



MINUTES

VRE OPERATIONS BOARD MEETING PRTC HEADQUARTERS – PRINCE WILLIAM COUNTY, VIRGINIA NOVEMBER 16, 2007

VIRGINIA RAILWAY EXPRESS

BOARD MEMBERS

DANA KAUFFMAN
CHAIRMAN

DOUG WALDRON
VICE CHAIRMAN

ELAINE MCCONNELL
SECRETARY

PAUL MILDE
TREASURER

MAUREEN CADDIGAN
WALLY COVINGTON
MARV DIXON
BOB GIBBONS
JOHN JENKINS
FRANK JONES
KEVIN PAGE
PAUL SMEDBERG
CHRIS ZIMMERMAN

ALTERNATES

HILDA BARG
SHARON BULOVA
MARK DUDENHEFER
JAY FISETTE
MATT KELLY
TIMOTHY LOVAIN
MICHAEL MAY
MARTIN NOHE
HAL PARRISH
GEORGE SCHWARTZ
MATT TUCKER

DALE ZEHNER
CHIEF EXECUTIVE
OFFICER

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MEMBERS PRESENT	JURISDICTION
Maureen Caddigan (PRTC)*	Prince William County
Wally Covington (PRTC)	Prince William County
Marvin J. Dixon (PRTC)	City of Fredericksburg
Robert Gibbons (PRTC)	Stafford County
John D. Jenkins (PRTC)	Prince William County
Frank C. Jones (PRTC)	City of Manassas Park
Dana Kauffman (NVTC)	Fairfax County
Elaine McConnell (NVTC)	Fairfax County
Paul Milde (PRTC)	Stafford County
Kevin Page	DRPT
Paul Smedberg (NVTC)	City of Alexandria
Doug Waldron (PRTC)	City of Manassas

MEMBERS ABSENT	JURISDICTION
Christopher Zimmerman (NVTC)	Arlington County

ALTERNATES PRESENT	JURISDICTION
Hilda Barg (PRTC)	Prince William County
Sharon Bulova (NVTC)	Fairfax County
George H. Schwartz (PRTC)	Stafford County

ALTERNATES ABSENT	JURISDICTION
L. Mark Dudenhefer (PRTC)	Stafford County
Jay Fiset (NVTC)	Arlington County
Matthew Kelly (PRTC)	City of Fredericksburg
Timothy Lovain (NVTC)	City of Alexandria
Michael C. May (PRTC)	Prince William County
Martin E. Nohe (PRTC)	Prince William County
Hal Parrish, II (PRTC)	City of Manassas
Matthew Tucker	DRPT

STAFF AND GENERAL PUBLIC	
George Billmyer – citizen	April Maguigad – VRE
Donna Boxer – VRE	Betsy Massie – PRTC staff
John Duque – VRE	Dick Peacock – citizen
Mike Garber – PBGH	Mark Roeber – VRE
Al Harf – PRTC staff	Brett Shorter – VRE
Christine Hoeffner – VRE	Marlene Schnare—McConnell’s staff
Ann King – VRE	Jennifer Straub – VRE
Mike Lake – Fairfax County	Rick Taube – NVTC staff
Lezlie Lamb – VRE	Dave Tyeryar – Prince William County
Bob Leibbrandt – Prince William County	Gus Vega – Arlington County
Steve Maclsaac – VRE counsel	Dale Zehner – VRE

** Delineates arrival following the commencement of the Board meeting. Notation of exact arrival time is included in the body of the minutes.

Chairman Kauffman called the meeting to order at 9:30 A.M. Following the Pledge of Allegiance, roll call was taken.

Approval of the Agenda – 3

Mr. Waldron moved, with a second by Mr. Milde, to approve the agenda. The vote in favor was cast by Board Members Covington, Dixon, Gibbons, Jenkins, Jones, Kauffman, McConnell, Milde, Page, Smedberg and Waldron.

Minutes of the October 19, 2007, VRE Operations Board Meeting – 4

Mr. Page requested that the minutes on page 6 under the DRPT Update be changed from “Active Yard Study” to “Acca Yard Study.” Mr. Waldron moved, with a second by Mr. Milde to approve the amended minutes. The vote in favor was cast by Board Members Covington, Dixon, Gibbons, Jenkins, Jones, Kauffman, McConnell, Milde, Page, Smedberg and Waldron.

Chairman’s Comments -- 5

Chairman Kauffman announced that at its December 21st meeting, VRE will be holding a reception for those Board Members leaving VRE, including Ms. McConnell, Ms. Barg, Mr. Gibbons and Mr. Kauffman

Chairman Kauffman reported that on-time performance has reached above 90% on both rail lines. Mr. Gibbons observed that without DRPT’s efforts to get the Quantico Bridge project completed, on-time performance would still be suffering.

Nominating Committee for VRE Officers – 5A

Chairman Kauffman stated that Board Members Caddigan, Milde and Bulova have been chosen to serve with him on the Nominating Committee to select a slate of officers for the upcoming term, which runs from January 2008 to December 2008. The Nominating Committee will provide nominations at the December meeting. Installation of new members and officers will take place at the January meeting.

Mr. Jenkins moved, with a second by Mr. Gibbons, to approve the Nominating Committee. The vote in favor was cast by Board Members Covington, Dixon, Gibbons, Jenkins, Jones, Kauffman, McConnell, Milde, Page, Smedberg and Waldron.

Chief Executive Officer's Report --6

Mr. Zehner reported that ridership is up 4.6 percent compared to the same time last year. CSX requested a meeting with Amtrak and VRE in Fredericksburg several weeks ago, where commitments were made to maintain at least a 90 percent on-time performance rate on the Fredericksburg Line. VRE's subgoal is to reduce mechanical delays by 15 percent. Amtrak's subgoal is to improve the performance of their "magnificent seven" trains, which have a tendency to be late and disrupt VRE, Amtrak and CSX on-time performance. In response to a question from Mr. Page, Mr. Zehner stated that CSX has committed itself toward making improvements in dispatching, particularly in an effort to avoid delays during morning rush hour service.

[Ms. Caddigan arrived at 9:37 A.M.]

Mr. Zehner reported that Amtrak has a potential strike looming because it is having difficulties in obtaining labor agreements with 13 out of 14 unions. If Amtrak were to strike, VRE would not be able to run service. Chairman Kauffman asked staff to look at any fallback options. Mr. Zehner stated that VRE relies on about 50-60 Amtrak employees each day.

Mr. Zehner announced that Ms. Straub and Mr. Maclsaac have worked hard to obtain an agreement with Kettler Corporation for the match to the Cherry Hill Station and third track. This match is needed for the Rail Enhancement grant provided through the state. In response to a question from Ms. Barg, Mr. Zehner stated that the total amount of the project is estimated at \$72 million.

Mr. Zehner stated that fuel prices continue to rise. Currently, VRE has been able to use futures on gas prices and has been able to hold the costs down to \$2.60 per gallon through December. Fuel prices are anticipated to climb and VRE staff has included some of these projections into the next budget process.

VRE Riders' and Public Comment – 7

Mr. Billmyer stated that he is glad to see VRE's ridership is going back up. He stated that the Senate Bill for the Amtrak Reauthorization passed for the next six years, which also includes benefits to other rail systems. Currently, federal funds match 80 percent for building highways, 80 percent for airports, 50 percent for transit and zero percent for intercity rail. This imbalance needs to be changed and made equal.

Mr. Billmyer observed that he has been advocating for a long time for a freight bypass. The recent CSX run-away train that went through the bridge at Anacostia River shows how something can happen even with experienced workers. If that train had been carrying dangerous materials, such as liquid chlorine, it could have been a catastrophe.

Mr. Peacock stated that the proposal to put platforms on both sides of the Fredericksburg line is a very good idea. This approach would also be good for Manassas Park, Burke Centre and Rolling Road. In Manassas Park a large development has been proposed, which would bring many more riders. Platforms on both sides would allow VRE to run service more effectively and efficiently and also to provide reverse flow service.

Chairman Kauffman stated that at least two of the sites being considered for BRAC are both near VRE stations. Mr. Jones stated that one of the sites is near the Manassas Park station. It is important to keep these jobs in Northern Virginia and not sent out of state. The key to the success of this development would be transit oriented development. There is also an opportunity to leverage reverse commute options. Mr. Smedberg stated that Eisenhower Avenue in Alexandria is also another site being considered. Potential light rail or BRT is being looked at for the Route 1 Corridor through Potomac Yard, Van Dorn and the Duke/Route 234 corridors. Chairman Kauffman stated that the old GSA warehouse near the Springfield Mall has also been discussed.

Authorization to Amend Insurance Fund Agreement and the Liability Insurance Plan – 8A

Mr. Zehner reported that the VRE Operations Board is being asked to recommend that the Commissions authorize the VRE CEO to amend the Insurance Fund Agreement for Commuter Rail Operations Liability Insurance Plan and the Liability Insurance Plan. Resolution #8A-11-2007 would accomplish this. He stated that Mr. MacIsaac and Mr. LeMond worked closely on the changes. In response to a question from Chairman Kauffman, Mr. Zehner stated that DRM is in agreement with the changes. Chairman Kauffman requested a simple memorandum to outline the changes for the Commissions.

Mr. Gibbons moved, with a second by Mr. Milde, to approve the resolution (copy attached).

Mr. Zehner stated that the proposed changes to the Insurance Fund Agreement and the Liability Insurance Plan include updating the names of the freight railroads with which VRE now has contracts, ensuring that successors and assigns of the railroads are automatically covered under the Plan, clarifying the scope of certain exclusions from coverage under the Plan, correcting citations to the Code of Virginia, clarifying administrative procedures and addresses, and adding a signature line to the plan for the Commissions.

The Board then voted on the motion and it passed. The vote in favor was cast by Board Members Caddigan, Covington, Dixon, Gibbons, Jenkins, Jones, Kauffman, McConnell, Milde, Page, Smedberg and Waldron.

Authorization to Adopt Amended Delegation of Authority Plan – 8B

Mr. Gibbons moved, with a second by Mr. Dixon, to approve Resolution #8B-11-2007, which would recommend that the Commissions adopt the final phase of the Delegation of Authority Plan, as amended, to be implemented July 1, 2008.

Mr. Zehner stated that this item was discussed at length at the last meeting. Board members requested that a mechanism be established to allow Commission Members to request an item be pushed to the Commission level for consideration. VRE proposes that each Commissioner be emailed a link to the Operations Board agenda package the Monday before the Board meeting. If, after reviewing the agenda items, a Commissioner wishes to push an item to the Commission, he/she would request their Operations Board representative make such a motion at the Operations Board meeting. A favorable vote amending the resolution must occur in order for an item to be elevated to the Commissions for action. If no such motion is made, and the action is a delegated responsibility, the item is considered approved at the Operations Board meeting. NVTC and PRTC Executive Directors will also continue to receive proposed agendas for the VRE Operations Board several weeks prior to the meetings.

Mr. Covington observed that this would not allow one Board Member to push an item to the Commission level, but a majority vote would be needed. He stated that he is not thrilled with this provision because it seems to be more staff controlled and not controlled by the elected officials. Mr. Zehner stated that at the Operations Board meeting, motions can be made to move an item to the Commissions. Ms. Bulova asked if NVTC and PRTC Executive Directors can put something on the agenda without having a Board Member move to send it to the Commissions. Mr. Zehner responded that in the past when one or both Executive Directors had a concern, he talked with the VRE chair and individual Commission Members to decide what to do about it. Ms. Bulova stated that she expects the Commissions will not like this provision. Chairman Kauffman stated that he does not necessarily agree because this is the last step to give final authority to the VRE Operations Board, which is consistent with the direction the Commissions have been moving towards over the past years. Mr. Harf stated that there has always been a collegial dialogue between Commission staff and VRE staff concerning potential issues. Mr. Jenkins observed that if Board Members and Commissioners get advanced copies of the agenda, those items can be moved when the agenda is approved. Mr. Zehner stated that railroad and Insurance agreements were kept at the commission level.

Mr. Taube stated that this is a good proposal, but it is still unclear, commenting that one VRE Board Member shouldn't be able to move something to the Commissions. It is wise for the Board to have a majority vote on these issues. Mr. Milde stated that Stafford County would not like to see the proposal watered down anymore. Mr. MacIsaac clarified that a majority vote would be required to move an item to the Commissions.

The Board then voted on the motion and it passed. The vote in favor was cast by Board Members Caddigan, Dixon, Gibbons, Jenkins, Jones, Kauffman, McConnell, Milde, Page, Smedberg and Waldron. Mr. Covington voted against the motion.

Authorization to Approve the 2008 Legislative Agenda – 8C

Mr. Zehner stated that the Operations Board is being asked to recommend that the Commissions authorize him to actively pursue elements of the VRE 2008 Legislative Agenda, in coordination with the local jurisdictional and Commission staffs. Resolution #8C-11-2007 would accomplish this.

Mr. Gibbons moved, with a second by Ms. Caddigan, to approve the resolution.

In response to a question from Mr. Jenkins, Mr. Zehner stated that Senator Webb has included a \$5 million appropriation in the Senate Appropriations bill for surface transportation funds for VRE locomotive acquisition. However, this allocation is not final and has to still go through conference committee. Mr. Roeber stated that there is also a \$500,000 appropriation for the Gainesville/Haymarket extension proposal.

Mr. Zehner reported that on the state level, VRE is proposing introducing legislation to amend Title 46 to prohibit pedestrians from crossing public thoroughfares when trains are present. Delegate Albo has agreed to sponsor the bill. VRE has been working with CSX and NS to get legislation in the Code to match the nearly 20 other states who have similar laws. VRE will also continue to look for ways to amend Title 56, Virginia Code to cap liability for commuter rail operations since the existing cap enacted in a prior session excludes third party claims. VRE will also seek state exemption from terrorism insurance coverage as currently required by CSX and NS.

Mr. Zehner stated that on the federal level, VRE will continue to advocate for the amendment of Title 49, United States Code, to cap liability insurance of \$500 million per incident as an element of the new access agreement. VRE will also work to add a liability cap of \$200 million for commuter rail to the federal language.

Mr. Waldron stated that the Gainesville/Haymarket extension includes the need for grade separation projects. He asked if it would be appropriate to reference this need in the Legislative Agenda. Mr. Gibbons offered to amend his motion to include this reference. There were no objections.

Mr. Page explained that DRPT supports VRE and is hopeful that the funding for VRE will be approved. However, DRPT representatives are prohibited from voting on Legislative Agendas other than those generated by the Governor. Consequently, he needs to abstain from this vote.

The Board then voted on the motion and it passed. The vote in favor was cast by Caddigan, Covington, Dixon, Gibbons, Jenkins, Jones, Kauffman, McConnell, Milde, Smedberg and Waldron. Mr. Page abstained.

Authorization to Forward the FY 2006 Audited Financial Statements and Management Letter– 8D

Mr. Zehner introduced VRE's auditor, Mike Garber, from the firm of PBGH, LLC. PBGH has served as the auditor for VRE, PRTC and NVTC for the last few years. Mr. Garber stated that he met with VRE's Audit Committee prior to the Operations Board meeting to discuss in detail the results of the audit. He stated that VRE had an increase in capital assets. Operating revenues compared to FY 2006 and FY 2007 remained basically the same. With the capital improvements VRE has made, he stated that he would expect to see those revenues increase this upcoming year. In FY 07, VRE did not incur any new debt and reduced its debt load by about \$6.5 million. PBGH issued an unqualified opinion on the financial statements and an unqualified opinion on internal control and compliance. This year, there were new auditing standards, which required more in depth review. VRE is one of a few clients that did not have recommendations. In his opinion, VRE should be commended. There was only one item in the management letter and it has already been addressed by VRE staff. NVTC and PRTC also had excellent audits.

Mr. Waldron asked if VRE is eligible for a Government Finance Officers Association (GFOA) award. Mr. Garber stated that GFOA does have a program and this is the first year VRE will be submitting their financials. It is extremely difficult to get the award the first year, but VRE has a good chance. Mr. Waldron expressed his support of the GFOA submission.

Mr. Milde moved, with a second by Mr. Jenkins, to approve Resolution #8D-11-2007, which would forward the VRE financial statements for FY 2007 as audited, for Commission consideration. The vote in favor was cast by Board Members Caddigan, Covington, Dixon, Gibbons, Jenkins, Jones, Kauffman, McConnell, Milde, Page, Smedberg and Waldron.

Authorization for Construction Support Services – 8E

Mr. Zehner stated that Resolution #8E-11-2007 would authorize him to execute contracts (in an amount not to exceed \$300,000) for construction support services. It is expected that this amount will sustain the planned work for a two-year period. This work is needed because it helps VRE keep the projects on budget and on-time.

On a motion by Mr. Gibbons, and a second by Ms. Caddigan, the Board unanimously approved the Resolution. The vote in favor was cast by Board Members Caddigan,

Covington, Dixon, Gibbons, Jenkins, Jones, Kauffman, McConnell, Milde, Page, Smedberg and Waldron.

Authorization to Modify Fredericksburg Parking –8F

Mr. Zehner stated that the Board is being asked to authorize him to limit the use of Lot D in Fredericksburg to riders from VRE member jurisdictions. Resolution #8F-11-2007 would accomplish this. In May of 2005, 38 spaces in VRE's Lot C in Fredericksburg were converted from general use to use by residents of VRE member jurisdictions only. This change was made due to increasing crowding at the station and the resulting traffic impact on the City of Fredericksburg. It was also agreed that VRE would work with the City to restrict additional lots as needed. Last month, the issue of further restrictions was raised and the City and VRE agreed that additional spaces should be reserved for member jurisdictions. VRE is proposing that beginning on December 1, 2007, the 23 spaces in Lot D, located at 406/408 Princess Anne Street, be restricted to residents of member jurisdictions only. As with the other restricted lots, the City would provide enforcement.

Mr. Dixon moved, with a second by Mr. Gibbons, to approve the resolution. The vote in favor was cast by Board Members Caddigan, Covington, Dixon, Gibbons, Jenkins, Jones, Kauffman, McConnell, Milde, Page, Smedberg and Waldron.

[Mr. Gibbons departed the meeting and did not return.]

FY 2009 Budget – 9A

Mr. Zehner stated his concern that there may not be consensus on adoption of the budget at the December meeting due to the increases in subsidy. He explained that this presentation is to provide information to the Board on some of the issues being grappled with by staff. He is looking for guidance and opinions before putting the final budget together. He explained that critical issues VRE is faced with include the Trust Fund balance must be restored to \$10 million, more locomotives are needed, and expanded service hours are needed to meet work hour changes. These are in priority sequence.

Mr. Zehner stated that costs are increasing as a result of higher insurance premiums (tripled since 2001), diesel fuel tripling since 2003 and increasing maintenance costs due to the age of the locomotive fleet. Minimizing delays due to equipment issues is critical for on-time performance.

Mr. Jenkins observed that the increase in fuel prices result in increased gas tax revenues for the jurisdictions. Mr. Zehner explained that the use of gas tax revenues are used for various transportation costs for the jurisdictions and are not earmarked for VRE. Mr. Harf stated that the two percent gas tax revenues go to the jurisdictions.

In response to a question from Mr. Covington, Mr. Zehner stated that the Fredericksburg Line is growing faster in ridership. Mr. Covington observed that this could be a reflection of the infrastructure and money invested in that line.

Mr. Zehner showed what the subsidy would look like next year. To maintain service as it is today with no changes, the jurisdictional subsidy would need to increase by \$4.5 million. VRE needs more trains and can now add more with the completed MOU projects. VRE has proposed to restore the Manassas Line Train #334 (mid-day train), initiate a late night Manassas train, begin an earlier morning train on the Fredericksburg Line, and provide late night bus service to Fredericksburg. Fredericksburg Train #312 would be eliminated, which now comes back in the afternoon against the flow of normal train traffic.

Mr. Zehner stated that VRE will receive \$25 million annually from the HB 3202 funding. He commented that the issue of how to allocate these funds has raised some questions. How do you look at HB 3202 funding and who should benefit? Should the entire VRE system benefit or just those NVTA jurisdictions? Should the four NVTA jurisdictions get all or most of the benefit of the funds? Who should control the money?

In response to a question from Chairman Kauffman, Mr. MacIsaac explained that the statute requires that the money be spent to benefit those jurisdictions who are members of NVTA. What it means to “benefit” is not defined.

Ms. Bulova stated that there is division regarding the issue of the HB 3202 funds and asked for an overview of the arguments made with the pros and cons highlighted to lend understanding to the different jurisdictional views. Mr. Zehner stated that VRE’s perspective is to look at VRE as a regional entity and funding these projects are in the best interest of VRE to improve service and increase ridership. The NVTA jurisdictions tend to look at it as their money and to use it to focus investments in their particular jurisdiction. However, those capital improvements in those NVTA jurisdictions don’t necessarily equate with VRE ridership growth. In addition, some VRE jurisdictions, such as Stafford and Fredericksburg, don’t have the benefit of HB 3202 funding since they are not part of NVTA.

Mr. Milde asked if fares can be raised at only select stations to offset the benefits to the non-NVTA jurisdictions. Mr. Zehner stated that the fares would need to be increased so high that it would cause people to leave the system. Ms. Caddigan asked about raising the fares for Spotsylvania and Fauquier County riders since they are not part of the system.

In response to a question from Mr. Milde, Mr. Zehner stated that jurisdictions benefit from congestion relief when VRE ridership increases, but there is no financial benefit to the jurisdictions. Without the HB 3202 funding, VRE would not be able to expand service.

Mr. Jones stated that the region has had no experience with HB 3202 funding and it has not stood the test of judicial review, which is pending. He asked what makes VRE staff think that the \$25 million is actually going to be delivered. Mr. Zehner responded that the issue is really how soon NVTA begins collecting these taxes.

Ms. McConnell stated that this whole issue of funding is a good example of how this can divide the Operations Board. It is a bad precedent to not look at the VRE system as a whole and have a regional perspective. Mr. Waldron agreed and shared the same concerns. He stated that the HB 3202 funds should benefit VRE as a whole. Ms. Bulova agreed. VRE benefits the region and its bottom line mission is to take cars off the road and get people on the trains as a solution to congestion. If one starts to look at the money benefiting only one or some of the jurisdictions, VRE loses the big picture of what needs to be accomplished. HB 3202 funding is a solution to the Trust Fund deficit and the need for increased service and more equipment. Ms. Caddigan agreed and stated that these service improvements are needed and by using the HB 3202 funds, subsidies and fares won't need to be increased as much. Mr. Jenkins expressed his support for VRE staff's budget proposal. It is important to look at the system as a whole. Mr. Milde stated that as a representative from a non-NVTA jurisdiction he is humbled by the support of the rest of the Board.

Mr. Covington stated that he is still not a supporter of the "Big Pot" theory because there is still a philosophy of accountability to tax payers. However, he is confident that there can be a compromise. He stated that a bigger concern is how VRE continues to get funding from the state, which would allow for the HB 3202 funding to be used for other items.

Mr. Taube predicted that at the Commission level, all the NVTA jurisdictions will be compelled to present a competing budget. He suggested the Operations Board direct VRE staff to work with jurisdictional staff to reach a compromise. A factor to be considered if the HB 3202 funds are being collected in FY 08, VRE has a claim on \$12 - \$25 million that is not even part of the FY 09 budget discussion. If this money is available, it may solve some of these problems. The competing proposal from jurisdictional staff has a lot of money for the same things included in VRE's staff proposal, including the locomotives. It is in everyone's best interest to ask VRE staff and jurisdictional staff to go back and reach agreement on a proposal that the Board can adopt and the Commissions can approve.

Chairman Kauffman stated that it would be beneficial to look at timing of the NVTA funds and the decision making process on how VRE would get the funds. Mr. Jones reminded the Board on how HB 3202 came about. He reminded Board Members that they have some influence back at their respective elected bodies to facilitate a discussion. This needs to be done now. Ms. Bulova stated that it was her understanding that the \$25 million for VRE was suppose to come as a lump sum to VRE. She stated that she would hate to see the Operations Board lose its cohesiveness and not look at the system as a whole.

Chairman Kauffman observed that he is hearing that the consensus of the Board is to support the draft budget proposal presented by VRE staff. Mr. MacIsaac cautioned the Board that this issue hasn't yet reached the NVTA level. It is planned on being discussed at NVTA's December 13th meeting.

Mr. Dixon stated that as one of the non-NVTA members, he thanked the other Board Members for the outpouring of support for looking at VRE as a whole. It is important not to start looking at jurisdictions who have and those who have not. Mr. Waldron stated that timing is critical. It would be wise for the Board to communicate with NVTA and local jurisdictions to indicate the VRE Board's strong beliefs concerning this issue before NVTA takes action. It is important to support the \$25 million as a lump sum to be provided to VRE to be used for operations and capital for the benefit of the entire system.

[Ms. Barg and Mr. Jenkins left the discussion at 11:23 A.M. and 11:27 A.M., respectively.]

In response to a question from Chairman Kauffman, Mr. Zehner stated that the Commissions meet on December 6th, NVTA meets on December 13th and VRE Operations Board meets again on December 21st. Ms. McConnell asked if it was possible to ask that HB 3202 be amended to clarify how funds are allocated. Mr. Dave Tyeryar of Prince William County staff provides some history.

Chairman Kauffman stated that communication with both Commissions, NVTA and the jurisdictions should happen before their next meetings, to convey the Board's initial discussions and this draft budget. The VRE Board is comfortable with what has been prepared by VRE staff. A draft letter could be circulated among Board Members for their review.

Mr. Waldron suggested that it is the sense of the VRE Operations Board during the development of the budget process that the funds from HB 3202 be allocated as a lump sum for the benefit of the VRE system as a whole and the riders of the jurisdictions that the system represents. The Board also supports the guidance of the budget proposal as offered by the VRE CEO, which uses the NVTA funds to benefit major needs and improvements of the VRE system.

Board Members discussed the merits of sending a letter versus sending a resolution and it was decided to send a letter. The specific language of the letter could be circulated among Board Members before it was sent.

Mr. Waldron moved, with a second by Ms. McConnell, to authorize that a letter be sent conveying this sense to the NVTA chairman, NVTC and PRTC chairmen, and chairs and CAO's of the jurisdictions.

Mr. Smedberg stated that it is important to encourage staff to continue to have discussions to reach consensus. Mr. Covington went on record opposing this action.

The Board then voted on the motion and it passed. The vote in favor was cast by Board Members Caddigan, Dixon, Jones, Kauffman, McConnell, Milde, Smedberg and Waldron. Mr. Covington voted against the motion and Mr. Page abstained.

VRE Investment Report – 9B

Mr. Zehner reported that as the request of VRE’s auditors, staff will continue to provide reports on the type of investment, amount and current interest rate of VRE’s investments. All funds are invested in accordance with VRE’s investment policy and Virginia regulations for the investment of public funds. In light of falling interest rates, the strategy for the next several months may include the direct purchase of federal treasury and agency securities. These investments would only take place in limited instances where the funds invested will not be used until after the maturity date of the securities. There were no questions.

Mr. Jones announced that Manassas Park has extended its council terms to now expire the first of January, as other jurisdictions already do. For those current council members, their terms will extend another six months and expire at the end of 2008.

Adjournment

On a motion by Mr. Covington, and a second by Ms. McConnell, the Board unanimously voted to adjourn. Chairman Kauffman adjourned the meeting at 11:40 A.M.

Approved this 21st day of December, 2007.

Dana Kauffman
Chairman

Elaine McConnell
Secretary

CERTIFICATION

This certification hereby acknowledges that the minutes for the November 16, 2007 Virginia Railway Express Operations Board Meeting have been recorded to the best of my ability.

Rhonda Gilchrest

Rhonda Gilchrest