

# CEO REPORT

MAY 2023



# OUR MISSION

The Virginia Railway Express, a joint project of the Northern Virginia Transportation Commission and the Potomac Rappahannock Transportation Commission, will provide safe, cost-effective, accessible, reliable, convenient, and customer responsive commuter-oriented rail passenger service. VRE contributes to the economic vitality of its member jurisdictions as an integral part of a balanced, intermodal regional transportation system.





CEO REPORT | MAY 2023

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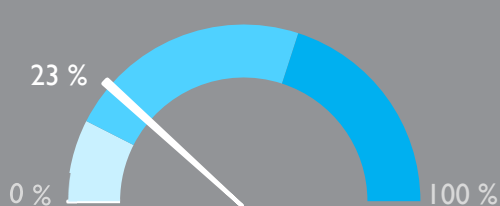
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VIRGINIA RAILWAY EXPRESS  
A better way. A better life.

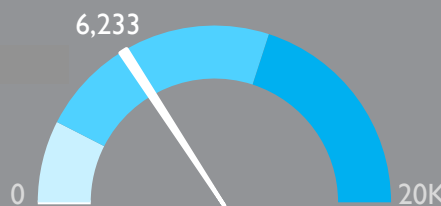


# PERFORMANCE AT A GLANCE



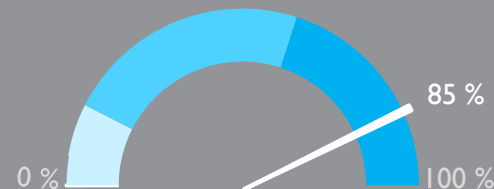
## PARKING UTILIZATION

The total number of parking spaces used in the VRE system during the month, divided by the total number of parking spaces available.



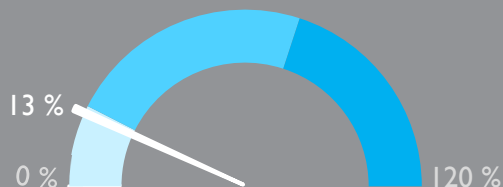
## AVERAGE DAILY RIDERSHIP

The average number of boardings each operating day inclusive of Amtrak Step-Up boardings and reduced, "S" schedule, service.  
Same month, previous year: 4,366



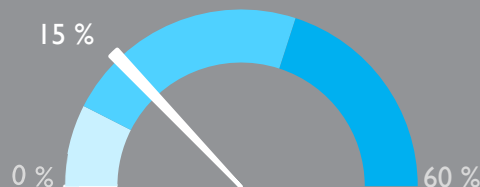
## ON-TIME PERFORMANCE

Percent of trains arriving at their destination within 5 minutes of the schedule.  
Same month, previous year: 91%



## SYSTEM CAPACITY

The percent of peak hour train seats occupied. The calculation excludes reverse flow and non-peak hour trains.



## OPERATING RATIO

*Through March 2023*

Year-to-date operating revenues divided by year-to-date operating expenses, which represents the share of operating costs paid by the riders.

**April 2023**

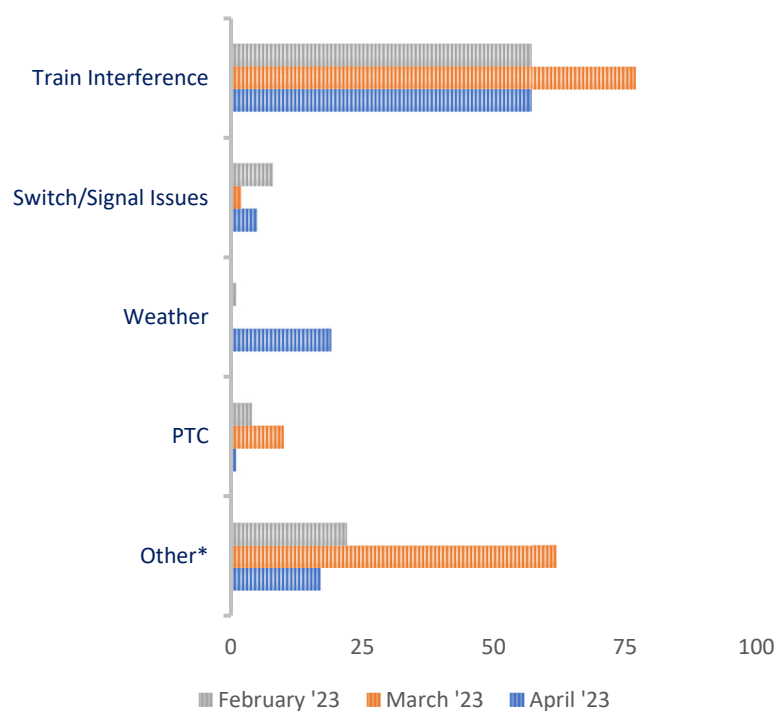


# ON-TIME PERFORMANCE

## OUR RECORD

	April 2023	March 2023	April 2022
Manassas Line	88%	85%	86%
Fredericksburg Line	81%	72%	96%
Systemwide	85%	79%	91%

## PRIMARY REASON FOR DELAY



VRE operated 638 trains in April. The on-time rate for the month was 84 percent.

Ninety-nine trains arrived more than 5 minutes late to their final destinations. Of those late trains, 39 were on the Manassas Line (39 percent), and 60 were on the Fredericksburg Line (61 percent).

Train interference continues to lead all categories, though the total was slightly lower this month.

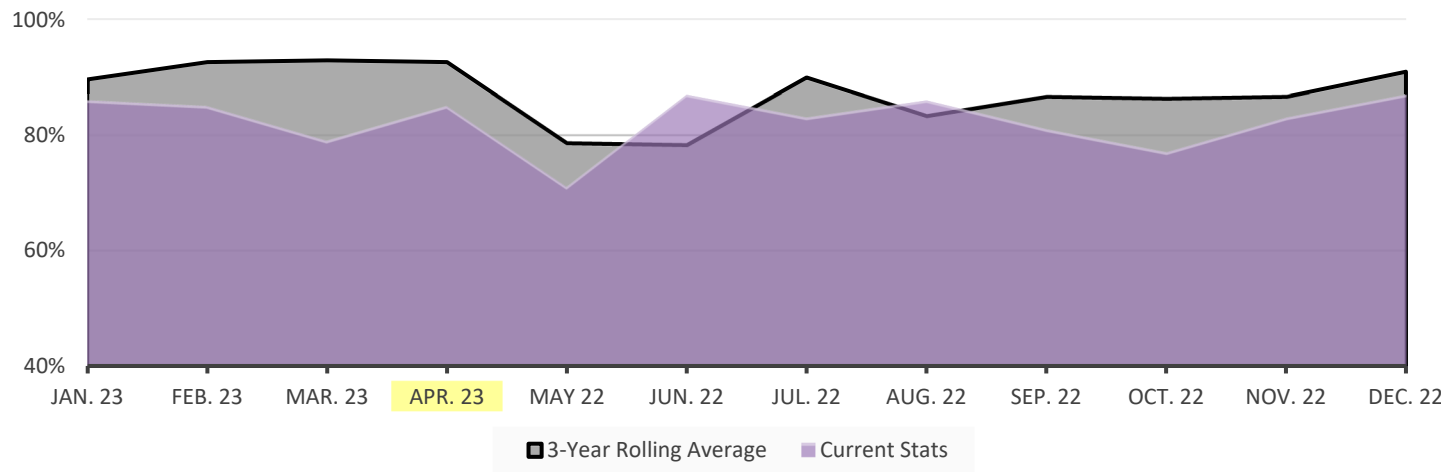
\*Includes trains that were delayed due to operational testing and passenger handling.

## LATE TRAINS

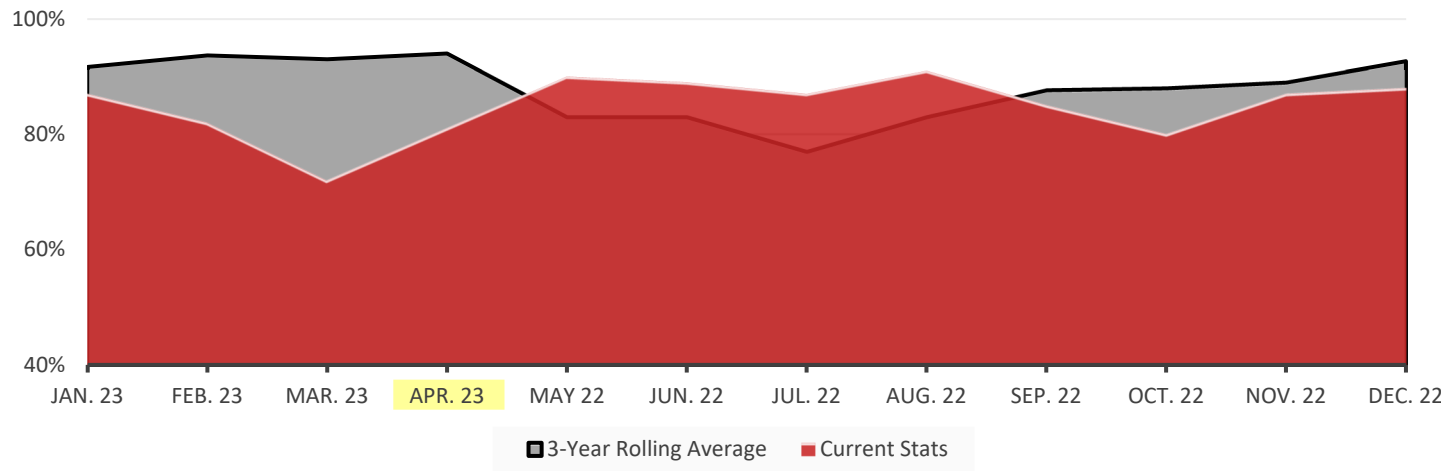
	System Wide			Fredericksburg Line			Manassas Line		
	Feb.	Mar.	Apr.	Feb.	Mar.	Apr.	Feb.	Mar.	Apr.
Total late trains	92	156	99	54	102	60	37	54	39
Average minutes late	19	19	14	20	19	14	17	19	14
Number over 30 minutes	14	24	6	8	17	3	6	7	6
Heat restrictions	1	0	8	1	0	8	0	0	0

ON-TIME PERFORMANCE

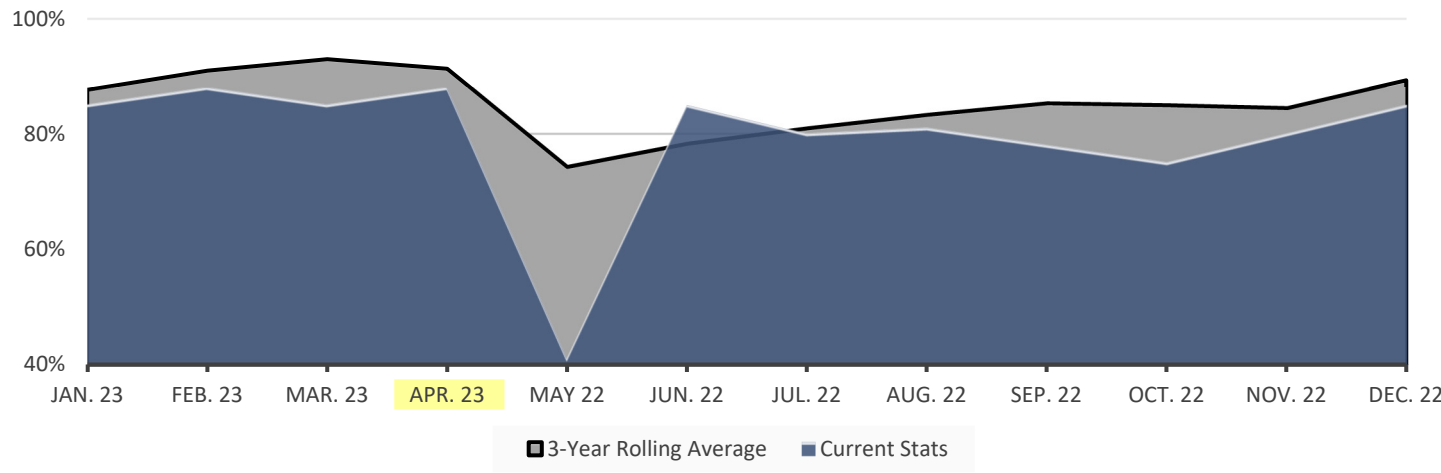
VRE SYSTEM



FREDERICKSBURG LINE

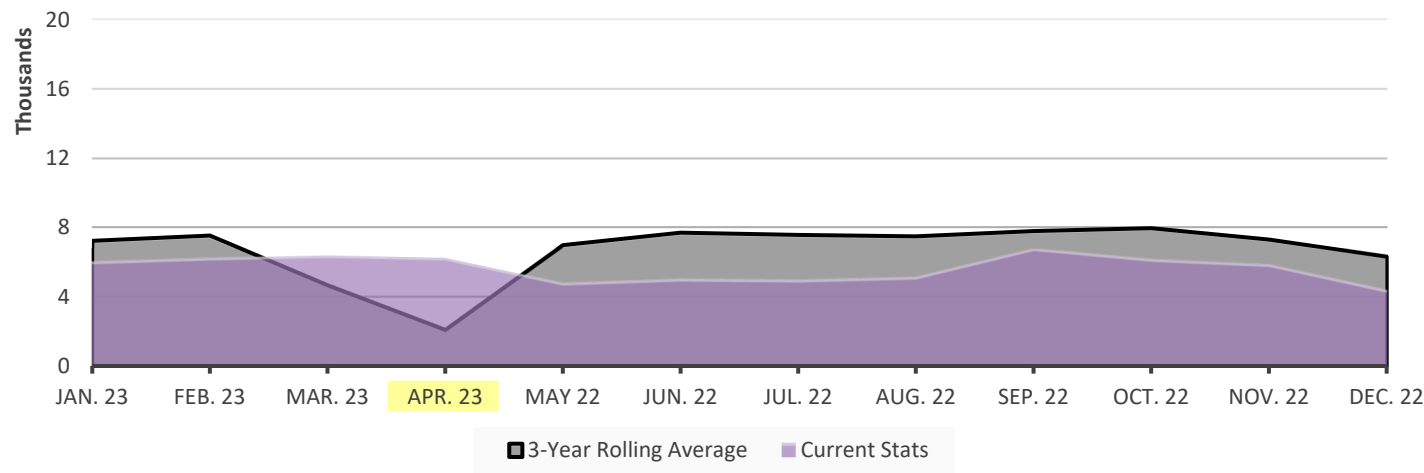


MANASSAS LINE

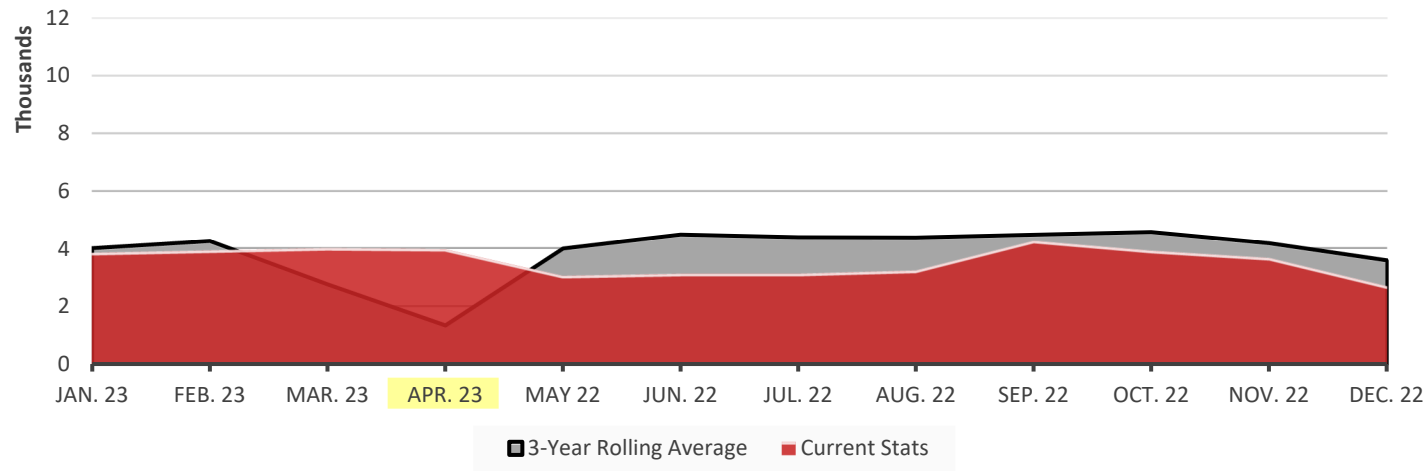


# AVERAGE DAILY RIDERSHIP

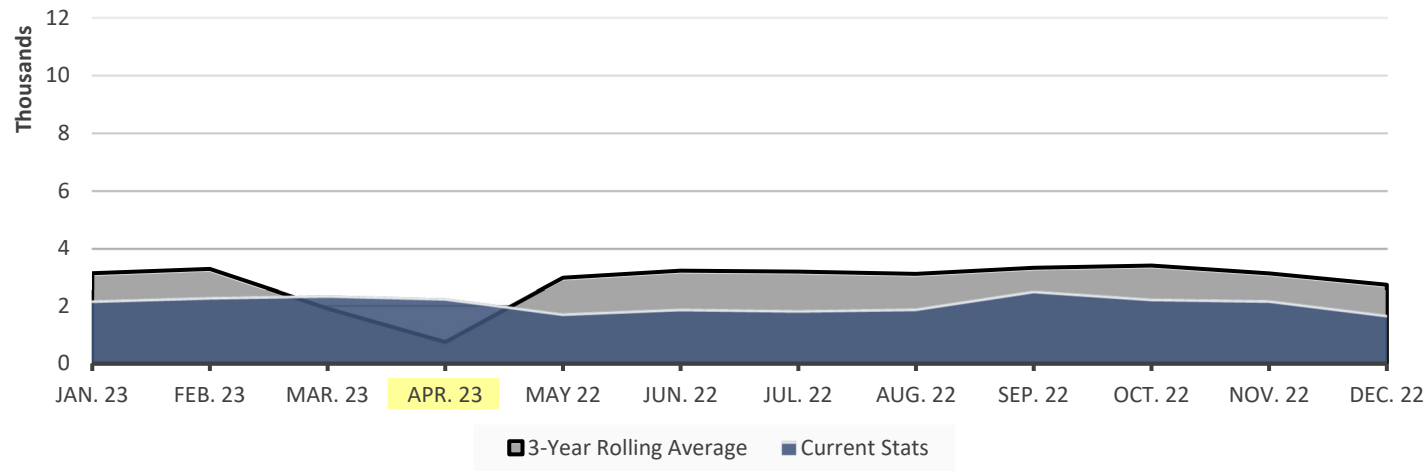
## VRE SYSTEM



## FREDERICKSBURG LINE



## MANASSAS LINE



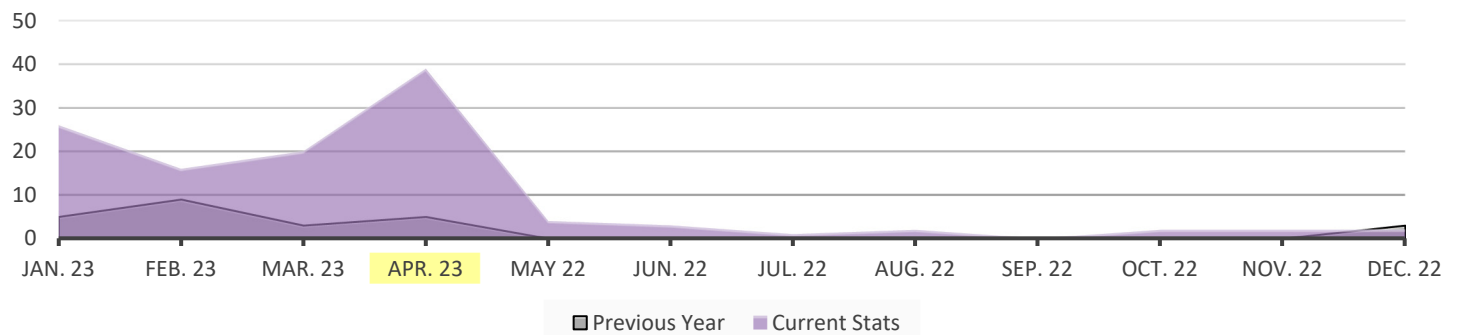
## RIDERSHIP UPDATES

Average daily ridership for the month was 6,233. There were 20 service days.

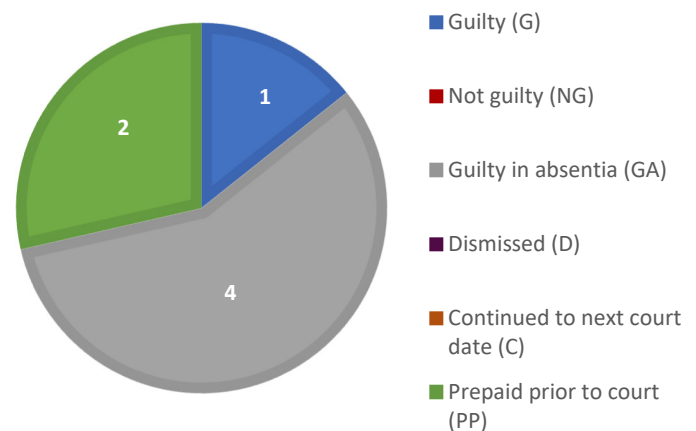
	April 2023	March 2023	April 2022
Monthly Ridership	124,664	146,391	91,682
Average Daily Ridership	6,233	6,365	4,366
Bicycles on Trains	1,370	1,431	N/A
Full Service Days	20	23	20
"S" Service Days	0	0	0

## SUMMONSES ISSUED

## VRE SYSTEM

SUMMONSES WAIVED  
OUTSIDE OF COURT

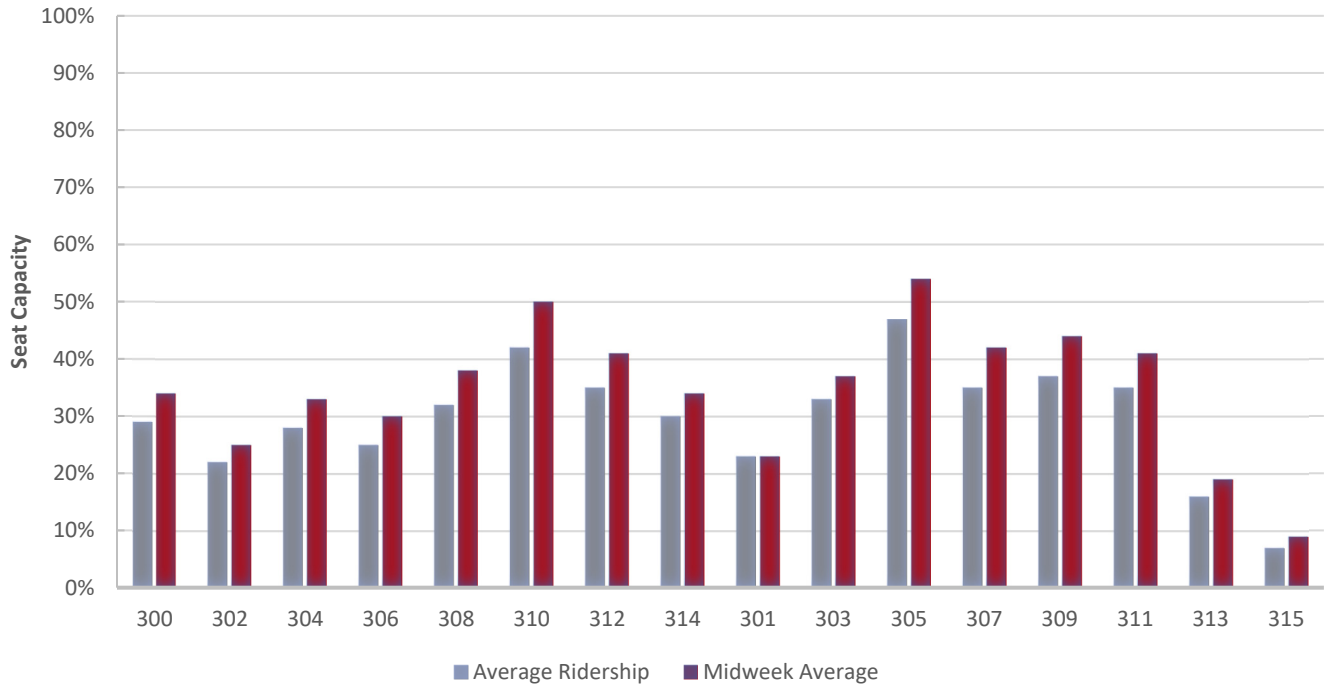
Reason for Dismissal	Occurrences
Passenger showed proof of a monthly ticket	1
One-time courtesy	3
Per the request of the conductor	0
Defective ticket	0
Per ops manager	0
Unique circumstances	0
Insufficient information	0
Lost and found ticket	0
Other	1
<b>Total Waived</b>	<b>5</b>

MONTHLY SUMMONSES  
COURT ACTION

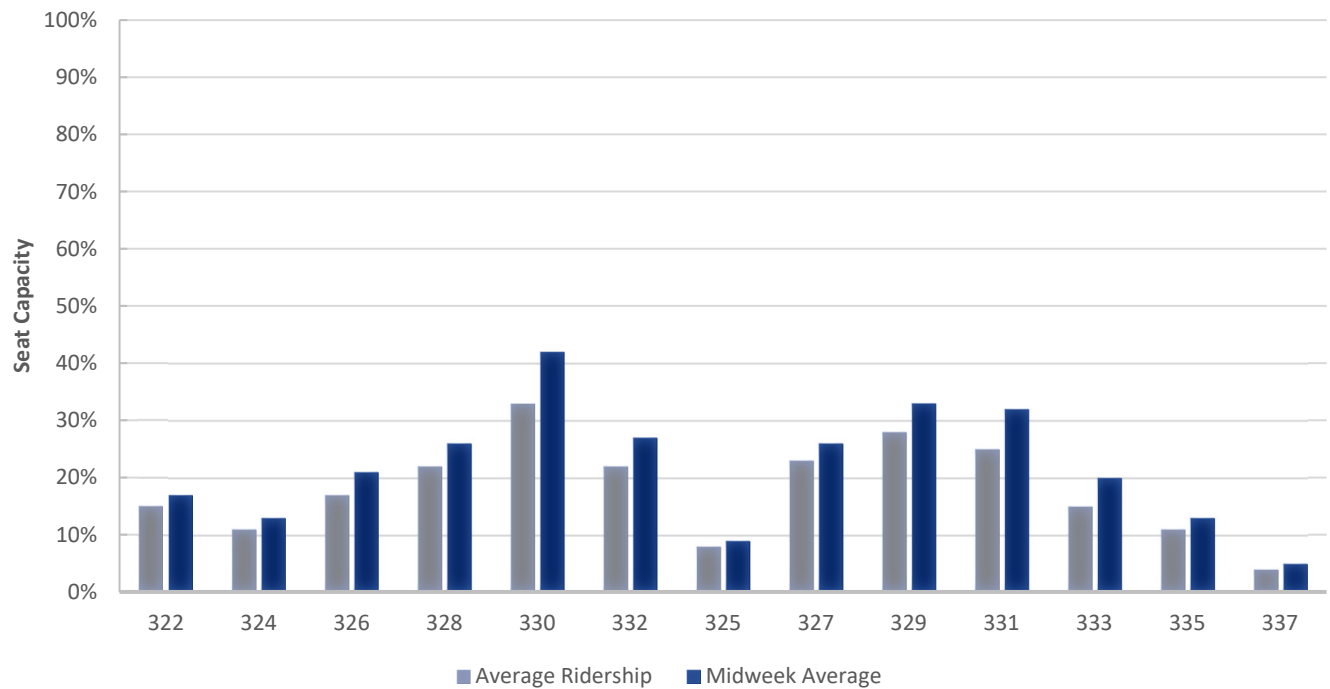


# TRAIN UTILIZATION

## FREDERICKSBURG LINE

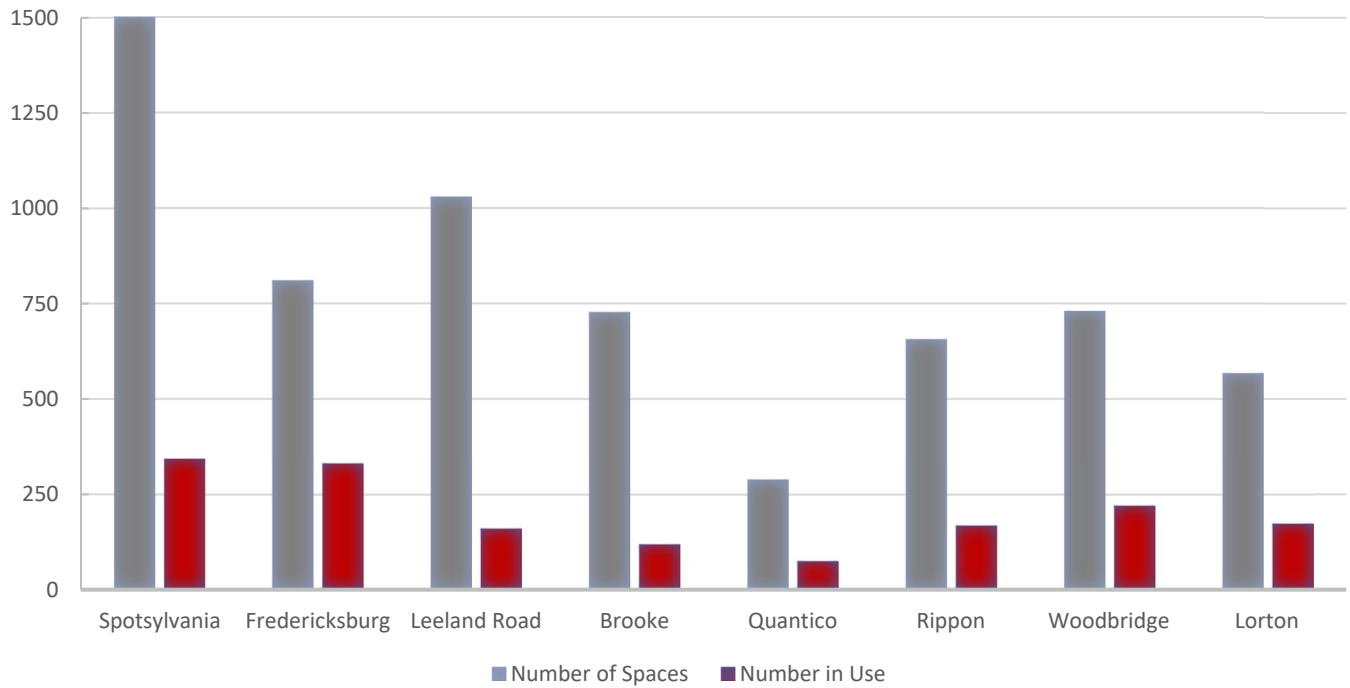


## MANASSAS LINE

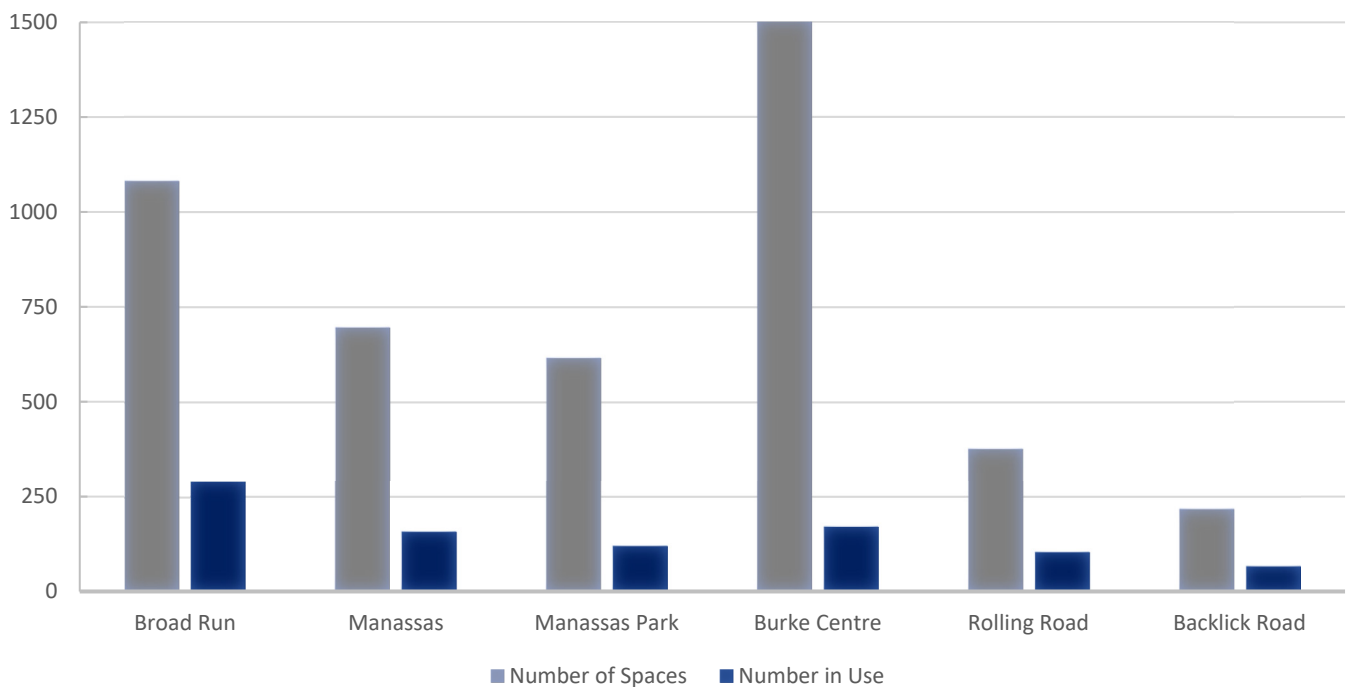


## PARKING UTILIZATION

### FREDERICKSBURG LINE



### MANASSAS LINE



# FINANCIAL REPORT

Fare revenue through the first three quarters of FY 2023 (March 2023) is about \$4.3 million below the amended budget (an unfavorable variance of -30%) and is 43% above the same period in FY 2022.

Although many sectors of the economy have rebounded following the coronavirus (COVID-19) pandemic, changes in employment and commuting patterns caused by the pandemic continue to have a significant impact on VRE. Ridership has remained well below pre-pandemic levels during the first nine months of FY 2023, with a cumulative average daily ridership of 5,751 in FY 2023 thru the end of Mar. 2023, compared to average daily ridership of well over 18,000 in February 2020 (the last full month not affected by the pandemic). We continue to coordinate with federal government representatives regarding potential changes to remote work policies while also expanding marketing and other outreach efforts to encourage new riders.

As part of those outreach efforts, in September 2022, VRE offered "Fare Free September" to show appreciation to the core group of VRE riders who stayed with the service throughout the pandemic; to promote VRE service and attract new riders; and to support to the region's transportation network during scheduled Metrorail service disruptions. This initiative drove a 30% increase in average daily ridership from August to September but reduced total passenger fare revenue by over \$1 million.

The operating ratio for the first three quarters of FY 2023 is 15%, which is below VRE's amended budget operating ratio of 21% for the full twelve months of the fiscal year. VRE is normally required to budget a minimum operating ratio of 50%, but this requirement has been waived for FY 2023 because of the effects of the pandemic.

A summary of the FY 2023 financial results through the end of March 2023 follows, including information on major revenue and expense categories. Please note these figures are preliminary and unaudited.

FY 2023 Operating Budget Report							
Month Ended March 31, 2023							
	CURR. MO. ACTUAL	CURR. MO. BUDGET	YTD ACTUAL	YTD BUDGET	YTD \$ VARIANCE	YTD % VARIANCE	TOTAL FY23 BUDGET
<b>Operating Revenue</b>							
Passenger Ticket Revenue	1,364,883	1,745,076	10,004,637	14,264,099	(4,259,462)	-29.9%	19,119,963
Other Operating Revenue	(300)	18,254	206,118	149,206	56,911	38.1%	200,000
<b>Subtotal Operating Revenue</b>	<b>1,364,583</b>	<b>1,763,330</b>	<b>10,210,755</b>	<b>14,413,306</b>	<b>(4,202,551)</b>	<b>-29.2%</b>	<b>19,319,963</b>
Jurisdictional Subsidy (1)	-	-	8,137,098	8,137,098	-	0.0%	8,137,098
Federal/State/Other Jurisdictional Subsidy	3,937,988	4,151,927	35,218,210	36,064,922	(846,712)	-2.3%	55,445,982
Appropriation from Reserve/Other Income	608,220	1,423,003	16,273,476	19,211,505	(2,938,029)	-15.3%	23,171,167
Interest Income	292,493	136,905	2,124,789	1,119,048	1,005,741	89.9%	1,500,000
<b>Total Operating Revenue</b>	<b>6,203,284</b>	<b>7,475,165</b>	<b>71,964,328</b>	<b>78,945,879</b>	<b>(6,981,551)</b>	<b>-8.8%</b>	<b>107,574,210</b>
<b>Operating Expenses</b>							
Departmental Operating Expenses	6,345,191	7,529,694	66,147,275	71,881,281	5,734,007	8.0%	93,752,450
Debt Service	1,143,480	1,143,480	10,291,320	10,291,320	-	0.0%	13,721,760
Other Non-Departmental Expenses	-	-	-	-	-	0.0%	100,000
<b>Total Operating Expenses</b>	<b>7,488,671</b>	<b>8,673,174</b>	<b>76,438,595</b>	<b>82,172,602</b>	<b>5,734,007</b>	<b>7.0%</b>	<b>107,574,210</b>
<b>Net income (loss) from Operations</b>	<b>(1,285,387)</b>	<b>(1,198,010)</b>	<b>(4,474,267)</b>	<b>(3,226,723)</b>	<b>(1,247,544)</b>		<b>-</b>
<b>Operating Ratio</b>			<b>15%</b>	<b>20%</b>	<b>Budgeted Goal</b>	<b>21% 50%</b>	

(1) Total jurisdictional subsidy is \$13,544,122. Portion shown as budgeted and actual are attributed to Operating Fund only.

# INVESTMENT REPORT

## VRE Investment Portfolio As of March 31, 2023

Investment Type	Institution	Amount	Comments	Rate
Checking Account	PNC	\$ 10,165,033	Operating checking account	0.00%
LGIP (Local Government Investment Pool)	LGIP	\$ 19,672,322	Operating and capital reserve	4.83%
LGIP (Local Government Investment Pool)	LGIP	\$ 2,604,048	Proceeds from Woodbridge K&R Lot & RRIF CRP	4.83%
LGIP (Local Government Investment Pool)	LGIP	\$ 58,407	Revolving account for small liability claims	4.83%
LGIP (Local Government Investment Pool)	LGIP	\$ 48,141,533	Commuter Rail Operating and Capital (C-ROC) Fund	4.83%
VRA 2018 Debt Service Reserve Fund	U.S. BANK	\$ 2,010,830	VRA 2018 Payable - Debt service reserve fund	Var.Rate
CROC Series 2022 Debt Service Reserve	U.S. BANK	\$ 7,463,395	CROC Series 2022 Payable - Debt service reserve fund	Var.Rate
CROC Series 2022 Revenue Stabilization Fund	U.S. BANK	\$ 3,837,191	CROC Series 2022 Bond Payable - Revenue stabilization fund	Var.Rate
Insurance Trust Fund	DRM	\$ 9,967,027	Reserve portion of VRE Insurance Plan	0.68%
<b>Total portfolio</b>		<b>\$ 103,919,786</b>		

### Notes:

PNC contract allows for earnings credit of 0.35% on average monthly balance as an offset to banking service costs. Earnings credit through March was 0.14%.

LGIP account earnings calculated based on the monthly average balance.

VRA 2018 and CROC Series 2022 Debt Service Reserve and CROC Series 2022 Revenue Stabilization Fund interest earnings are at multiple variable rates applicable to individual investments held by the money market fund.

Insurance trust fund rate based on interest earned through three quarters and annualized to the full fiscal year.

### Percentage of portfolio:

Checking-PNC	9.8%
LGIP	67.8%
VRA 2018 Debt Service Reserve Fund	1.9%
CROC Series 2022 Debt Service Reserve Fund	7.2%
CROC Series 2022 Revenue Stabilization Fund	3.7%
Insurance Trust Fund	9.6%

## COMMUTER RAIL OPERATING AND CAPITAL (CROC) FUND QUARTERLY REPORT

### Background

Dedicated CROC funding for VRE began on July 1, 2018. The CROC Fund receives \$15 million annually (\$1.25 million monthly) from fuel taxes collected in the NVTC and PRTC regions. CROC funds are received from the Department of Motor Vehicles (DMV) and are held by NVTC for VRE in a separate account, in accordance with §33.2-1525.A of the Code of Virginia. The VRE Operations Board and Commissions approve the projects that are to be funded in whole or in part by the CROC, and VRE provides a quarterly report on the CROC Fund, including disbursements received, amounts expended, the purpose of the expenditures, and investment and interest earnings.

### CROC Fund as of March 31, 2023

A summary of the CROC Fund through the third quarter of FY 2023 is presented below. Due to lags in the determination of total fuel tax revenue by DMV and the transfer of funds from DMV to NVTC/VRE, total CROC funds received may be less than total funds earned. Interest earnings have been significantly higher in FY 2023 than in previous years due to the overall rise in interest rates.



## CROC REPORT (CONTINUED)

### CROC Fund as of March 31, 2023

Period	Funds Earned	Funds Received	Interest Earned	Expenditures	CROC Account Balance (LGIP)
FY 2023 (Jul-Mar)	\$11,250,000	\$8,750,000	\$1,290,989	\$18,750,000	
<b>Life to Date (sum of all periods)</b>	<b>\$71,250,000</b>	<b>\$68,750,000</b>	<b>\$1,891,533</b>	<b>\$22,500,000</b>	<b>\$48,141,533</b>

#### **FY 2019-2021**

The VRE Operations Board and the Commissions have previously approved the commitment of \$45 million in CROC funding to three key capital projects – \$15 million for the Crystal City Station Improvements project, \$26 million for the L'Enfant Station and Fourth Track project, and \$4 million (approved as part of the Amended FY 2023 budget) for the Track 22 rehabilitation project at Washington Union Terminal in conjunction with Amtrak. This commitment reflects the first three years of CROC funding (FY 2019 through FY 2021), and expenditures will be reflected above when construction commences on these projects. Payment of the VRE portion of the Track 22 project is expected in the fourth quarter of FY 2023.

#### **FY 2022-2031**

In March 2021, VRE entered into a Funding Agreement with the Virginia Department of Rail and Public Transportation (DRPT), which was subsequently assigned to the new Virginia Passenger Rail Authority (VPRA). The Funding Agreement commits VRE to use CROC funds to support the Commonwealth's Transforming Rail in Virginia (TRV) program in two ways – through the issuance of debt to assist in the CSXT right-of-way purchase, and through ten years of pay-as-you-go (PAYGO) contributions to the Long Bridge and other planned capital investments in the VRE service area.

In accordance with the requirements of the Funding Agreement, in June 2022, VRE and NVTC (with NVTC as the Issuer) closed the sale of *Transportation District Special Obligation Revenue Bonds (Transforming Rail in Virginia) Series 2022 (Green Bonds)*. The sale of these double-A rated tax-exempt bonds generated approximately \$119 million in net proceeds that were transferred to VPRA in July 2022 to assist in the purchase of the CSXT right-of-way.

The \$22.5 million of life-to-date expenditures noted in the table above includes \$3.75 million for the Revenue Stabilization Fund as part of the Series 2022 issuance; a \$7.5 million PAYGO payment to VPRA to support preliminary engineering and environmental review costs for Long Bridge; and \$11.25 million in required monthly transfers to U.S. Bank (the Series 2022 bond Trustee) for bond debt service and future PAYGO payments to VPRA.

## FACILITIES UPDATE

The following is a status update of VRE facilities projects.

### Completed projects:

1. Minor repairs to steel elements at Leeland Road station
2. Installation of electrical service for oil storage building at Broad Run MASF
3. Purchase of utility trailer for various uses
4. Procurement of new Maintenance/Custodial and Seasonal Services for VRE Facilities contracts



*Newly purchased utility trailer*

### Projects scheduled to be completed this quarter:

1. Replacement of LED lighting at Woodbridge station parking garage
2. Replacement of Quantico station pedestrian crossing
3. Replacement of tile flooring in Crossroads MASF offices
4. Replacement of waste and recycling receptacles at various stations
5. Replacement of benches at various stations
6. Sealcoating and restriping of parking lots at Woodbridge and Rippon stations
7. Replacement/installation of pathfinder signage for Franconia-Springfield, Lorton, Woodbridge, Rippon, Quantico, Backlick Road, Rolling Road, Burke Centre, Manassas Park, Manassas and Broad Run stations
8. Installation of 988 Suicide & Crisis Lifeline signage on station inter-track fences, pending availability of CSX protection
9. Installation of No Trespassing signage at Rippon, Spotsylvania and Broad Run station parking lots



*Proposed pavement sealcoating and restriping at Woodbridge.*

### Projects scheduled to be initiated this quarter:

1. Minor repairs to concrete platform at Alexandria station
2. Modernization of east elevator at Woodbridge station
3. Replacement of windscreen plexiglass panels at Lorton and Woodbridge stations
4. Improvements to various elements of Quantico station building
5. Replacement of electrical cabinet at Rolling Road station

6. Replacement of existing lighting with LED lighting at Manassas station parking garage
7. Replacement of parking lot entrance signs at various stations

Ongoing projects:

1. Minor structural concrete repairs at Woodbridge station parking garage, pending permit issuance
2. Procurement of construction contract for L'Enfant Station Waiting Area project, pending permit issuance

## UPCOMING PROCUREMENTS

1. Modernization of VRE Woodbridge Station east elevator
2. Alexandria Station improvements
3. Broad Run and Crossroads security camera system power and network infrastructure upgrade
4. Locomotive master controllers
5. Hosted back office services for Positive Train Control
6. Ticket vending machine technical support services
7. Central diagnostic cloud services for VRE locomotives
8. Variable messaging system replacement

## CAPITAL PROJECTS UPDATES

The following is a status update of VRE capital projects.

Completed projects or major project milestones:

1. Crystal City station replacement project received a class II categorical exclusion under the National Environmental Protection Act from the Federal Transit Administration

Projects or project phases scheduled to be completed this quarter:

2. Franconia-Springfield Station Improvements draft 100% plans and specifications
3. Broad Run Expansion (BRX) Section 106 Consultation

Projects or project phases scheduled to be initiated this quarter:

4. Manassas Park parking expansion 60% relocation design
5. Potomac Shores 100% design (design by others)

Ongoing projects:

6. Broad Run Expansion (BRX)
7. Manassas Park Parking Improvements
8. Rolling Road Station Improvements
9. Crossroads Maintenance and Storage Facility (MSF)
10. Lifecycle Overhaul & Upgrade Facility (LOU)
11. Quantico Station Improvements
12. Franconia-Springfield Station Improvements
13. Alexandria Station Improvements
14. Alexandria Station Track 1 Access (Slaters Lane)
15. Crystal City Station Improvements
16. L'Enfant Train Storage Track - South
17. L'Enfant Station Improvements
18. New York Avenue Midday Storage Facility
19. Potomac Shores VRE Station – *design by others*



- 20. Washington Union Station Improvements Environmental Impact Statement – *study by others*
- 21. Long Bridge Project – *study by others*

### *Projects Progress Report Follows*

## Projects Progress Report to Follow

## Projects Progress Report to Follow

MAY 2023



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