

MINUTES
NVTC COMMISSION MEETING – DECEMBER 2, 2010
NVTC CONFERENCE ROOM – ARLINGTON, VIRGINIA

The meeting of the Northern Virginia Transportation Commission was called to order by Chairman Hudgins at 8:17 P.M.

Members Present

Sharon Bulova
Barbara Comstock
John Cook
Thelma Drake
Adam Ebbin
William D. Euille
Jay Fisette
John Foust
Catherine Hudgins
Mary Hynes
Joe May
Thomas Rust
Paul Smedberg
Lawrence Webb (alternate, city of Falls Church)
Mary Margaret Whipple
Christopher Zimmerman

Members Absent

Kelly Burk
Jeffrey Greenfield
Mark R. Herring
Jeffrey McKay
David F. Snyder

Staff Present

Rhonda Gilchrest
Scott Kalkwarf
Greg McFarland
Adam McGavock
Kala Quintana
Jennifer Straub (VRE)
Rick Taube
Dale Zehner (VRE)

Chairman Hudgins suggested beginning the meeting with information items while waiting for Mr. Webb to arrive. There were no objections.

VRE Items

Report from the VRE Operations Board and VRE Chief Executive Officer. Mr. Zehner reported that ridership continues to grow with an average daily ridership for the month of November at 17,700 daily passenger trips. On November 16th VRE hit its highest ridership day on record with 19,540 passenger trips. On-time performance was approximately 86 percent systemwide for November. VRE had several major delays, including one this morning. VRE is working to resolve some of these issues, including addressing locomotive repairs with Keolis bringing in more experts. The new locomotives should help this situation. VRE has received the first locomotive, which is already in revenue service. The second locomotive is being shipped on December 6th and then one will be shipped every two weeks. By April, 2011, VRE will have a new locomotive on every revenue train.

Delegate Rust asked if the delays are due to the change in operators. Mr. Zehner responded that the people maintaining the locomotives are the same people as before the change in operators, but the supervisors have changed. In hindsight, the previous supervisors did a very good job and had many years of experience.

Mr. Zehner announced that tickets for VRE's Santa Trains sold out in 40 minutes. The annual Santa Trains will run on December 11th at the Burke, Manassas, Woodbridge and Fredericksburg stations. Toys and monetary donations will be accepted on all Santa trains as part of the U.S. Marine Corps Toys for Tots campaign.

Mr. Zehner also reported that VRE will run a train to Richmond on January 26, 2011 to the Main Street Station for a VRE legislative reception for House and Senate members. NVTC commissioners will receive an invitation.

Mr. Webb arrived at 8:23 P.M. Chairman Hudgins suggested pausing the VRE items to administer the oath of office to Mr. Webb.

Oath of Office for Mr. Webb

Chairman Hudgins welcomed Lawrence Webb, who serves as an alternate for the city of Falls Church. She then administered the oath of office to Mr. Webb. The commission welcomed him to NVTC.

VRE Items Continued

FY 2010 Audited Financial Statements. Mrs. Bulova reported that the VRE Operations Board recommends approval of Resolution #2159, which would accept the completed audit report and would authorize staff to provide copies to the mailing list of interested agencies and firms and to release the audited financial statements to the public. The opinion from VRE's auditors, PBGH LLP, is unqualified (clean).

On a motion by Mrs. Bulova and a second by Mr. Smedberg, the commission unanimously approved the resolution (copy attached). The vote in favor was cast by commissioners Bulova, Comstock, Cook, Drake, Ebbin, Euille, Fisette, Foust, Hudgins, Hynes, May, Rust, Smedberg, Webb, Whipple and Zimmerman.

Sale of 10 VRE Locomotives. Mrs. Bulova stated that the VRE Operations Board recommends approval of Resolution #2160. This resolution authorizes VRE's CEO to execute an agreement with Motive Power Inc. to sell 10 GP 39 locomotives owned by VRE. The locomotives are not needed by VRE because new locomotives have been purchased.

Mrs. Bulova moved to approve Resolution #2160 (copy attached). Mr. Smedberg seconded.

In response to a question from Mrs. Hynes, Mr. Zehner stated that the sale price is \$25,000 per locomotive.

The commission then voted on the motion and it was unanimously passed. The vote in favor was cast by commissioners Bulova, Comstock, Cook, Drake, Ebbin, Euille, Fisette, Foust, Hudgins, Hynes, May, Rust, Smedberg, Webb, Whipple and Zimmerman.

Minutes of the November 4, 2010 NVTC Meeting

On a motion by Mrs. Bulova and a second by Mr. Smedberg, the commission unanimously approved the minutes. The vote in favor was cast by commissioners Bulova, Comstock, Cook, Drake, Ebbin, Euille, Fisette, Foust, Hudgins, Hynes, May, Rust, Smedberg, Webb, Whipple and Zimmerman.

NVTC Audit Results for FY 2010

Mr. Taube reported that Dwight Buracker from NVTC's audit firm, PBGH LLP, was present to describe the results of the annual audit for FY 2010. Mr. Buracker gave a brief review of the audit. PBGH has issued an unqualified (clean) opinion. He stated that NVTC is in compliance with all grant agreements for both state and federal funding.

In response to a question from Mrs. Drake, Mr. Buracker stated that PBGH LLP has been NVTC's auditor for the past seven years and he has been involved in all those audits.

Mrs. Drake observed that on page 13 it lists contributions from the commonwealth at \$749,380 and she questioned that amount since the commonwealth only provides approximately \$150,000 to NVTC. Mr. Kalkwarf stated that the way NVTC does its budget, the local contributions total \$310,000. The balance of NVTC's administrative budget is then taken off the top of state aid going to the jurisdictions, consistent with an allocation resolution approved by the commission. Mrs. Drake observed then it would be more appropriate to list this on the next line. Mr. Taube stated that the audit exhibit is in the same form as NVTC's budget, which is approved by the commission.

Mrs. Drake stated that she objects to this line because DRPT does not give \$749,000 to NVTC for its operations. She observed that this amount of funds could be going directly to the jurisdictions. Chairman Hudgins stated that it is her understanding that the role NVTC plays is to provide services for the jurisdictions.

Mr. Cook stated that he is hearing two different discussions of whether this money should be spent and whether it is accurately reflected in the audit. It may need to be worded differently.

Mrs. Bulova noted that the stream of revenue shows \$310,000 coming from the jurisdictions and the remaining \$749,000 coming from the commonwealth. Mr. Buracker stated that the funds originate from the commonwealth even though they are set aside for the jurisdictions to use at their discretion. The audit shows the source of the funding. Mrs. Drake stated that it should accurately reflect that it is money that goes to the local jurisdictions. Mr. Buracker stated that PBGH believes that it should be listed as it is because the commonwealth is the original source of funding.

Tom Biesiadny, of Fairfax County staff, stated that the funding is earned as local governments spend money on transit and then NVTC bills the commonwealth and receives back some reimbursement. When that money comes back to the region, funds are taken off the top for NVTC costs before going to the local governments. Because NVTC costs do not get allocated from each jurisdiction separately, the auditors are correct that it is coming from the commonwealth, but Mrs. Drake is also correct that if it wasn't being used for NVTC and NVTC's allocation resolution was changed by the commission, then the money would flow through the formula and be distributed among the jurisdictions.

Mr. Kalkwarf stated that to clarify it in the future, it could be disclosed as a footnote in the audit. Chairman Hudgins stated that the footnote could show how the allocation is made, and thus the audit could remain consistent that the funds come from the commonwealth. Senator Whipple suggested that adding the footnote would be a good idea.

Mrs. Drake stated that on page 14 and 15 of the audit it shows \$148 million in assets and she assumes that these funds are spent by the jurisdiction over the fiscal year but asked why it is collected up front. Mr. Buracker stated that the \$148 million is as of June 30, 2010 and the funds are available to the jurisdictions to draw at their discretion. The funds include reimbursals from DRPT from previous transit expenditures by the jurisdictions as well as gas tax revenues. The first Metro payments occur at the beginning of July so a large portion of the \$148 million is probably already drawn down. Mr. Kalkwarf reminded commissioners that it is shown on an accrual basis not a cash basis. Also, the gas tax revenue has a two month delay.

Senator Whipple asked if auditors check with WMATA on how the funds are spent. Mr. Buracker responded that part of the audit procedure is to ask WMATA to confirm that the money received from NVTC has been allocated correctly. Mrs. Drake asked if WMATA provides invoices and Mr. Buracker responded that WMATA provides a confirmation letter, although the auditors could look at invoices if they needed to. Chairman Hudgins stated that the audit shows that NVTC maintains a very high standard of financial responsibility.

Mr. Euille moved, with a second by Mrs. Bulova, to authorize staff to distribute the audited financial statements, with the footnote added, to regulatory agencies, local and state jurisdictions, bond holders and other interested parties and to post the results on NVTC's website. The vote in favor was cast by commissioners Bulova, Comstock, Cook, Drake, Ebbin, Euille, Fiset, Foust, Hudgins, Hynes, May, Rust, Smedberg, Webb, Whipple and Zimmerman.

2011 Legislative Agendas for NVTC and VRE

Chairman Hudgins reported that NVTC's Legislative Committee met on November 19th and recommends the Legislative Agenda for approval. It is consistent with past agendas. She stated that it includes a legislative request to provide equity for all NVTC commissioners' per diems. Currently, General Assembly members receive a higher per diem.

Chairman Hudgins stated that NVTC sent a letter to members of Congress urging them to renew the tax-free transit commuter benefit of \$230 monthly, which is otherwise due to drop back to \$120 monthly in January, 2011.

In response to a question from Delegate Rust, Mr. Taube explained that there has been some friction between Division of Risk Management and VRE over the management of the VRE Insurance Trust Fund. If it cannot be resolved, then it would be helpful to turn it over to another administrator. Legislation is needed to permit this option. Similar legislation was introduced in the last General Assembly session, but it did not pass. VRE is asking to include it again this year.

Mr. Euille moved, with a second by Mrs. Hynes, to approve the NVTC and VRE Legislative Agendas and authorize staff to distribute and work to accomplish them. The vote in favor was cast by Commissioners Bulova, Cook, Ebbin, Euille, Fiset, Foust,

Hudgins, Hynes, Smedberg, Webb, Whipple and Zimmerman. Commissioners Comstock, Drake, May and Rust abstained.

Draft NVTC Work Program for 2011

Mr. Taube explained that each year at this time NVTC staff prepares a draft work program for the coming year. It is reviewed by local staff and then presented to the commission for additional suggestions. Following discussion, the commission is asked to authorize staff to release the draft 2011 NVTC work program to the public for comment. Also, authorization is requested to schedule a public hearing on the work program for NVTC's January 6, 2011 meeting, prior to action that evening to approve the final work program. Ideas and comments from commissioners are welcome.

In response to a question from Mr. Cook, Mr. Taube explained that the goals are not in priority order. Mr. Cook suggested that this be noted in the work program.

In response to a question from Mr. Smedberg, Mr. Taube explained that as Metrorail is being extended to Loudoun County, the county will be expected to pay for Metro. The agreement signed with Loudoun County when it joined NVTC in 1991 says that at such a time that Loudoun begins to receive Metro service and is asked to pay for Metro, Loudoun will first reach agreement with the other NVTC jurisdictions about what the approach will be with the WMATA Board, which will ultimately decide what Loudoun County will have to pay. It is a two-part process.

Mr. Smedberg moved with a second by Mrs. Bulova, to authorize staff to release the draft 2011 NVTC work program to the public for comment and to schedule a public hearing on the work program for NVTC's January 6, 2011 meeting. The vote in favor was cast by commissioners Bulova, Comstock, Cook, Drake, Ebbin, Euille, Fisette, Foust, Hudgins, Hynes, May, Rust, Smedberg, Webb, Whipple and Zimmerman.

Comments on Proposed Revisions to National Transit Database Reporting

Mr. Taube stated that the Federal Transit Administration has requested comments by December 6th on proposed revisions to its National Transit Database reporting. NTD reports are used to allocate federal formula assistance. In FY 2010, WMATA, VRE, PRTC and Fredericksburg Transit combined received almost \$260 million from these federal formula funds.

Mr. Taube further explained that NVTC and jurisdictional staff are particularly concerned about one of the proposed changes. If credit for miles travelled by public transit vehicles outside Urbanized Areas (UZA's) is diverted to rural areas, it will result in significant loss of funds to the Washington metropolitan region. The impact on VRE is likely to be particularly significant.

Mr. Zimmerman noted that under existing regulations, NVTC is trying, just like other areas of the country, to get reimbursements for vanpool miles from the federal

government. Mr. Taube stated that this is true and if able to use vanpool miles from vanpools run by private owners, the region would receive more funding. Mr. Zimmerman stated that this is funding other metropolitan areas are receiving. It is fair and equitable to be able to claim the miles from all vanpools coming from outside the region since they are travelling into the system and those people are not paying taxes. Mr. Taube further explained that if it was credited to rural areas, they would not be eligible for this type of transit funding and therefore the funds would be lost.

Mrs. Bulova moved, with a second by Mr. Webb, to send a letter to FTA commenting on the proposed revisions. The vote in favor was cast by commissioners Bulova, Comstock, Cook, Drake, Ebbin, Euille, Fisette, Foust, Hudgins, Hynes, May, Rust, Smedberg, Webb, Whipple and Zimmerman. Mr. Smedberg asked that the congressional delegation be sent a copy of the letter. There were no objections.

Delegate May left the meeting at 9:00 P.M. and did not return.

WMATA Items

Chairman Hudgins reported that on November 17th the Board of Trade and MWCOG released its report on WMATA Governance: Moving Metro Forward. At the last NVTC meeting, the commission adopted a process and schedule for discussions with the Commonwealth on WMATA governance, funding and safety. The first meeting occurred on November 23, 2010.

Progress on the Upcoming NVTC Move to a New Office

Mr. Taube reported that NVTC is on track for its move to its new office at 2300 Wilson Boulevard, Suite 620 of the Navy League Building in Arlington. NVTC will be able to move into the new space in the last two weeks of December and must vacate its current office no later than December 31st. NVTC's January 6, 2011 meeting will take place in the first floor conference room at the new building.

Regional Transportation Items

Pentagon Transit Security. Chairman Hudgins observed that communication between the jurisdictions, transit operators and the Pentagon has been a good model for the future on how to work together. Mr. Taube announced that another meeting is scheduled for next week.

CEO's for Cities Critique of Texas Transportation Congestion Measures. Mr. Taube stated that in the executive summary, this group estimates that TTI's annual report over estimated the costs of urban traffic congestion by almost \$50 billion. This is because the "green dividend" of wise land use decisions and investments in transit are not recognized by TTI. According to the author, in urban areas in which commuting trip lengths are shorter, TTI's methodology over estimates congestion costs. For example,

Portland, Oregon has reduced its average trip lengths by 20 percent in the past 20 years. If other cities applied these lessons, their drivers could save annually 40 billion miles traveled, two billion gallons of gasoline and \$31 billion in fuel costs.

Mr. Taube stated that the TTI index shows congestion travel time delay divided by free flow travel time. Clearly, the longer the distance traveled, the smaller effect any given level of delay will show in that index. Adjusting for varying trip differences alters the rankings significantly. While TTI ranked the Washington Metropolitan as second worst in the country, adjusting for travel distances drops this region to 14th place. Los Angeles drops from first to 16th. Nashville is worst in the new methodology (up from 31st) and Oklahoma City is next (up from 8th). Richmond ranks 4th (up from 44th) and shows the greatest shift of any city in the country.

NVTC Nominating Committee for 2011 Officers

Chairman Hudgins announced that she has appointed the executive committee to serve as the nominating committee and prepare the nominations for NVTC officers for 2011. The commission will be asked to elect its officers and representatives to various boards at its January 6, 2011 meeting. Commissioners with suggestions for nominations should contact an executive committee member.

NVTC Financial Items for October, 2010

Commissioners were provided with the financial items and there were no questions.

Closed Session

Mrs. Hynes moved, with a second by Mrs. Bulova, the following motion:

Pursuant to the Virginia Freedom of Information Act (Sections 2.2-3711A (1) of the Code of Virginia), the Northern Virginia Transportation Commission authorizes discussion in Closed Session concerning a personnel item, pertaining to the annual performance review of NVTC's executive director.

The vote in favor was cast by commissioners Bulova, Comstock, Cook, Drake, Ebbin, Euille, Fissette, Foust, Hudgins, Hynes, Rust, Smedberg, Webb, Whipple and Zimmerman.

The commission entered into Closed Session at 9:14 P.M. and returned to Open Session at 9:55 P.M.

Mrs. Bulova moved, with a second by Mr. Zimmerman, the following certification:

The Northern Virginia Transportation Commission certifies that, to the best of each member's knowledge and with no individual member dissenting, at the just concluded Closed Session:

1. Only public business matters lawfully exempted from open meeting requirements under the Freedom of Information Act were discussed; and
2. Only such public business matters as were identified in the motion by which the Closed Session was convened were heard, discussed or considered.

The vote in favor was cast by commissioners Bulova, Comstock, Cook, Drake, Ebbin, Euille, Fissette, Foust, Hudgins, Hynes, Rust, Smedberg, Webb, Whipple and Zimmerman.

Mrs. Hynes moved that NVTC has determined that the performance of its executive director is excellent and that the commission agrees to provide to him the same total compensation for the contract year commencing August 1, 2010 as was provided for the contract years beginning August 1, 2007, consistent with the jurisdictions fiscal conditions and the current economic time. Mrs. Bulova seconded the motion. The vote in favor was cast by commissioners Bulova, Comstock, Cook, Drake, Ebbin, Euille, Fissette, Foust, Hudgins, Hynes, Rust, Smedberg, Webb, Whipple and Zimmerman.

On behalf of the commission, Chairman Hudgins thanked Mr. Taube for his work this year, and hopes he understands the financial concerns during these economic times. Mrs. Bulova explained that some of the discussion in closed session was about the commission wanting to provide more feedback to the executive director about goals and what the commission hopes to accomplish. NVTC's work program is good and there may be more things that can be added. The executive committee can talk to him in more detail.

Adjournment

Without objection, Chairman Hudgins adjourned the meeting at 9:58 P.M.

Approved this 6th day of January, 2011.

William D. Euille
Chairman

Jeffrey McKay
Secretary-Treasurer