol, Jenkins, Kelly, Milde, Mitchell, Nohe, Sebesky, Skinner, Smedberg and Thomas.

#### Draft 2017/2018 Legislative Agenda –10A

Mr. Allen explained VRE prepares a Legislative Agenda each year that is approved by the Commissions. The draft 2017/2018 VRE Legislative Agenda is being presented to the Board for their comment. The Operations Board will be asked to act in September recommending Commission approval at their October meetings. He asked Mr. Swartz to review the draft Legislative Agenda.

Mr. Swartz first asked Ms. Mattice to give an update on the work being done by the Transit Capital Project Revenue Advisory Board (RAB). Ms. Mattice stated the RAB is nearing completion of its work and will be submitting its report to the General Assembly in August. At its last meeting, the Commonwealth Transportation Board (CTB) approved a resolution supporting the RAB principles. The RAB identified \$130 million a year gap in transit funding over the next 10 years just to meet State of Good Repair (SOGR) needs and modest expansion needs. This 40 percent loss of funding would be catastrophic to transit agencies. The RAB recognized there should be a strong state commitment of funding of transit. It also supports a floor in the regional gas tax.

Ms. Mattice stated it is her understanding the Revenue Advisory Board will not recommend a solution of a specific tax increase or another revenue increase, but rather identify the funding concerns and provide some options. Regarding prioritization, the RAB agreed there should be a special category of funds for major expansions. Eighty percent of these funds should be used for SOGR. The RAB will continue to be silent on the specifics of how those funds would be allocated other than the fact there should be some type of prioritization through the CTB.

Ms. Mattice stated NVTC's Legislative and Policy Committee Co-Chair, Katie Cristol, recently sent a letter to the RAB, which highlighted three important points: a statewide transit program should be supported exclusively by revenues generated at the state level; State of Good Repair investments should continue to be prioritized under the current asset-based formula; and the capital needs of WMATA and VRE will require funding beyond what the Revenue Advisory Board's recommendations contemplate.

Ms. Mitchell stated the RAB recognizes State of Good Repair needs should be prioritized, although the specific criteria should be determined by the CTB. The recommendation is to shift to prioritizing all different assets against each other based on need. There is a recognition some needs may be greater than others to ensure projects get built. She explained in any given year, the CTB has the ability to move major expansion funds into SOGR funding. Regarding WMATA, the RAB report clarifies there will be over and above needs for Metro. She observed if there isn't a funding solution identified for WMATA and those needs hit the capital program, there won't be funding left over for any other projects. So there needs to be a separate funding solution for Metro and VRE. She stated the CTB has acknowledged they may be forced to move funds from highway needs and other road improvement projects to help address the transit gap. It is not just a transit issue; it is a transportation funding issue.

Ms. Cristol observed the issue of prioritization has been a concern by VRE staff because of predictability and asked if this new prioritization process will start to endanger VRE's ability to maintain the system. Mr. Swartz stated staff has not had the opportunity to fully analyze the recommendations but there is a concern VRE could be disadvantaged because VRE maintains its equipment at a high level. Ms. Cristol stated then VRE could basically be penalized for keeping equipment in such good shape. She expressed some of the frustration is it is not as much of a prioritization problem as it is a funding amount problem. Ms. Mitchell agreed but the RAB was tasked with looking at both. Mr. Cook asked if it is an overall capital funding gap and just not a transit funding gap, and if it is, VRE should connect with other allies who will also be impacted by the lack of debt capacity.

Mr. Kelly expressed his opinion that if it is just tweaking allocations which are already insufficient, the chances of the recommendations of the RAB will go nowhere. He observed VRE's Legislative Agenda includes words such as "tracking," "monitoring," "analyzing," "advocating," and "coordinating." He suggested including specifics, such as what level of funding the region needs from the gas tax, etc. He disagrees with the RAB approach to let the General Assembly decide a revenue source. VRE needs to include specifics of what it wants the General Assembly to do.

Ms. Cristol agreed with Mr. Kelly. She stated NVTC has extensively talked about being specific in what it is asking the General Assembly to do. VRE should also be specific. She observed the RAB laid out four funding solutions and she suggested VRE may want to advocate for one. Mr. Cook stated it was his understanding the Legislative Agenda would include specifics, including the dollar amounts of what VRE needs (\$40 million to maintain; \$60 million to expand). This information should be included in every VRE document related to legislative issues.

Mr. Cook suggested Bullet #1 be changed to read: "VRE asks the Commonwealth to identify and secure a long-term and dependable funding source for VRE." He also stated the language needs to be tightened up to a more defined specific ask and should articulate both positive and negative results if VRE receives or doesn't receive more funding. The Legislative Agenda should also include wording that reflects many VRE jurisdictions are struggling to meet their current funding obligations without a floor in the regional gas tax. Absence of a fix, some local jurisdictions may not have the capacity to continue paying for VRE service.

Chairman Smedberg asked about coordination with jurisdictional staff beyond the Commissions. Mr. Swartz explained jurisdictional legislative staff meet monthly during the development of the Legislative Agenda. Also, VRE coordinates with NVTC and PRTC.

Ms. Bulova suggested between now and September, VRE form an ad hoc Legislative Committee to work with staff from VRE, the Commissions and the jurisdictions to develop some of these issues for the Legislative Agenda. She suggested Mr. Cook, Mr. Kelly and Ms. Cristol would be good candidates to serve on this committee.

In response to a question from Chairman Smedberg, Ms. Mattice stated NVTC and PRTC incorporate VRE's Legislative Agenda into their Legislative Agendas.

Ms. Bulova moved, with a second by Ms. Caddigan, to appoint, should they accept, Ms. Cristol, Mr. Cook and Mr. Kelly to serve on an ad hoc Legislative Committee to work with staff to develop the Legislative Agenda.

Mr. Thomas suggested once the General Assembly is in Session, staff rely of these three Board Members to speak on behalf of the VRE Operations Board.

The Board then voted on the motion and it passed. The vote in favor was cast by Board Members Bulova, Caddigan, Cook, Cristol, Jenkins, Kelly, Milde, Mitchell, Nohe, Sebesky, Skinner, Smedberg and Thomas.

#### Spending Authority Report –10

Mr. Allen reported one expenditure for the month of June, which was a Purchase Order in the amount of \$52,696 to Alban Tractor Company for repair and overhaul to a Head End Power Unit.

#### Closed Session – 11

Chairman Smedberg moved, with a second by Ms. Caddigan, 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 for the purpose of discussion of one personnel matter.

The vote in favor was cast by Board Members Bulova, Caddigan, Cook, Cristol, Jenkins, Kelly, Milde, Mitchell, Nohe, Sebesky, Skinner, Smedberg and Thomas.

The Board entered into Closed Session at 10:36 A.M. and returned to Open Session at 11:06 A.M.

Chairman Smedberg 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 Bulova, Caddigan, Cook, Cristol, Jenkins, Kelly, Milde, Mitchell, Nohe, Sebesky, Skinner, Smedberg and Thomas.

#### Operations Board Member Time – 12

Mr. Skinner expressed concerns about the three percent escalator in the office lease. He asked if there is flexibility in the lease for some kind of cap for comparable lease amounts. Mr. MacIsaac stated a three percent escalator is common for commercial leases and from VRE's perspective an escalator helps and budget accordingly. Following further discussion, Mr. Skinner stated he is not asking to reconsider the motion. He just wants to make sure VRE is being fiscally responsible. If this kind of cap protects VRE, then he is in agreement.

#### Adjournment

Without objection, Chairman Smedberg adjourned the meeting at 11:13 A.M.

Approved this 15<sup>th</sup> day of September 2017.

Signature on File

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Paul C. Smedberg  
Chairman


Signature on File

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Katie Cristol  
Secretary

#### **CERTIFICATION**

This certification hereby acknowledges the minutes for the July 21, 2017 Virginia Railway Express Operations Board Meeting have been recorded to the best of my ability.



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Rhonda Gilchrest