

AGENDA ITEM 10-A
INFORMATION ITEM

TO: CHAIRMAN KAUFFMAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: APRIL 20, 2007

RE: GOVERNANCE PROCESS

On April 5, 2007, a resolution was passed at the NVTC and PRTC meetings adopting governance changes, approving the alternate budget, and approving the mitigation projects. On April 11, the attached resolution was transmitted to each jurisdiction and will be acted on as shown below.

<u>Jurisdiction</u>	<u>Budget Adoption</u>	<u>Governance Adoption</u>
Stafford County	Approved April 17	Approved April 17
City of Manassas Park	April 24	Approved April 17
Arlington County	April 21	TBD
Prince William County	April 24	TBD
City of Fredericksburg	April 24	April 24
City of Manassas	April 25	May 14
Fairfax County	April 30	April 30
City of Alexandria	May 7	May 7

On June 7, the Commissions will request the above jurisdictions to identify the elected officials, who are members of the Commissions, that they would like the Commissions to nominate to the VRE Operations Board

On July 1, all jurisdictions would make that first subsidy payment as prescribed under the alternative budget. On July 5, the Commissions would adopt the new slate of officers for installation at the August 17 VRE Operations Board meeting. The Commissions and jurisdictions will also need to take formal action on the actual amendments to the Master Agreement, once completed.

PROPOSED JURISDICTIONAL RESOLUTION ON VRE GOVERNANCE

WHEREAS, the Northern Virginia Transportation District Commission (“NVTC”) and the Potomac and Rappahannock Transportation District Commission (“PRTC,” and, together with NVTC, the “Commissions”) jointly operate the Virginia Railway Express (the “VRE”) commuter rail service in Northern Virginia pursuant to the Master Agreement dated as of October 3, 1989, as amended (the “Master Agreement”); and,

WHEREAS, in February 2006, the VRE Operations Board, with participation of all VRE member jurisdictions, initiated analysis of alternate VRE governance structures and subsidy allocation formulae; and,

WHEREAS, the Commissions has previously adopted and forwarded to member jurisdictions an alternate FY 2008 VRE Operating and Capital Budget, which reflected this proposed change to the subsidy formula, and was effective contingent upon approval of the aforesaid amendments to the Master Agreement; and,

WHEREAS, on April 5, 2007, the Commissions approved a series of proposed amendments to the Master Agreement that would change the composition of and voting on the Operations Board and revise the subsidy formula over a four year phase-in period as detailed in Attachment A; and,

WHEREAS, on April 5, 2007, the Commissions also approved a mitigation accommodation developed by the Operations Board, with the participation of all VRE member jurisdictions, to address the impacts on member jurisdictions affected by non-member jurisdictional riders; and,

WHEREAS, the mitigation accommodation involves inclusion of the projects listed in Attachment B in the VRE capital improvement program to be funded by various resources and to be initiated at the earliest possible date; and,

WHEREAS, amendments to the Master Agreement reflecting the changes detailed in Attachment A will be brought back before the Commissions and jurisdictions for formal approval; and,

WHEREAS, on April 5, 2007, the Commissions further committed to continuing to explore and identify steps necessary for VRE to attain independent status and/or full autonomy.

NOW, THEREFORE, BE IT RESOLVED THAT the City/County of _____, Virginia hereby approves the proposed amendments to the VRE Master Agreement detailed in Attachment A; and,

BE IT FURTHER RESOLVED THAT the City/County of _____, Virginia hereby approves the mitigation accommodation, adding projects to the VRE capital improvement program as detailed in Attachment B; and,

BE IT FURTHER RESOLVED THAT the City/County of _____, Virginia hereby (1) embraces the objective of a fully autonomous VRE Operations Board or, in the alternative, a legal entity independent of the two Commissions by 2010; and (2) agrees to implement on an expedited basis actions, identified by legal counsel and approved by the Commissions, as necessary to achieve this objective that can be done by purely administrative means; and (3) agrees to diligently pursue other actions, identified by legal counsel and approved by the Commissions, as necessary that require external approvals, e.g. approvals by the Commissions and all member jurisdictions, and statutory changes.

Attachment A – Proposed Changes to the Master Agreement

Membership

- Operations Board expanded to include all member jurisdictions.
- All seats on Operations Board to be elected officials, except DRPT Director.
- Board seats to be proportionate to ridership based on the annual ridership survey, as shown below.
 - 25% or more of total system ridership = 3 members, 3 alternates
 - 15% – 24% of total system ridership = 2 members, 2 alternates
 - Less than 15% of total system ridership = 1 member, 1 alternate
 - Arlington and Alexandria = 1 member, 1 alternate each
 - Director of DRPT = 1 member

		<i>Percentage of System Ridership</i>	<i>Number of Board Members</i>
<i>Jurisdiction</i>	<i>FY 2008 Ridership</i>		
Fairfax	1478	20.3%	2
Fredericksburg	204	2.8%	1
Manassas	347	4.8%	1
Manassas Park	201	2.8%	1
Prince William	2232	30.6%	3
Stafford	1309	17.9%	2
Alexandria	4	0.1%	1
Arlington	0	0%	1
Other	1520	20.9%	0
Total	7295		12

Weighted voting

- Proportionate to annual jurisdictional subsidy with each Board member casting an individual vote based on a prorata share of their jurisdictional percentage of subsidy.
- An affirmative weighted vote must receive support from five (5) jurisdictions that also must collectively constitute 60% of the total annual jurisdictional subsidy.
- For the purposes of weighted voting, Arlington and Alexandria will each receive 0.5 votes which can be cast independently or as a full vote on behalf of both jurisdictions.
- The jurisdictional minimum required for weighted voting would increase by one for every two jurisdictions that newly join VRE.

Subsidy

- Annual jurisdictional subsidy will be based on system ridership rather than the 90% system ridership and 10% population formula.
- The subsidy allocation formula will be phased in over four years as shown below.

Jurisdiction	FY 2008 90/10 Formula	FY 2008 with First Year Phasing	Year 2*	Year 3*	100% Ridership Year 4*
Alexandria	\$113,140	\$113,140	\$113,140	\$113,140	\$113,140
Arlington	\$165,532	\$165,532	\$165,532	\$165,532	\$165,532
Fairfax County	\$4,999,777	\$4,700,508	\$4,401,238	\$4,101,968	\$3,802,698
Fredericksburg	\$314,232	\$330,713	\$347,194	\$363,675	\$380,155
Manassas	\$627,365	\$655,077	\$682,789	\$710,501	\$738,213
Manassas Park	\$339,650	\$359,574	\$379,498	\$399,423	\$419,347
Prince William County	\$4,504,312	\$4,624,876	\$4,745,440	\$4,866,004	\$4,986,568
Stafford County	\$2,315,147	\$2,429,735	\$2,544,324	\$2,658,913	\$2,773,502
Total	\$13,379,154	\$13,379,154	\$13,379,154	\$13,379,154	\$13,379,154

*Note - future subsidy will fluctuate based on operating costs.

Attachment B – Mitigation Accommodation Projects

Jurisdiction	Project	Estimated Value Not to Exceed
Stafford	Preliminary engineering, environmental analysis and property acquisition for additional parking at Brooke	\$800,000
Fredericksburg	Fredericksburg station repairs, enhancements and federal grant match	\$1,474,000
Manassas	Further funding of City/VRE parking deck	\$2 million
Manassas Park	Canopy extension	\$1 million
Prince William	Gainesville-Haymarket preliminary analysis or other project	\$2 million
	TOTAL	\$7,274,000