

MINUTES
NVTC COMMISSION MEETING – MAY 1, 2003
NVTC CONFERENCE ROOM - ARLINGTON, VIRGINIA

The meeting of the Northern Virginia Transportation Commission was called to order by Chairman McConnell at 5:36 P.M.

Members Present

James F. Almand
William Bogard
Gerald Connolly
Kerry J. Donley
Katherine K. Hanley
Elaine McConnell
Karen Rae
Scott Silverthorne
David F. Snyder
Mary Margaret Whipple
Christopher Zimmerman

Members Absent

David Albo
Sharon Bulova
William D. Euille
Paul Ferguson
Jay Fiset
Dana Kauffman
William C. Mims
Gary A. Reese

Staff Present

Rhonda Gilchrest
Scott Kalkwarf
Jana Lynott
Adam McGavock
Stephen MacIsaac (VRE)
Kala Quintana
Mark Roeber (VRE)
Pete Sklannik (VRE)
Jennifer Straub (VRE)
Richard K. Taube
Alfred Titus-Glover
John Tuohy (VRE)

Chairman McConnell suggested that the meeting begin with discussion items while waiting for a quorum, since several commissioners need to leave early for another event. There were no objections.

Status of NVTC Projects

SmarTrip Farebox Procurement. Mr. Taube reported that NVTC's consultant and staff recently completed the garage inspections and final design for the garage computer installations in Northern Virginia. It had previously been anticipated that the Northern Virginia installations would begin in the summer of 2003, but delays have pushed back the WMATA installation by several months. Mr. Taube stated that staff's best guess is that Northern Virginia's systems could be installed in late 2003 or early 2004, although there is really no way of predicting the outcome or duration of the WMATA installation and testing. In the meantime, the Northern Virginia systems are working on configuration issues, such as the acceptance of pennies, maximum stored value, negative balance trips, and card purchases. Because the fareboxes need to be integrated with the establishment of a regional clearinghouse, the delay is not of serious concern since the clearinghouse is not expected to be ready for several months.

Mr. Taube stated that NVTC has submitted a grant application to VDRPT to purchase 19 Point of Sale devices for PRTC and Loudoun County. Since the WMATA-sponsored Point of Sale network will not reach beyond the compact jurisdictions, the additional Point of Sale devices are critical to the success of the SmarTrip program in the outlying areas. The grant would also cover two years of operation.

GEORGE Bus Service in Falls Church. Mr. Taube reported that the GEORGE buses have now been in revenue service for four months and ridership is about 1,390 per week (194 per day). In response to a question from Mrs. Hanley, Mr. McGavock explained that ridership is currently significantly below projections. Mr. Taube reminded commissioners of VRE's early history when ridership was lower than projections and now it has reached record-breaking levels. Mr. Taube stated that WMATA officials are working to address complaints they have received, specifically concerns about schedule adherence. Routes and schedules may need to be altered in order to compensate for traffic delays, 15 M.P.H. speed limits, and numerous speed bumps, which are making it difficult to maintain published schedules.

Mrs. Whipple arrived at 5:38 P.M. and joined the discussion.

Mr. Taube explained that the original service plan for the GEORGE buses included the use of a hybrid-electric demonstrator bus to be provided for six months by the AVS Corporation, as part of their contract settlement with NVTC.

It now appears that the demonstrator bus will not be part of the GEORGE service. AVS is \$27 million in debt, and they have informed NVTC that they will likely file for bankruptcy protection from their creditors. On advice from NVTC counsel, staff is writing to AVS to assert a claim for the value of the demonstrator bus.

Mr. Taube stated that NVTC staff met with WMATA staff to discuss the performance of the new buses. Unlike hybrid electric buses, these have the new low-pressure filters, which currently are the only such filters being used on diesel buses on the East Coast.

ITS Evaluation. Mr. Taube reported that during April over 14,000 surveys were distributed at Metrorail and VRE stations. The results of the survey are expected in the next few days.

Electronic Bus Schedules. Mr. Taube reported that NVTC staff met with Chris Hamilton of Arlington County to develop a Marketing and Outreach Plan. He and his advertising and promotional team, LM&O, have worked to develop the theme "Information in the palm of your hand, right when you need it the most." NVTC will piggyback on the county's already scheduled promotional campaign gearing up for summer and this will continue to be a cooperative effort.

Mr. Taube also noted that the launch of the Palm Pilot bus download project will coincide with the kick-off of Code Red season on or around June 1, 2003. Staff has also met with the Redmon Group and provided them with transit schedules NVTC has received so far from the local systems. Redmon Group is currently examining the possibility of adding an emergency alert notification feature that can work in conjunction with the downloadable information. NVTC staff is scheduled to make a presentation on this project at WMATA's June 27th JCC meeting to try to expand this service to the adjacent jurisdictions, as Mr. Connolly suggested at a previous NVTC meeting. PRTC will also be asked to participate.

NVTC Website Update. Mr. Taube reported that NVTC's website is running smoothly. Staff is currently working to identify and scan into Adobe PDF, archived documents to which only paper copies currently exist. As a result, NVTC will preserve the various studies, reports, maps, photos and other research from further degradation. By adding these documents to the website, users will have immediate access to historical data.

Commissioners Silverthorne and Donley joined the meeting at 5:40 P.M.

FY 2004 State Grant Applications. Mr. Taube explained that preliminary estimates from VDRPT staff indicate that the transit capital matching ratio may drop in FY 2004 to 40 percent, compared to 50 percent in FY 2003. On the other hand, funding for fuels, tires, maintenance and administration may increase to reflect growth in the Transit Trust Fund (TTF). Depending on whether transit TTF funds are used for the Governor's Congestion Relief Program, the net result may be an increase in transit assistance for NVTC in FY 2004. The draft six-year program will be released in mid-May with final CTB approval at its June meeting.

Ms. Rae stated that VDRPT is conducting a six-year review of future demands for rail and transit. She explained that until the long-term needs are identified, VDRPT is at a disadvantage to argue the case for stable long-term funding. Mr. Sklannik stated that VRE staff is working closely with VDRPT on VRE's long-term strategic planning needs.

WMATA Items

Proposed FY 2004 Operating and Capital Budget. Mrs. Hanley reported that the WMATA Budget Committee has directed that the proposed WMATA FY 2004 Operating and FY 2004-2009 Capital Improvement Program (CIP) budgets be sent to its funding partners for review and comment before final consideration by the WMATA Board in June. WMATA has worked to reduce costs and increase productivity in order to control subsidy growth in FY 2004. Mrs. Hanley stated that after much debate and consideration, the Budget Committee has proposed a budget that includes various increases to fares and fees to generate sufficient funds to balance the budget. The boarding charge for bus and rail fares would increase by 10-cents to \$1.20, mileage and maximum fare charges for Metrorail would be increased; parking would increase by \$0.75; and MetroAccess would increase to \$2.40.

New CNG Buses. Mrs. Hanley reported that on April 17th the WMATA Board approved the procurement of 175 additional CNG buses, all of which will be assigned to the Four Mile Run Garage in Arlington. At a cost of \$36.5 million, the new buses will bring the total of WMATA's CNG buses to 339.

Legislative Items

Increased Tax-Free Transit Benefits. Mr. Taube reported that S661 "Commuter Benefits Equity Act of 2003" seeks to increase the monthly tax-free transit benefit level to \$190 from \$100. The change would match the tax-free level now permitted for parking. Senator John Warner is a co-sponsor of this bill.

Mr. Zimmerman arrived at 5:45 P.M.

Amtrak. Mr. Taube reported that the Bush Administration's approach to Amtrak's future is likely to cut back direct federal appropriations and to rely on grant programs where states would have to cover operating costs and the federal government would provide 50 percent matching for capital.

In response to a question from Mrs. Hanley, Ms. Rae stated that Amtrak is a national system so Virginia has not conceded to any shift in funding responsibilities to the state. If there were incremental improvements that were requested from the state which Amtrak wouldn't normally fund, then the state would consider a subsidy arrangement. She explained that Virginia, unlike many other states, invests a larger percentage of capital with state taxpayers' dollars into transit than most states do. Therefore, Virginia should get credit for the benefits of improved operating efficiency for systems such as Amtrak, CSX, or VRE. Virginia is working closely with New York, another state that puts even more money into its system. There would probably be a two to five year transition period to phase in any changes to the Amtrak system. VDRPT is closely monitoring this issue on a daily basis. Ms. Rae stated that Virginia has no significant funding source that could flow to Amtrak.

State Legislation. Mrs. Whipple reported that Governor Warner vetoed the budget change that would have removed the Virginia Liaison office in Washington, D.C. She stated that it is a small office but it is important that Virginia have a presence on Capitol Hill.

Regional Transportation Items

Conditions and Performance of the Nation's Highways, Bridges and Transit. Mr. Taube stated that the 2002 report by FHWA and FTA to Congress on the Conditions and Performance of the Nation's Highways, Bridges and Transit, states that the average annual nationwide cost to improve the physical condition of transit assets and transit operational performance to reach targeted levels by 2020 is \$20.6 billion in 2000 dollars. This exceeds actual transit capital spending in 2000 by 128 percent. The cost of maintaining (as opposed to improving) transit assets and performance at 2000 levels is \$14.8 billion annually, which is 64 percent more than actual spending in 2000. These findings and other results of this report can be used to present a good case for transit funding for the TEA-21 reauthorization.

Mr. Snyder joined the meeting at 5:51 P.M.

Fueling Transportation Finance: A Primer on the Gas Tax. Mr. Taube stated that this report released from the Brookings Institute concludes that after years of steady growth, federal and state gas tax receipts reached a plateau in the late 1990's and when accounting for inflation are actually declining. Since 1992 only three states have raised their gas taxes sufficiently to match inflation.

In several states, urban areas act as donors and in 30 states, gas tax revenues are restricted only to highway use.

Mr. Taube explained that on average, about 28 percent of the price of gasoline is comprised of taxes including state (14 percent), federal (12 percent) and local (2 percent). Virginia's reliance on the gas tax is among the lowest of all states, ranking 24th. Since 1992, Virginia's gas tax rate of 17.5 cents per gallon has fallen about 22 percent when adjusted for inflation. It should be over 22 cents per gallon to have kept pace with inflation.

Highway Statistics 2001. Mr. Taube reported that each year the Federal Highway Administration releases a compendium of data providing state-by-state comparisons of such items as motor fuel use and tax collections; motor vehicle use and taxes; drivers licenses; highway and transit finance; and roadway characteristics and performance. Virginia ranked in a tie for 15th most urbanized state measured by land area and 21st measured by population, reflecting relative urban sprawl. Virginia had the 13th highest per capita income and the 13th highest urban vehicle miles traveled versus the 15th highest urban lane miles available. Virginia also had the 11th greatest consumption of gasoline and ranked fourth in private and commercial vehicles per capita.

2003 APTA Public Transportation Fact Book. Mr. Taube stated that APTA's annual fact book includes interesting facts, including approximately 6,000 transit systems operate in the U.S. and Canada; 54 percent of the 9.7 billion unlinked transit trips were work related; and the Washington, D.C. metropolitan area ranked eighth in urban area population as of 2001, with its annual transit passenger miles ranked fifth at over 2 billion.

Mr. Connolly arrived at 5:53 P.M.

Northern Virginia Transportation Authority. Mr. Taube reported that at its April 10th meeting, the Authority discussed details about the Governor's Congestion Relief Program. It was reported that no new funding sources are available for the program, so that funds for projects elected by CTB will likely be taken from some of Northern Virginia's allocations of existing funds. The Secretary of Transportation wanted a rank ordering of 10 projects. The Authority agreed to reiterate its original selection of projects. It asked for details about the air quality benefits of these projects versus those in the six-year program so that the CTB could make its decisions based on knowledge of maximum air quality benefits.

Minutes of the April 3, 2003 NVTC Meeting

On a motion by Mr. Donley and a second by Mrs. Whipple, the commission unanimously approved the minutes. The vote in favor was cast by

commissioners Almand, Bogard, Connolly, Donley, Hanley, McConnell, Rae, Silverthorne, Snyder, Whipple and Zimmerman.

Award of Contract for Evaluation of Free Bus Fares on Forecast Code Red Ozone Alert Days

Mr. Taube reported that the staff review committee, comprised of representatives from MWCOG, MWAQC, VDOT, VDRPT, WMATA and Arlington, Fairfax and Loudoun counties, has recommended SG Associates, Inc. be awarded a contract for the evaluation of free bus fares on forecast Code Red Ozone Alert days. SG Associates has performed several successful studies for NVTC in the past, the most recent being an analysis of transit options in the Route 1 corridor.

Mr. Connolly moved, with a second by Mrs. Whipple, to authorize NVTC's executive director to negotiate with SG associates and, if successful, to enter into an agreement to complete the work according to the terms of NVTC's RFP and the firm's proposal. If the negotiations with SG Associates are not successful, the executive director would proceed with negotiations with each successive firm in the order established by the review committee until a suitable contract is agreed to and executed. The vote in favor was cast by commissioners Almand, Bogard, Connolly, Donley, Hanley, McConnell, Rae, Silverthorne, Snyder, Whipple and Zimmerman.

Response to the Department of Taxation Regarding NVTC Motor Fuels Tax Audits

Mr. Taube explained that in early March, 2003, NVTC received a letter from Commissioner Thorson of the Virginia Department of Taxation offering additional suggestions for improving the motor fuels tax collection process. NVTC initiated a dialogue with a letter dated May 6th and since that time several meetings and letters have occurred, resulting in the improvements cited in a proposed letter to Commissioner Thorson dated May 1, 2003. NVTC's MAC group has reviewed the letter.

Mr. Taube stated that Commissioner Thorson agreed to NVTC's request to add another employee to assist in the tax collection process in the NVTC and PRTC districts. Commissioner Thorson asked that NVTC and PRTC provide office space for this employee. Space is available at both NVTC and PRTC.

In response to a question from Mr. Donley, Mr. Taube explained that NVTC would provide office space but there would be no additional costs associated with this. NVTC has incurred some expenses in the past when NVTC created that gas tax brochure, but grant funds were used. Currently there is no

Northern Virginia district office for the gas tax auditors. Mr. Donley stated that this seems to be beneficial to the commissions.

Mr. Donley moved to authorize that the executive director send the letter to Commissioner Thorson and to continue to work with the department to improve the motor fuels tax collection process, including providing office space. Mr. Connolly seconded. The vote in favor was cast by commissioners Almand, Bogard, Connolly, Donley, Hanley, McConnell, Rae, Silverthorne, Snyder, Whipple and Zimmerman.

VRE Items

Report from the VRE Operations Board and Chief Operating Officer. Mr. Sklannik reported that VRE ridership continues to peak at around 14,000 daily trips. For April, on-time performance was about 92 percent. He stated that VRE has been notified by the offices of Senators Warner and Allen that VRE is being considered for nearly \$1 million in funding for security measures under the Homeland Security Measure Act. Also, the Division of Risk Management obtained insurance to protect VRE's rail fleet at a favorable rate.

Status of Manassas Park Parking Lot. Mr. Taube reported that with the positive action by the city council of Manassas Park on April 8th, the public and FTA were notified on April 9th that Manassas Park and the commissions have agreed to a settlement. All parking at the station is now open to all, without restriction. VRE's legal counsel has acted to terminate the litigation against the city and VRE is initiating the construction of a temporary platform extension using non-federal funds. Other actions in the agreement approved by the commissions and Manassas Park will also proceed as appropriate.

Request for Proposals for Bond Refunding. Mr. Taube reported that the VRE Operations Board recommends approval of Resolution #965, which would authorize VRE to issue a RFP to seek to refinance some or all of NVTC's bond issues on behalf of VRE. VRE's financial advisors, Public Financial Management, Inc, and bond counsel, McGuire Woods, will advise VRE, commission and local staff on the best approach.

Mr. Connolly moved, with a second by Mr. Almand, to approve Resolution #965 (copy attached). The vote in favor was cast by commissioners Almand, Bogard, Connolly, Donley, Hanley, McConnell, Rae, Silverthorne, Snyder, Whipple and Zimmerman.

Request for Proposals for Equipment-Based Financing. Mr. Taube stated that the VRE Operations Board recommends commission approval of Resolution #966, which would authorize staff to issue a RFP for equipment-based financing, with the proceeds to be used to match capital projects. VRE's financial advisor,

Public Financial Management, Inc., would assist in preparing and evaluating the RFP. WMATA and many other transit systems have used this technique. This type of transaction is essentially a sale-leaseback transaction whereby an investor or investors purchase the rolling stock for a term at the end of which the asset reverts to VRE ownership. The bulk of the proceeds of the sale would be placed in a trust fund where the principal and interest pay the lease payments and the remaining balance would accrue to the benefit of VRE.

Mr. Connolly moved, with a second by Mrs. Whipple, to approve Resolution #966 (copy attached). The vote in favor was cast by commissioners Almand, Bogard, Connolly, Donley, Hanley, McConnell, Rae, Silverthorne, Snyder, Whipple and Zimmerman.

Task Order for Design of Manassas Parking Garage. Mr. Taube reported that the VRE Operations Board also recommends commission approval of Resolution #967. The resolution would authorize VRE's Chief Operating Officer to award a task order for design and construction services for a parking garage in the city of Manassas. The task order in the amount of \$598,534 would be paid to Parsons Brinckerhoff Quade & Douglas, Inc. Federal funds are available in VRE's CIP and the city would provide the local match.

Mrs. Hanley moved to approve Resolution #967 (copy attached). Mr. Donley seconded. The vote in favor was cast by commissioners Almand, Bogard, Connolly, Donley, Hanley, McConnell, Rae, Silverthorne, Snyder, Whipple and Zimmerman.

Contract Change Order to Transportation and Transit Associates for a Tenth Railcar. Mr. Taube explained that an additional railcar was made available to VRE as a result of the settlement with the Northern Railcar bankruptcy trustee. The price to rehabilitate the railcar would be the same as the per-car cost for the previous nine. Resolution #968 would authorize VRE's Chief Operating Officer to negotiate a contract change order with Transportation and Transit Associates, LLC., to rehabilitate the tenth Gallery trailer car at a cost not to exceed \$526,847, which would include a 15 percent contingency.

Mr. Connolly moved, with a second by Mr. Zimmerman to approve Resolution #968 (copy attached). The vote in favor was cast by commissioners Almand, Bogard, Connolly, Donley, Hanley, McConnell, Rae, Silverthorne, Snyder, Whipple and Zimmerman.

Request for Proposals and Task Order for Design, Engineering and Construction of a Railcar Inspection Pit at Broad Run Yard. Mr. Taube reported that Resolution #969 would authorize VRE's Chief Operating Officer to award a task order for design, engineering and construction services for a car inspection pit at the Broad Run yard. The VRE Operations Board recommends this action. VRE has been forced to shift inspection and minor maintenance to its outlying

yards because of overcrowding at Amtrak's Washington Union Terminal. The estimated cost is \$350,000 and federal funds are available in VRE's CIP with local match from debt service reserve funds. The resolution would also authorize the release of a RFP for construction of the pit after the design and engineering are completed. The award would be brought to the Operations Board and commissions for authorization at a future date.

Mr. Connolly moved, with a second by Mr. Donley, to approve Resolution #969 (copy attached). The vote in favor was cast by commissioners Almand, Bogard, Connolly, Donley, Hanley, McConnell, Rae, Silverthorne, Snyder, Whipple and Zimmerman.

Supplemental Agreement to the Woodbridge Memorandum of Understanding. Mr. Taube stated that the VRE Operations Board recommends approval of Resolution #970, which would authorize VRE's Chief Operating Officer to execute a supplemental agreement to the MOU between the commissions and the Board of County Supervisors of Prince William County. The agreement provides for condemnation of property for expansion of VRE's Woodbridge station. Because "quick take" powers are needed, the county would accomplish the condemnation of four properties. Federal funding of \$3.8 million is available for property acquisition with local match provided by Prince William County.

On a motion by Mr. Connolly and a second by Mr. Donley, the commission unanimously approved the resolution (copy attached). The vote in favor was cast by commissioners Almand, Bogard, Connolly, Donley, Hanley, McConnell, Rae, Silverthorne, Snyder, Whipple and Zimmerman.

Meeting with CSX Officials. Chairman McConnell reported that she and Mrs. Bulova met on May 1st with CSX officials and had a candid conversation about the commission's concerns. The CSX officials seemed cooperative and requested to speak before the commission at a future meeting. Insurance still is an issue.

Other NVTC Business

Mr. Snyder moved, with a second by Mr. Zimmerman, to authorize a letter be sent to Senators Warner and Allen supporting the legislation (S661) seeking to increase the monthly tax-free transit benefit level to \$190. The vote in favor was cast by commissioners Almand, Bogard, Connolly, Donley, Hanley, McConnell, Rae, Silverthorne, Snyder, Whipple and Zimmerman.

NVTC Financial Items for March, 2003

The financial reports were provided to commissioners and they had no questions.

Adjournment

Without objection, Chairman McConnell adjourned the meeting at 6:02 P.M.

Approved this fifth day of June, 2003.

Elaine McConnell
Chairman

Paul Ferguson
Secretary-Treasurer