



**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
Hector Cendejas
Libby Garvey
Todd Horsley
Jeremy Latimer
Jeanine Lawson
Tim Lovain
Wendy Maurer
Jeff McKay
Michael McLaughlin
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
November 17, 2017**

Members Present	Jurisdiction
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
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
Jennifer Mitchell	DRPT
Suhas Naddoni (PRTC)	City of Manassas Park
Pamela Sebesky (PRTC)	City of Manassas

Alternates Present	Jurisdiction
Michael McLaughlin	DRPT

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

Staff and General Public	
Khadra Abdul – VRE	John Kerins – Keolis
Doug Allen – VRE	Cindy King – VRE
Monica Backmon – NVTA	Mike Lake – Fairfax County DOT
Nydia Blake – Prince William County	Lezlie Lamb – VRE
Alex Buchanan – VRE	Bob Leibbrandt – Prince William County
Dwight Buracker – PBMAres	Steve MacIsaac – VRE Legal Counsel
Colin Burch – DRPT	Betsy Massie – PRTC
Rich Dalton – VRE	Kate Mattice – NVTC
Andrew D’huyvetter – NVTC	Kristen Nutter – VRE
Mike Garber – PBMAres	Aimee Perron Seibert – The Hillbridge Group
Rhonda Gilchrest – NVTC	Mark Schofield – VRE
Chris Henry – VRE	Bob Schneider – PRTC
Christine Hoeffner – VRE	Steve Sindiong – City of Alexandria
Pierre Holloman – Arlington County	Alex Sugatan – VRE
Todd Horsley – DRPT	Joe Swartz – VRE
Robert Hostelka – VRE	Norine Walker – VRE
Todd Johnson – First Transit	

Chairman Smedberg called the meeting to order at 9:09 A.M. Following the Pledge of Allegiance, Roll Call was taken.

Approval of the Agenda – 3

Chairman Smedberg noted a Closed Session is not needed. Mr. Skinner moved, with a second by Ms. Caddigan, to approve the Agenda. The vote in favor was cast by Board Members Caddigan, Cook, Cristol, Jenkins, Kelly, McLaughlin, Milde, Nohe, Skinner, Smedberg and Thomas.

Approval of the Minutes of the October 20, 2017 Operations Board Meeting – 4

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

Chairman's Comments –5

Chairman Smedberg announced the Capital Committee will meet immediately following this meeting. Board Members Cristol (chair), Cook, Jenkins, Milde and Skinner serve on the Capital Committee. All Board Members were encouraged to attend. The Nominating Committee will present a 2018 slate of officers at the December meeting, followed by their installation at the January meeting. Sharon Bulova (NVTC) and Maureen Caddigan (PRTC) are serving on the Nominating Committee.

Chairman Smedberg stated VRE received a letter from Secretary of Transportation Layne formally appointing Michael McLaughlin, DRPT's new Chief of Rail Transportation, as an Alternate to the VRE Operations Board. Chairman Smedberg welcomed Mr. McLaughlin.

Chief Executive Officer's Report –6

Mr. Allen recapped VRE's recent safety and security activities for the past month:

- Began installing systemwide security enhancements, including access control technology and security cameras, at yards and various stations.
- Attended a meeting at the American Association of Railroads regarding rail regulations.
- Responded to an accident in Clifton where a VRE train hit a car on the tracks. There were no injuries. The incident is still under investigation by VRE and Fairfax County Police.

Mr. Allen reported on-time performance for October was 91 percent system wide and average daily ridership was 19,800. He also gave brief updates on the Arkendale – Powells Creek third track project, the L'Enfant storage project, and the Crossroads Yard expansion project.

Mr. Allen explained Mr. Schofield and his staff continue to work on the RRIF loan refinance, which will be brought forward for action at the December meeting. This will allow VRE time to seek approval from the Commissions and jurisdictions.

Mr. Allen announced VRE's Santa Trains will be held on December 9th with tickets going on sale November 20th. Board Members wanting tickets should contact staff.

VRE Riders' and Public Comment – 7

There were no rider comments.

Consent Agenda – 8A

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

- Resolution #8A-11-2017: Authorization to Issue a Request for Proposals for Disaster Management Services
- Resolution #8B-11-2017: Authorization to Issue a GEC VII Task Order for Analysis for VRE Enterprise Resource Planning Solution

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

Authorization to Forward the FY 2017 Audited Financial Statements and Auditor's Report to the Commissions – 9A

Chairman Smedberg stated the Operations Board is asked to accept the FY 2017 Comprehensive Annual Financial Report (CAFR) and associated information from the auditors and to authorize the CEO to forward this information to the Commissions for their consideration. Resolution #9A-11-2017 would accomplish this.

Chairman Smedberg congratulated staff on VRE receiving a Certificate of Achievement for Excellence in Financial Reporting from the Governors Finance Officers Association. He invited Mike Garber and Dwight Buracker from PBMares, LLP, who met with the VRE Audit Committee prior to this meeting, to give a presentation on the audit. Mr. Garber stated PBMares has issued an unmodified opinion, which is the best opinion. The opinion letter states the VRE financial statements, in all material respects, fairly and accurately present the financial position of the organization. Mr. Garber explained the various documents within the audit, which show VRE is financially sound.

In response to a question from Chairman Smedberg, the Garber stated the assets and liabilities are almost even in regard to the pension plan for 2016.

Mr. Milde moved, with a second by Mr. Skinner, to approve Resolution #9A-11-2017. The vote in favor was cast by Board Members Caddigan, Cook, Cristol, Jenkins, Kelly, McLaughlin, Milde, Nohe, Skinner, Smedberg and Thomas.

Authorization to Extend the Vendor Agreement for Sale of Fare Media with The Convention Store (Commuter Direct) – 9B

Chairman Smedberg stated the Operations Board is asked to authorize the CEO to execute a six-month extension of the Vendor Agreement for Sale of Fare Media with The Convention Store, Inc., owner and operator of Commuter Direct, the Commuter Store at Crystal City and various smaller outlets including the Springfield Connector Store, to finalize negotiations with the bidders from the RFP for Fare Media Sales. Resolution #9B-11-2017 would accomplish this.

Mr. Skinner moved, with a second by Mr. Kelly, to approve Resolution #9B-11-2017. The vote in favor was cast by Board Members Caddigan, Cook, Cristol, Jenkins, Kelly, McLaughlin, Milde, Nohe, Skinner, Smedberg and Thomas.

Authorization to Issue a GPC Task Order for the VRE Transit Development Plan – 9C

Chairman Smedberg stated the Operations Board is asked to authorize the CEO to issue a General Planning Consultant (GPC) Task Order to Michael Baker International, Inc., of Alexandria, Virginia for planning services to update the VRE Transit Development Plan (TDP) in the amount of \$189,978, plus a 10 percent contingency of \$18,998, for a total not to exceed \$208,976. Resolution #9C-11-2017 would accomplish this.

Mr. Allen explained public transit operators receiving state funding are required to prepare, adopt and submit a new transit development plan every six years. VRE staff will complete a minor TDP for FY 2019. The consultant will conduct the major update encompassing fiscally constrained six years (FY 2020-2025) and minimum of 10-years (2020-2029) consistent with DRPT requirements. In response to a question from Ms. Cristol, Mr. Allen explained the differences between the TDP and the 2040 System Plan. The TDP goes into more detail on funding short term projects.

Ms. Cristol moved, with a second by Mr. Skinner, to approve Resolution #9C-11-2017. The vote in favor was cast by Board Members Caddigan, Cook, Cristol, Jenkins, Kelly, McLaughlin, Milde, Nohe, Skinner, Smedberg and Thomas.

Authorization to Execute a Contract for Electronic Fuel Injector Assemblies – 9D

Chairman Smedberg stated the Operations Board is asked to authorize the CEO to execute a contract with Progress Rail Locomotive, Inc., of LaGrange, Illinois for Electronic Fuel Injector Assemblies in the amount of \$430,166, plus a 10 percent contingency of \$43,016, for a total amount not to exceed \$473,182. Resolution #9D-11-2017 would accomplish this.

Mr. Allen reviewed the bidding process. In response to questions from Chairman Smedberg and Mr. Skinner, Mr. Dalton stated VRE conducted a similar procurement three years ago.

Mr. Milde moved, with a second by Mr. Skinner, to approve Resolution #9D-11-2017. The vote in favor was cast by Board Members Caddigan, Cook, Cristol, Jenkins, Kelly, McLaughlin, Milde, Nohe, Skinner, Smedberg and Thomas.

Recommend Authorization to Submit VRE Projects to NVTA for FY 2018-2023 Six Year Program Funding Consideration – 9E

Chairman Smedberg stated the Operations Board is asked to recommend the Commissions approve submission of a list of projects to the Northern Virginia Transportation Authority (NVTA) for evaluation and funding consideration in its FY 2018-2023 Six Year Program and authorize the VRE CEO to submit the approved projects for funding, make any necessary corrections to project amounts or descriptions in the applications, and execute all project funding agreements that may result from consideration of the projects. Resolution #9E-11-2017 would accomplish this.

Mr. Allen reviewed the list of nine projects. Projects #4-9 were included in the Transform 66 Outside the Beltway concessionaire funding recommended to the Commonwealth Transportation Board. VRE is requesting funding from the NVTA SYP as an alternate funding source until the concessionaire funding is finalized.

Ms. Cristol moved, with a second by Mr. Milde, to approve Resolution #9E-11-2019, with the following wording change to the second resolve clause:

Be it further resolved that the Operations Board does hereby recommend the Commissions authorize the VRE Chief Executive Officer to submit the approved projects for funding, to make any necessary corrections to project amounts or descriptions, **to remove the L'Enfant Station and Track Improvements Project dependent on its eligibility for NVTA funding,** and to execute all project agreements on behalf of the Commissions.

The vote in favor was cast by Board Members Caddigan, Cook, Cristol, Jenkins, Kelly, McLaughlin, Milde, Skinner, Smedberg and Thomas. Mr. Nohe abstained.

Recommend Authorization to Submit VRE Projects to NVTC for FY 2018 I-66 Commuter Choice Funding Consideration – 9F

Chairman Smedberg stated the Operations Board is asked to recommend the Commissions approve the submission of the Crystal City Station Improvements, L'Enfant Station and Track Improvements, and Manassas Line Real-Time Multimodal Traveler Information System projects to NVTC for funding consideration in the FY 2018 I-66 Commuter Choice program; and authorize the VRE CEO to submit the approved projects for funding, make any necessary corrections to project amounts or descriptions in the applications, and execute all project funding agreements that may result from consideration of the projects. Resolution #9F-11-2017 would accomplish this.

Mr. Allen stated these projects are also being advanced as a contingency to the Outside the Beltway concessionaire funding.

Chairman Smedberg asked Ms. Mattice to give a brief description of the I-66 Commuter Choice Program. Ms. Mattice explained toll revenue from I-66 Inside the Beltway will fund multimodal transit projects that benefit the toll payers and move people through the corridor. Tolling starts December 4, 2017.

Ms. Caddigan moved, with a second by Ms. Cristol, to approve Resolution #9F-11-2017. The vote in favor was cast by Board Members Caddigan, Cook, Cristol, Jenkins, Kelly, McLaughlin, Milde, Nohe, Skinner, Smedberg and Thomas.

Recommend Approval of the 2017/18 VRE Legislative Agenda – 9G

Chairman Smedberg stated the Operations Board is asked to recommend the Commissions approve the 2017/18 VRE Legislative Agenda and authorize the VRE CEO to actively pursue the elements set forth in the Agenda. Resolution #9G-11-2017 would accomplish this.

Ms. Cristol stated the recently formed Legislative Committee, comprised of herself, Mr. Cook and Mr. Kelly, met with staff to develop the Legislative Agenda, which now reflects a greater urgency for legislative solutions. For state issues, the strategy includes focusing on a protective floor for the regional 2.1 percent motor fuels tax, additional Commonwealth transit capital support to address the fiscal cliff, and additional VRE capital and operating funding. For the federal issues, the current focus is on commuter benefits.

Ms. Cristol reminded the Operations Board about the NVTC-PRTC Joint Legislative Briefing on December 4th at 9:00 A.M. in Springfield. Newly elected legislators have been invited. This is a good opportunity to educate all legislators about VRE's funding needs and other transit issues.

Mr. Kelly stated the transportation funding outlook is grim and funding should be a state responsibility. The Commonwealth is not meeting the long-term transportation needs of the region. He stated at some point, local officials need to be more forceful and tell the Commonwealth there needs to be fundamental changes with regard to transportation. Mr. Cook stated he does not necessarily disagree, but questioned the timing, with all the changes from the last election. Mr. Skinner expressed his opinion that delaying is not the answer.

[Mr. Nohe stepped out of the room at 9:56 A.M.]

Ms. Perron Seibert gave a detailed briefing on VRE's legislative strategy for the upcoming General Assembly Session. Although there are significant changes with the recent election, VRE will continue its strategy to educate legislators about the overall importance of VRE and how VRE needs to be part of the overall transit funding discussion. VRE will continue to seek bipartisan support. Mr. Jenkins encouraged VRE to begin to seek sponsors for potential legislation.

Ms. Perron Seibert noted Secretary of Transportation Aubrey Layne is transitioning to Secretary of Finance and will be involved in developing the governor's budget. This should be positive for transit because he is familiar with the challenges.

Ms. Cristol moved, with a second by Mr. Kelly, to approve Resolution #9G-11-2017. The vote in favor was cast by Board Members Caddigan, Cook, Cristol, Jenkins, Kelly, McLaughlin, Skinner, Smedberg and Thomas. Mr. Milde voted no.

[Mr. Nohe returned to the meeting at 10:06 A.M.]

FY 2019 Budget Update –10A

Mr. Schofield expressed his appreciation to Mr. Buchanan and his team in their support of the audit. A clean audit is a testament to their hard work. He stated the Preliminary FY 2019 Budget was presented to the Operations Board in September. He asked Mr. Buchanan to update the Board on the status of the budget.

Mr. Buchanan reported the budget presented in September was a proposed \$146.3 million budget (\$82.1 million for operations; \$57.4 million for capital, and \$6.8 million for debt service and operating reserve), with a budget gap of \$1.6 million. Staff has been able to reduce that gap to \$400,000. VRE staff will continue to refine the budget and present a balanced budget in December. He also noted the budget includes a three percent increase in the jurisdictional subsidy. A balanced budget will be presented for approval at the December meeting.

Mr. Buchanan summarized the budget revisions identified to close the gap, including ridership projections increased to 19,000; adjustments in diesel fuel price and usage; reductions in the insurance trust fund; increase in Amtrak step-up ticket will pass to riders (VRE will continue to subsidize \$5); reviewing interest revenue; and other cost savings.

Spending Authority Report –10C

Chairman Smedberg stated the written report provides details on the following expenditures to report for October 2017:

- Purchase Order for \$70,595 to Progress Rail for 10 master controller assemblies.
- Purchase Order for \$56,541 to Alban Tractor Company to rebuild a Head End Engine Power (HEP) unit.
- Task Order for \$63,750 to NV Enterprises, Inc, for station platform concrete and caulking repairs at the Lorton, Quantico, Brooke, Manassas and Broad Run stations.
- Task Order for \$62,278 to NV Enterprises, Inc. for station signage replacements at the Brooke and Lorton Stations.

There were no questions.

Closed Session – 11

Chairman Smedberg stated a Closed Session is not needed.

Operations Board Member Time – 12

There were no comments.

Adjournment

Ms. Cristol moved, with a second by Ms. Caddigan, to adjourn. Without objection, Chairman Smedberg adjourned the meeting at 10:14 A.M.

Approved this 15th day of December 2017.

Signature on File

Paul C. Smedberg

Chairman

Signature on File

Katie Cristol

Secretary

CERTIFICATION

This certification hereby acknowledges the minutes for the November 17, 2017 Virginia Railway Express Operations Board Meeting have been recorded to the best of my ability.



Rhonda Gilchrest