

ITEM 10-G

AUTHORIZATION TO APPROVE AND REFER THE GOVERNANCE PROPOSAL TO THE JURISDICTIONS FOR ACTION

The VRE Operations Board Subcommittee on Governance met on March 27, 2007 to discuss the three remaining issues, including:

- Should weighted voting be based on subsidy?
- How should non-jurisdictional revenue be allocated?
- What are the next steps regarding VRE autonomy?

Based on this meeting, the Governance Subcommittee has resolved each of these issues and is now recommending adoption of the attached resolution. This resolution forwards the final governance proposal to the jurisdictions for action along with the revised FY 2008 budget, using the 100% ridership formula allocation **as phased over four years**.

It also includes a capital improvement program intended to offset impacts on jurisdictions affected by non-member jurisdictional riders and a commitment to move the VRE towards an independent status or full autonomy by 2010.

**POTOMAC AND RAPPAHANNOCK
TRANSPORTATION COMMISSION**

RESOLUTION

MOTION: _____

RESOLUTION NO. 07-04-___

OFFICIAL COMMISSION MEETING

SECOND: _____

APRIL 5, 2007

**RE: AUTHORIZATION TO APPROVE AND REFER THE GOVERNANCE
PROPOSAL TO THE JURISDICTIONS FOR ACTION**

WHEREAS, the VRE Master Agreement requires that the Commissions transmit to the participating and contributing jurisdictions (“member jurisdictions”) no later than February 1 of each year an approved annual budget and a request to budget and appropriate their respective jurisdictional subsidy as set forth in the budget; and

WHEREAS, the VRE Master Agreement provides that the participating jurisdictions will be requested by the Commissions to budget, and thereafter appropriate, their entire share of the costs of commuter rail service as such share is calculated in accordance with the formula in the VRE Master Agreement, specifically, that 90 percent of the total costs be determined by the number of the jurisdiction's residents riding commuter rail and 10 percent of the costs be determined by total population of each participating jurisdiction; and

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

WHEREAS, a proposal to amend the Master Agreement has been made that would change the composition of and voting on the Operations Board, and would revise the subsidy formula over a four year phase-in period as detailed in Attachment A; and

WHEREAS, in February of 2007, the Commissions adopted and forwarded to member jurisdictions an alternate FY 2008 VRE Operating and Capital Budget which reflected the proposed change to the subsidy formula detailed in Attachment A; and

ITEM 10-G

(7 PAGES)

WHEREAS, this alternate budget was effective contingent upon approval of the amendments to the VRE Master Agreement detailed in Attachment A by the Commissions and all member jurisdictions; and

WHEREAS, in the course of the Operations Board's analysis of the governance and subsidy issues, a mitigation accommodation was developed 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, also during the Operations Board's analysis of the governance and subsidy issues, an issue was raised concerning the potential for the area encompassed by the City of Fredericksburg and surrounding counties, including Stafford, Spotsylvania, Caroline, and King George, qualifying as an expanded urbanized area based on the 2010 census; and

WHEREAS, the Commission acknowledges that it is expected that, based on the 2010 census, the population boundary line for an expanded urbanized area in the greater Fredericksburg area may be drawn at the Prince William County and Stafford County line; and

WHEREAS, the Commission is committed to continuing to explore and identify steps necessary for the VRE to attain independent status and/or full autonomy.

NOW, THEREFORE, BE IT RESOLVED that the Potomac and Rappahannock Transportation Commission does hereby approve the proposed amendments to the VRE Master Agreement detailed in Attachment A.

BE IT FURTHER RESOLVED that the Commission hereby approves the mitigation accommodation, adding projects to the VRE capital improvement program as detailed in Attachment B.

BE IT FURTHER RESOLVED that the Commission 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 deemed by the Commissions, as necessary to achieve this objective that can be done by purely administrative means; and

ITEM 10-G

(7 PAGES)

(3) agrees to diligently pursue other actions, identified by legal counsel and deemed by the Commissions, as necessary that require external approvals, e.g. approvals by the Commissions and all member jurisdictions, and statutory changes.

BE IT FURTHER RESOLVED that the member jurisdictions are requested to approve the amendments to the Master Agreement, detailed in Attachment A, approve the mitigation accommodation detailed in Attachment B, and approve as part of their respective FY 2008 budgets, their proportionate share of the VRE costs as set forth in the alternate FY 2008 VRE Operating and Capital Budget, as shown in Attachment A.

BE IT FURTHER RESOLVED that contingent upon approval by all member jurisdictions of the foregoing actions, staff is directed to take steps necessary to prepare amendments to the Master Agreement conforming with Attachment A for formal approval and execution, and to take all other steps necessary to implement the above actions.

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</i>	<i>Number of</i>
	<i>FY 2008</i>	<i>of System</i>	<i>Board</i>
<i>Jurisdiction</i>	<i>Ridership</i>	<i>Ridership</i>	<i>Members</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