

Virginia Railway Express

# CHIEF EXECUTIVE OFFICER'S REPORT

November 2008

## MONTHLY DELAY SUMMARY

	July	August	September	October
<b>System wide</b>				
Total delays	120	48	55	93
Average length of delay (mins.)	16	16	13	19
Number over 30 minutes	15	3	2	11
Days with Heat Restrictions/Total days	3/22	0/21	0/21	0/22
On-Time Performance	81.2%	92.1%	90.9%	85.4%
<b>Fredericksburg Line</b>				
Total delays	57	17	29	50
Average length of delay (mins.)	17	18	16	19
Number over 30 minutes	7	1	2	8
On-Time Performance	80.1%	93.7%	89.4%	82.5%
<b>Manassas Line</b>				
Total delays	63	31	26	43
Average length of delay (mins.)	14	15	11	18
Number over 30 minutes	8	2	2	3
On-Time Performance	82.2%	90.7%	92.3%	87.8%

## SYSTEM RIDERSHIP

Average daily ridership in October was 16,030. October ridership in 2008 was 8.8% higher than in October 2007, with over 750 more riders. In addition, the ridership for the first four months of FY 2009 is 11.8% higher than the same period in FY 2008. We continue to break top ten ridership day records, with 4 days represented in October 2008. Two of those days saw more than 17,000 riders. In fact, now all of our top ten ridership days occurred in September and October 2008.

## SYSTEM ON TIME PERFORMANCE

System wide on-time performance (OTP) was 85.4% in October, with an OTP of 82.5% on the Fredericksburg Line and 87.8% on the Manassas Line. We had a total of 93 delays out of 638 trains. Delays were attributed to disabled freight trains and leaf oil on the tracks causing loss of traction (Manassas line). The Manassas line did have three days in October with 100% on-time performance and the Fredericksburg Line had six days with 100% on-time performance.

## SECOND PUBLIC WORKSHOP FOR GAINESVILLE-HAYMARKET STUDY

A second public workshop for the Gainesville-Haymarket Alternatives Analysis/Feasibility Study was held on October 22<sup>nd</sup> at Battlefield High School in Haymarket, VA. Fifty-two people attended the meeting, which included a review of the initial screening of rail and bus

alternatives being evaluated as part of the FTA-required Alternatives Analysis efforts. Specific issues raised during discussion at the meeting included: desire to see expanded transportation options as soon as possible; the need for greater, ongoing public outreach about the project; concern over station locations, their design and related traffic impacts; and concern for environmental impacts associated with the project such as impacts to natural areas and residential neighborhoods adjacent to the rail line.

An additional public workshop is planned for after the first of the year, once the consultant has completed its analysis. For more information on this project check the VRE web site at [www.vre.org](http://www.vre.org).

### **CROSSROADS MAINTENANCE FACILITY PROJECT**

Construction of the new Service and Inspection building with a below ground inspection pit, overhead crane, car wash, and worker locker rooms is now complete at Crossroads. The train wash building is able to wash an eight car train set with a locomotive. Construction began in August 2007 and was completed in September 2008. The total cost of the project was \$7.2 million. This project greatly enhances VRE's ability to maintain its own fleet. Pictures of the building will be available at the November board meeting.

### **OPERATION LIFESAVER SANTA TRAINS**

The 12<sup>th</sup> Annual Operation Lifesaver Santa Trains will operate on Saturday, December 13<sup>th</sup>. Tickets will go on sale in December at participating locations in Fredericksburg, Manassas, and Burke Centre. Tickets must be purchased in advance and proceeds go to benefit Operation Lifesaver. Toys for Tots will also be collected on that day at the stations where the trains will stop. Schedule and ticket information will be available on our web site in November.

### **TOYS FOR TOTS**

This year, VRE will hold its 13<sup>th</sup> Annual Toys for Tots collection on Wednesday, December 10, 2008. Passengers on all morning trains are asked to leave an unwrapped toy and/or monetary donation for Toys for Tots on their seat when they reach their destination.

VRE passengers have been quite generous in the past and we look forward to ensuring that the U.S. Marine Corps will be able to distribute toys to less fortunate children that might not otherwise receive any gifts during the holidays.

### **WOODBIDGE DIRECT MAIL POSTCARD PROMOTION**

We conducted a direct-mail postcard promotion similar to the one we did for Burke Centre and Manassas in order to increase parking at the Woodbridge station. The postcards were mailed out the week of Nov. 3<sup>rd</sup> and staff was available at the Woodbridge station to meet all morning trains and exchange the postcard for two Free Ride Certificates on Friday, November 14<sup>th</sup>. 52 postcards were redeemed, with 17 first-time riders. A new rider is worth \$3,000/yr. in revenue.

**MONTHLY PERFORMANCE MEASURES - OCTOBER 2008**

<b>MONTHLY ON-TIME PERFORMANCE</b>	<b>ON-TIME PERCENTAGE</b>
October Fredericksburg OTP Average	82.5%
October Manassas OTP Average	87.8%
<b>VRE OCTOBER OVERALL OTP AVERAGE</b>	<b>85.4%</b>

<b>RIDERSHIP YEAR TO DATE</b>	<b>RIDERSHIP</b>
VRE FY 2009 Passenger Totals	1,350,981
VRE FY 2008 Passenger Totals	1,208,548
<b>PERCENTAGE CHANGE</b>	<b>11.8%</b>

<b>RIDERSHIP MONTH TO MONTH COMPARISON</b>	
<b>DESCRIPTION</b>	<b>MONTHLY RIDERSHIP</b>
OCTOBER 2008	352,652
OCTOBER 2007	323,994
<b>PERCENTAGE CHANGE</b>	<b>8.8%</b>
<b>SERVICE DAYS (CURRENT/PRIOR)</b>	<b>22/22</b>

# Chief Executive Officer's Report

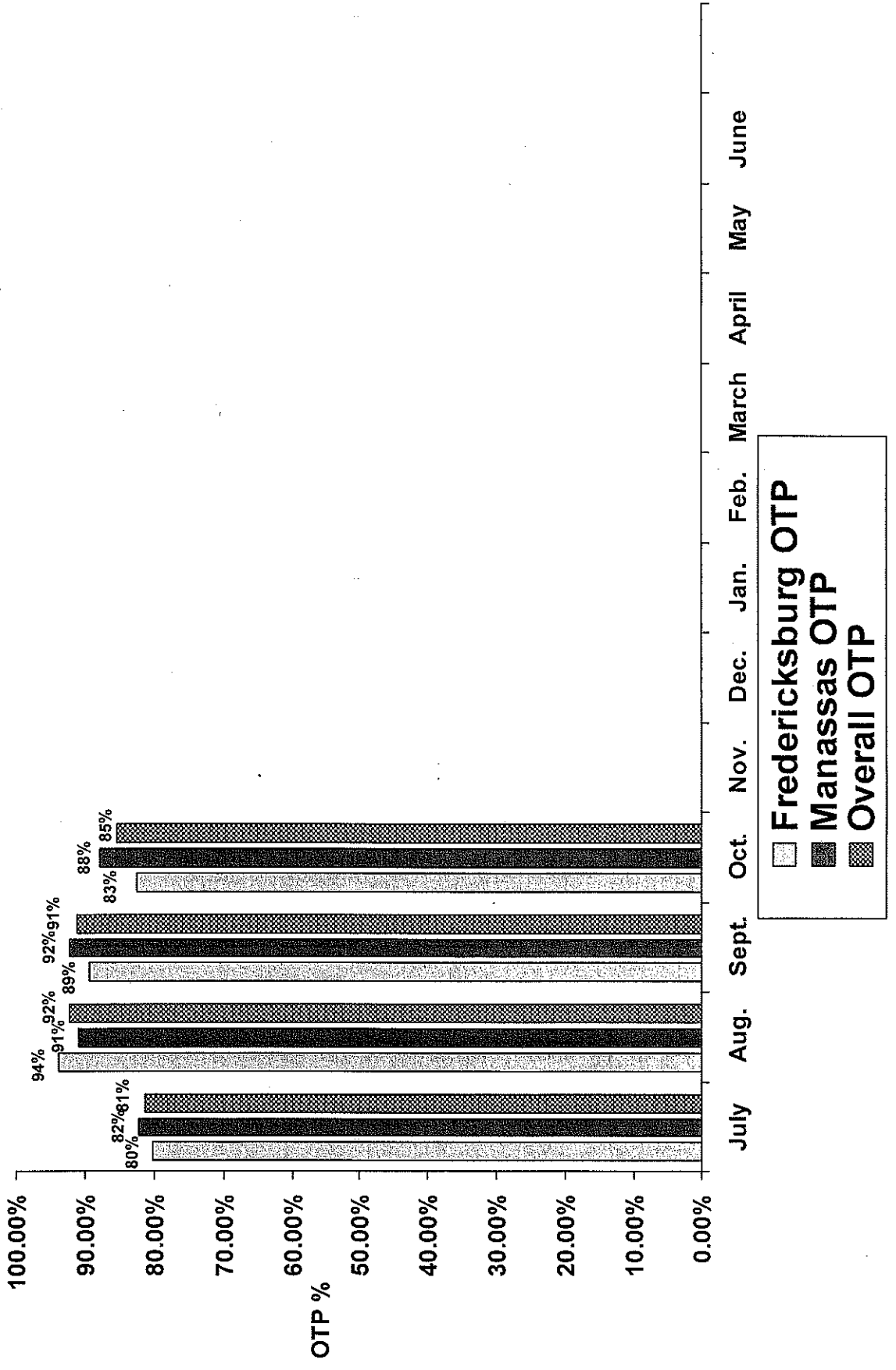


## Chief Executive Officer's On-Time Performance

**NOVEMBER 2008**

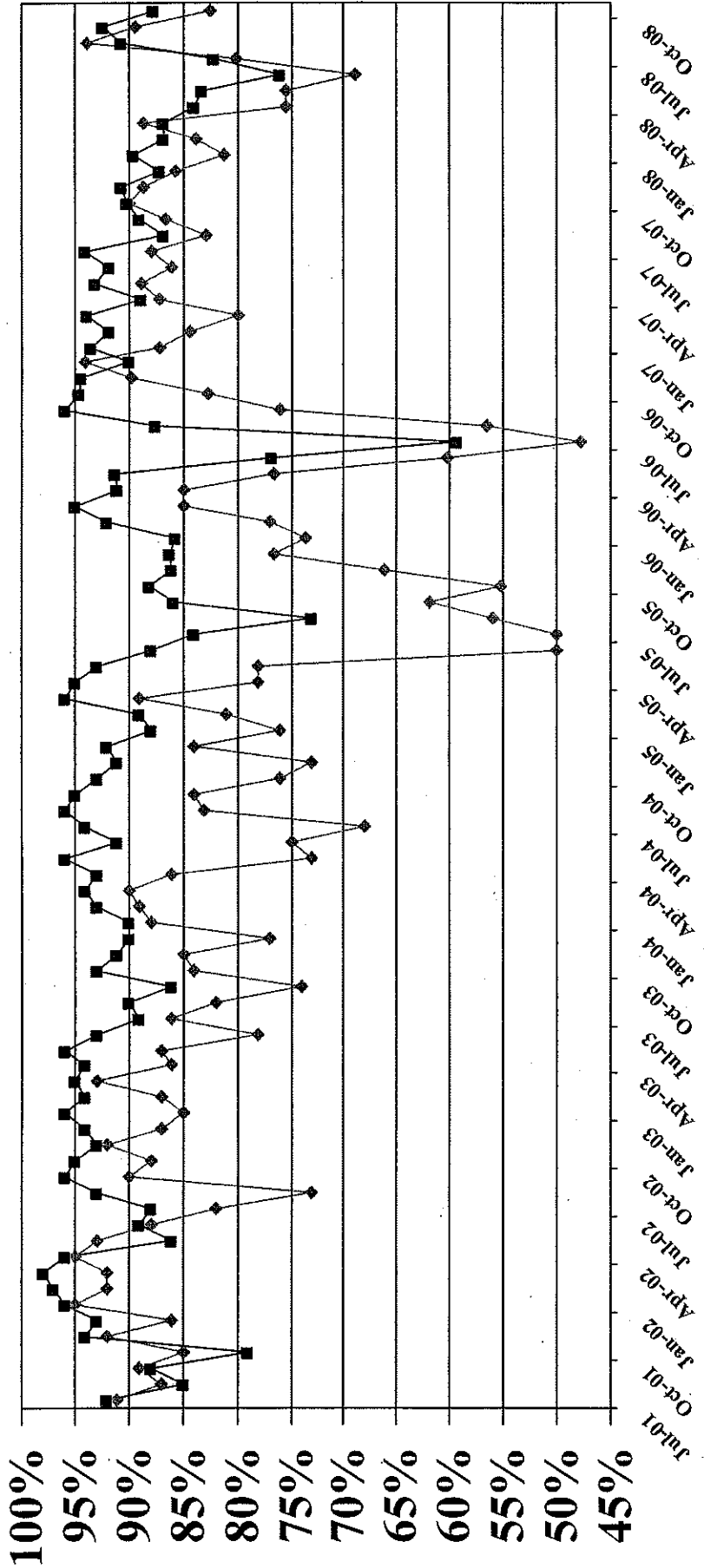
*As Reported to the VRE Operations Board  
November 21, 2008*

# Average On-Time Performance FY-2009



# On-Time Performance

July 2001 – October 2008



◆ Frederickburg Line    ■ Manassas Line

# Chief Executive Officer's Ridership Report



**NOVEMBER 2008**

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# Monthly Ridership Changes: Fiscal Year 2008 vs. 2009

Current Month	MANASSAS			FREDERICKSBURG		
	Avg Daily FY2008	Avg Daily FY2009	% change	Avg Daily FY2008	Avg Daily FY2009	% change
July	6513	7003	7.52%	7393	8388	13.46%
August	6405	6885	7.49%	7379	8316	12.70%
September	6847	7495	9.46%	7652	8720	13.96%
October	6973	7491	7.43%	7754	8538	10.11%
November	6894			7707	0	
December	6081			7235	0	
January	6978			8148	0	
February	6842			8018	0	
March	6812			8050	0	
April	6988			8324	0	
May	6832			8094	0	
June	7123			8504	0	
Average growth			7.98%			12.56%
						10.41%

\*Ridership figures are shown in passenger trips. Includes Amtrak cross honor train riders.

\*\*Average daily ridership for May 2008 does not include 5/30/08 due to planned service disruption.

# Monthly Ridership and OTP: October 2008

Date	Manassas AM	Manassas PM	Total Manassas	Actual OTP TD	Fred'burg AM	Fred'burg PM	Fred'burg Total	Actual OTP TD	Total Trips	Actual OTP TD
1	3,918	3,978	7,896	88%	4,273	4,506	8,779	77%	16,675	83%
2	3,985	3,951	7,936	94%	4,239	4,338	8,577	85%	16,513	90%
3	3,248	3,032	6,280	100%	3,582	3,856	7,438	77%	13,718	90%
4										
5										
6	3,812	3,889	7,701	94%	4,187	4,141	8,328	100%	16,029	97%
7	3,975	4,101	8,076	63%	4,259	4,770	9,029	62%	17,105	62%
8	3,965	4,112	8,077	94%	4,245	4,594	8,839	92%	16,916	93%
9	3,931	3,774	7,705	88%	4,262	4,651	8,913	85%	16,618	86%
10	3,138	3,114	6,252	100%	3,361	3,943	7,304	100%	13,556	100%
11										
12										
13										
14	3,742	3,666	7,408	94%	4,390	4,408	8,798	100%	16,206	97%
15	3,811	3,956	7,767	94%	4,492	4,630	9,122	85%	16,889	90%
16	3,900	3,777	7,677	88%	4,292	4,784	9,076	77%	16,753	83%
17	3,338	3,415	6,753	94%	3,517	3,875	7,392	92%	14,145	93%
18										
19										
20	3,775	3,827	7,602	94%	4,080	4,392	8,472	100%	16,074	97%
21	3,997	4,026	8,023	100%	4,269	4,420	8,689	85%	16,712	93%
22	3,893	3,970	7,863	75%	4,113	4,308	8,421	92%	16,284	83%
23	3,770	3,838	7,608	94%	4,228	4,629	8,857	77%	16,465	86%
24	3,172	3,237	6,409	94%	3,987	3,826	7,813	100%	14,222	97%
25										
26										
27	3,912	3,820	7,732	69%	4,396	4,266	8,662	100%	16,394	83%
28	3,952	4,042	7,994	81%	4,472	4,543	9,015	38%	17,009	62%
29	3,843	3,823	7,666	94%	4,360	4,491	8,851	77%	16,517	86%
30	3,830	3,970	7,800	94%	4,293	4,210	8,503	54%	16,303	76%
31	3,258	3,290	6,548	50%	3,590	3,954	7,544	62%	14,092	55%
	82,165	82,608	164,773	88%	90,887	95,535	186,422	83%	351,195	85%
	Adjusted total: 164,811				Adjusted Total: 187,841				Adjusted Total: 352,652	

# of Service Days:	22	Total Trips This Month:	352,652	Adjusted Total:	352,652
Manassas Daily Avg. Trips:	7,490	Prior Total FY-2009:	998,329		
Fred'burg Daily Avg. Trips:	8,474	Total Trips FY-2009	1,350,981		
Total Avg. Daily Trips:	15,963	Total Prior Years:	40,598,336		
		Grand Total:	41,949,317		

Note: Adjusted Averages & Totals include all VRE trips taken on Amtrak trains, but do not include "S" schedule days. "r" designates "S" schedule day

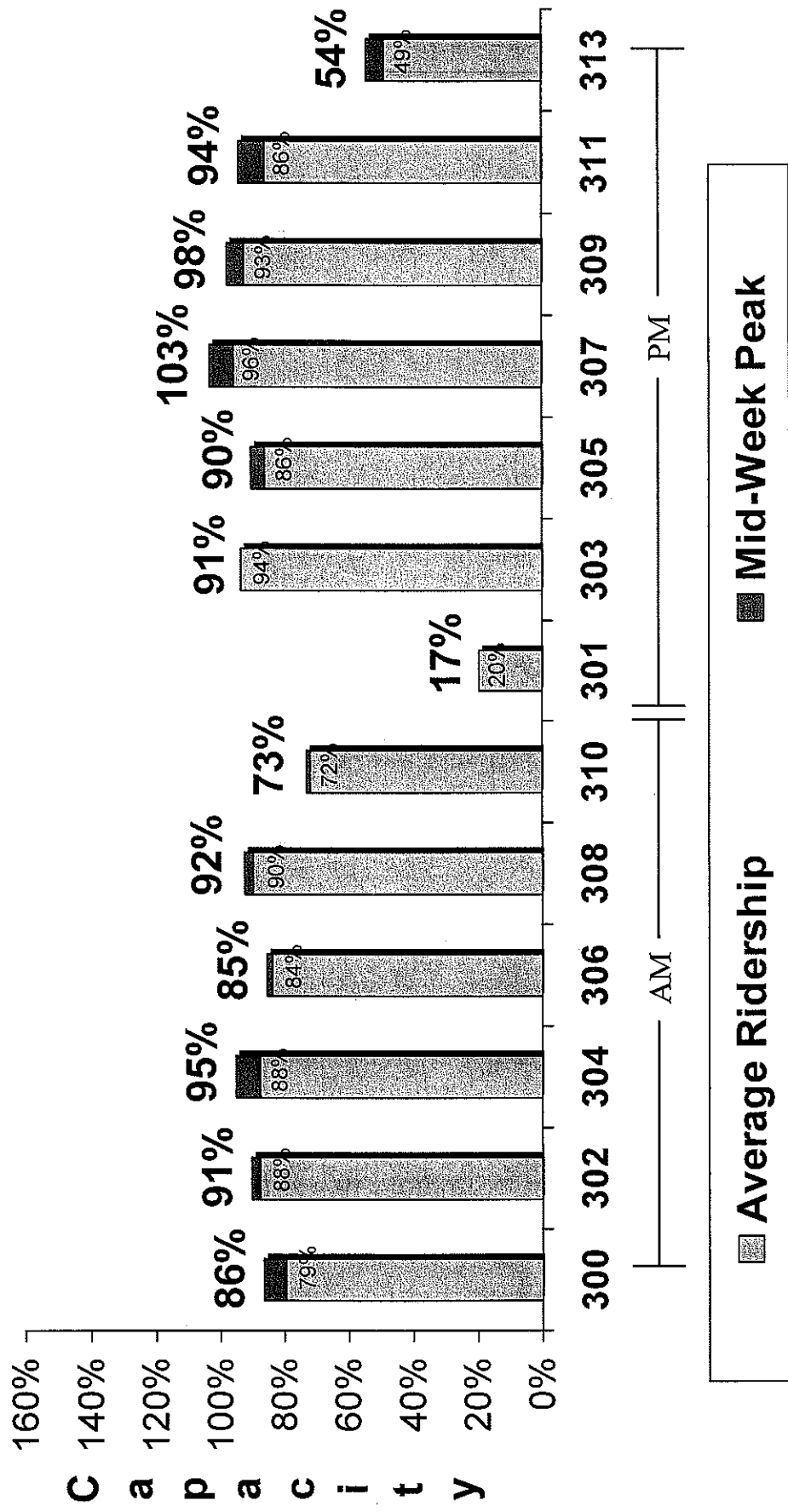
# Chief Executive Officer's Train Utilization



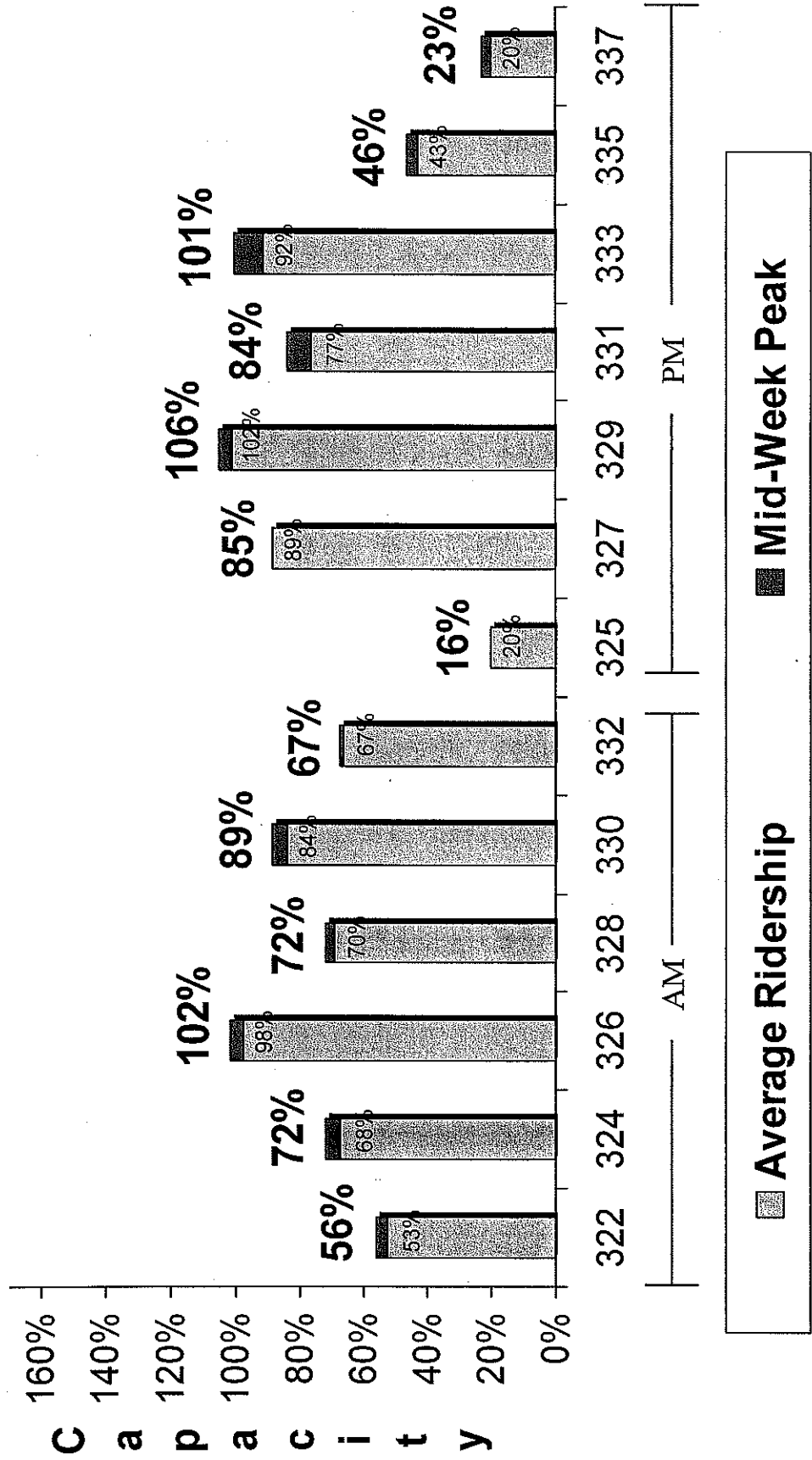
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# Train Utilization: Fredericksburg Line – October 2008



# Train Utilization: Manassas Line – October 2008



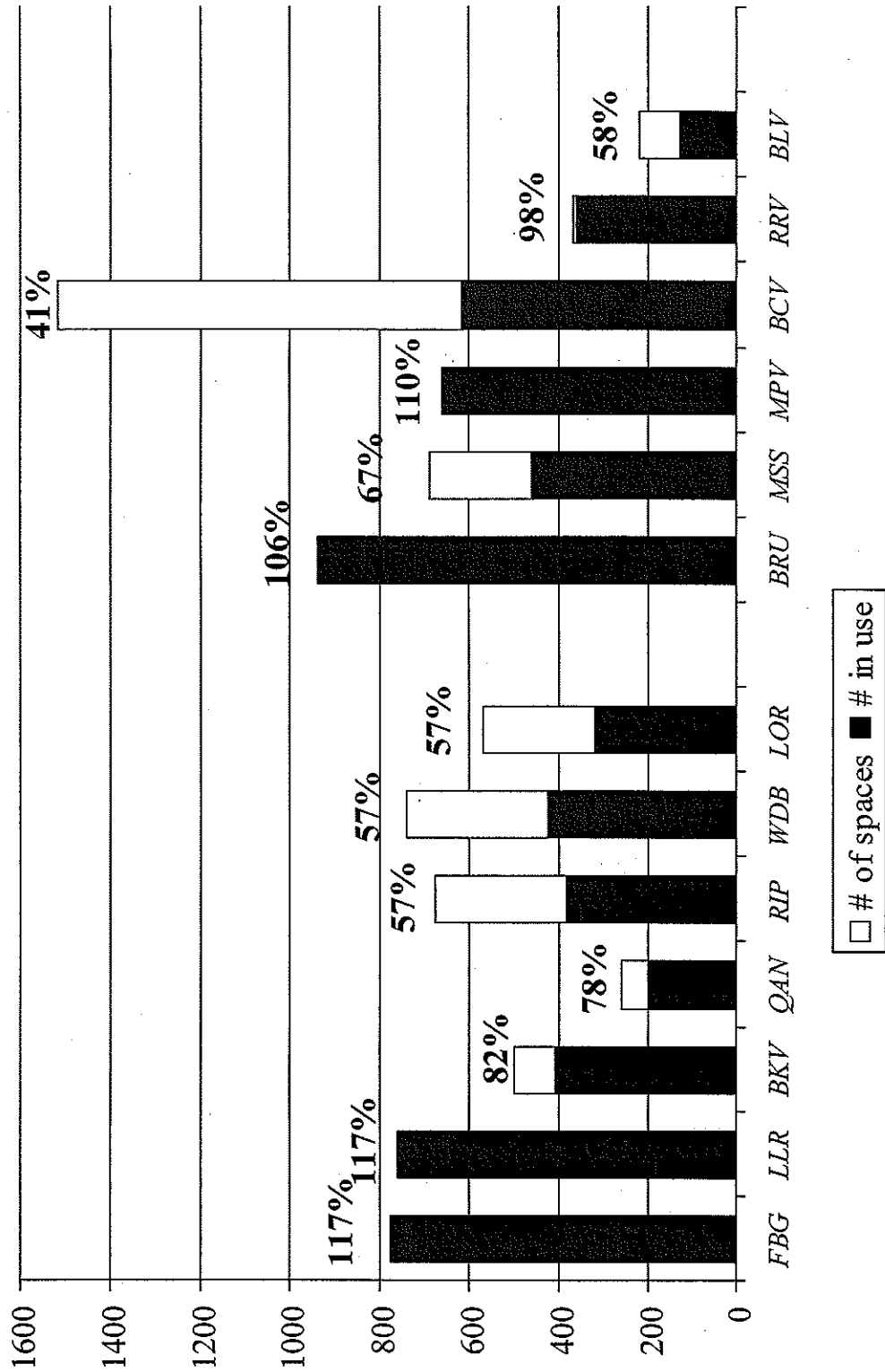
# Chief Executive Officer's Parking Utilization



**NOVEMBER 2008**

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# Parking Lot Utilization: October 2008



# Chief Executive Officer's Capital Project Summary



**NOVEMBER 2008**

*As Reported to the VRE Operations Board  
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**VIRGINIA RAILWAY EXPRESS**  
**CAPITAL PROJECTS - PROGRESS REPORT**  
**Projects Underway in FY09 As of**  
**November 1, 2008**

PROJECT	LOCATION	TOTAL ADOPTED CIP BUDGET THRU FY09	TOTAL BOARD APPROVED FUNDS	PROJECT DESCRIPTION	PERCENTAGE (%) OF TOTAL PROJECT TASK COMPLETION	PROJECT COMPLETION DATE	STATUS
<b>Track and Infrastructure</b>							
Cherry Hill Third Track				This project includes the development of VRE's 13th station on the Fredericksburg Line. The VRE station is part of a larger development project on the Cherry Hill Peninsula. Proposed 3rd track will extend from MP 72.0 to MP 83.4.			
Cherry Hill Third Track PE/EA	Cherry Hill, Virginia	\$2,500,000	\$1,961,709	Prepare an environmental assessment and preliminary design for track alternatives and supporting structures.	18%	3rd Quarter 2009	Field survey work finalized this month. Environmental delineation completed. Continuing to receive Stakeholder responses. Purpose and Need completed and sent to DRPT, other environmental work per NEPA underway. Base mapping will be completed this month and alignment alternatives will be developed then.
Cherry Hill Third Track PE/EA Support			\$272,747	Provide flagging services and design reviews.	18%	3rd Quarter 2009	CSX continues to attend meetings. Flagman working with survey crew.
L'Enfant Storage Track				Construct approximately 1400 ft storage track just north of the existing platform and provide wayside power for two train sets.			
L'Enfant Storage Track Construction	L'Enfant	\$825,000	\$830,000	Construct approximately 1400 ft storage track just north of the existing platform	100%	Completed	Siding construction completed in late September. Passed CSX inspection upon completion. Paid final invoice (\$199,198.17).
L'Enfant Storage Track Wayside Power Design			N/A	Design of wayside power for two train sets.	90%	3rd Quarter 2008	HDR provided draft design for wayside power, incorporating air compressor and shift of pedestal to north end of storage track. Finalizing compressor equipment and building layout with Kaeser Compressors. Preliminary layout has been sent to CSX for approval.
L'Enfant Storage Track Wayside Power Construction			N/A	Construction of Wayside Power	20%	1st Quarter 2009	Signed task order with NVE to install C/T cabinet, conduits and concrete pads for equipment. NVE submitted Wire line Crossing Permit application to CSX which includes right-of-entry. CSX application review required detailed crossing plan and profile - VRE preparing and will forward to CSX in next couple of days.
<b>Planning Studies and Communications Projects</b>							
Fare Collection II Proj. No. 1230 050	System-wide	\$4,984,000 (annual payments)	\$3,578,956	This project will replace the current fare collection system which is becoming functionally obsolete. The replacement system will continue the operating practice of self-service, automated ticket vending on the platform for credit and debit cards as well as incorporate new technologies.	100%	Completed	Final Bill paid April, 2006, closing out the capital portion of the project. Maintenance payments will continue through 2006. S&B addressing warranty items.
SmarTrip Technical Support Proj. No. 1310 020	VRE offices/ system wide	\$155,000	\$154,285	Preliminary work for Fare Collection Installation. Technical assistance for the design, procurement, installation and testing of a SmarTrip compatible system for VRE.	100%	Completed	Installation of pedestals, conduits and wiring to support Fare Collection II completed

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WUT Train Movement Study	Washington, D.C.	\$180,000	\$179,677	Investigate train movements in WUT, by City and Coach Yard and allocate cost to utilize the facility.	99%	4th Quarter 2008	Findings presented to Amtrak on July 12, 2007. Amtrak took issue with previously agreed to camera locations; lacking a 1st St. tunnel camera. VRE contends locations were in agreement. Savings to VRE to be substantial. Amtrak now questioning VHB's computations and allocations. VRE sent letter to Amtrak requesting settlement terms. Awaiting answer.
2-Way Radio System				To install a radio communication system that will allow monitoring of train communication and communication with trains during emergencies.			
2-Way Radio System Design	System-wide	\$346,400	\$98,000	Design and develop RFP for new two-way radio system	100%	Completed	Design completed.
2-Way Radio System Construction			\$248,400	Installation of new two-way radio system	87%	2nd Quarter 2009	Fairfax Station Lease Under Legal Review; Executed Leeland Antenna Lease (permit process started in Stafford County)
Gainesville Haymarket MIS	New Line	\$1,537,340	\$1,537,338	Develop expansion alternatives for new service to Gainesville and Haymarket	55%	1st Quarter 2009	Public workshop held on Oct. 22, 2008. Tier 2 analysis workshop scheduled for Nov. 17, 2008.
<b>Commuter Station Projects</b>							
Fredericksburg Viaduct Repairs							
Fredericksburg Viaduct Repairs Design	Fredericksburg	\$2,606,000	NA	Develop scope of work to address spalling concrete and drainage with available funding	100%	Completed	Final report submitted to VRE on May 15, 2007.
Manassas City Parking Deck			\$148,281	Develop detailed design to address necessary repairs	10%	2nd Quarter 2009	Engineer developing preliminary design plans and coordinating bid items. 30% design submittal scheduled for end of November.
Manassas City parking Deck Environmental			\$170,675	Construction of a 520 space parking garage in the City of Manassas.		2nd Quarter 2008	
Manassas City parking Deck Design	Manassas, Virginia	\$12,750,000	\$598,534	Preliminary work (site location/environmental) for future garage parking.	100%	Completed	Both Commissions have approved MOU with City of Manassas for funding and cost sharing of Parking Deck. Environmental document approved by FTA on August 27th. Traffic study revisited due to increased size of the garage.
Manassas City parking Deck Construction			\$9,189,400	Design and limited construction administration for 520+ space parking structure.	100%	4th Quarter 2008	Final invoice processed.
Manassas City Parking Deck Electrical Line Relocation			\$416,000	Construction of Parking Garage	98%	4th Quarter 2008	Costello completing final punch list items. Negotiating final change orders, including additional scope to extend existing canopy 45 feet.
Land Acquisition Assistance			\$102,626	Relocate high voltage line along Prince William Street. Assist in relocation services for current Owners and Tenants per Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act.	100%	Completed	Relocation of new pole and transmission line work complete. Paid final Dominion invoice (\$157,060.23). Property acquisition was completed in September and tenant relocation was completed in January.

**VIRGINIA RAILWAY EXPRESS  
CAPITAL PROJECTS - PROGRESS REPORT  
Projects Underway in FY09 As of  
November 1, 2008**

Project Name	Location	Estimated Cost	Actual Cost	Progress %	Key Milestones / Description	Completion Date	Notes
Woodbridge Station Expansion	Woodbridge, Virginia	\$9,100,000		100%	This project includes a Kiss & Ride, Second Platform & Pedestrian Crossover - which will join the parking garage and Second Platform.	3rd Quarter 2007	Improvements to Route 1 in VDOT right-of-way eliminated, along with sidewalk connection from Route 1 to elevator/stair tower. These improvements to be addressed during later phase of project. Received PWC final site plan approval on 5/13/08.
Woodbridge Station Expansion Track Relocation	Woodbridge, Virginia	\$870,543		0%	Shifting of track 3 to the west to allow for future third track between platforms.	3rd Quarter 2009	Force account agreement for track shifting and flagging services executed by VRE & CSX in late September. Met with CSX personnel to discuss construction schedule and sequencing issues.
Woodbridge Station Expansion Construction	Woodbridge, Virginia	\$3,868,700	\$7,013,000	2%	Construction of second platform, pedestrian crossover to existing parking garage, and bus turnout on Route 1.	3rd Quarter 2009	NTP issued in early October. Limits of disturbance and track shift staking complete. CSX released right-of-entry to Costello. Currently resolving equipment access issues. Costello anticipates mobilization shortly. Received and reviewing task orders with HDR for additional construction phase services (Dewberry) and special inspections (Schnabel).
Woodbridge Station Expansion K&R Traffic Analysis	Woodbridge, Virginia	NA		100%	To obtain traffic data and prepare report of analysis results	4th Quarter 2008	MCV resubmitted report in late October in response to VRE comments. Report finds no significant traffic impacts resulting from construction of proposed Kiss-n-Ride facility.
Woodbridge Station Expansion Land Acquisition	Woodbridge, Virginia	\$4,346,000		100%	Acquisition of 8 parcels, relocation fees, relocation assistance appraisals, surveys, and legal fees associated with those acquisitions.	Completed	All property has been acquired and tenants and business relocated.
Burke Centre Platform Extension Design		\$100,760		100%	Extend platform by 200ft and replace existing platform post lights	1st Quarter 2009	Bids open 11/14/08
Leeland Rd Station Parking Lot Expansion Environmental	Stafford, VA	\$172,700	\$959,000	65%	Prepare an environmental assessment (EA) and Preliminary Engineering for an expansion of the VRE Leeland Road Station, Park and Ride Lot.	4th Quarter 2009	Draft EA to be submitted to FTA mid-November; Phase 1 Archaeological Study to be performed and submitted to FTA along with Final Draft in February 2009; Additional site added by Stafford County.
Brooke Station Parking Lot Expansion Environmental	Stafford, VA	\$275,124		65%	Prepare an environmental assessment (EA) and Preliminary Engineering for an expansion of the VRE Brooke Station Park and Ride Lot.	4th Quarter 2009	Draft EA to be submitted to FTA mid-November; Phase 1 Archaeological Study to be performed and submitted to FTA along with Final Draft in February 2009; 30% Design nearly complete.
<b>Yard Improvements</b>							
Broad Run Yard Expansion / Maintenance Facility	Broad Run				Design and construction of additional storage tracks and locomotive and train wash facilities.		
Broad Run Yard Expansion / Maintenance Facility Design	Broad Run	\$4,155,000			Perform design of S&I building, car wash, warehouse and limited construction support services.		100% Design submittal was received on 10/01/2008. VRE is currently preparing bid documents for advertisement. Preliminary site plan review comments have been received by DMJM. Revised site plan submittal and building permit application were submitted to PWC in mid to late 10/2008 and are currently under review by PWC. Comments are currently anticipated by the end of 11/2008. Will post for bid in December.
Crossroads Yard Expansion / Maintenance Facility					Design and construction of additional storage tracks and locomotive and train wash facilities.		
Crossroads Yard Expansion / Maintenance Facility Design		\$524,628		100%	Perform design of S&I building and car wash and limited construction support services	4th Quarter 2007	Providing construction support as needed.
Crossroads Yard Expansion / Maintenance Facility SWM Investigation		\$45,898		100%	Evaluate SWM design performed by PB, identify more cost effective SWM alternatives, and revise SWM in site plan if necessary.	Completed	Final certification completed.
Crossroads Yard Expansion / Maintenance Facility Yard Air Design		\$43,042		100%	Perform design of compressed air system for yard to be used for air brake testing of train sets.	4th Quarter 2007	Installation work will be completed as task order by NV Enterprises, Inc.

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Project Name	Category	Estimated Cost	Current Status	Progress %	Timeline	Notes
Crossroads Yard Expansion / Maintenance Facility Yard Air Installation	Crossroads	\$7,157,000	Install compressed air system to be used for air brake testing of train sets and communication lines for Train Wash system.	33%	4th Quarter 2008	Install work is on-going. Yard air piping installation is approximately 10% complete and anticipated to be completed by the end of 11/2008. Communication line install to Train Wash Building has been completed and communication line will be active on Verizon has installed new lines. Air compressor installation is approximately 75% complete and air compressor are expected to be operational by mid 11/2008.
Crossroads Yard Expansion / Air Compressor Procurement		N/A	Procure and oversee installation of air compressor system for new S&I Building and yard air system through Virginia state procurement process (eVA).	90%	4th Quarter 2008	Procurement process has been completed. Air compressor system has been prepared by Kaeser. Installation oversight is on-going.
Crossroads Yard Expansion / Maintenance Facility Construction		\$6,252,550	Construction of Service and Inspection Building, Train Wash and Additional Storage Tracks within the Crossroads Yard.	99%	4th Quarter 2008	S&I Building is substantial complete and punch list work is on-going. Installation of equipment for train wash system has been installed and is currently being tested using VRE train sets. Received temporary occupancy for S&I and Train Wash System on 10/24/2008. VRE is currently using the S&I Building and anticipates have use of Train Wash System by mid 11/2008. VRE is working with Spotsylvania County to resolve issues (i.e., utility easement and water pressure) holding back permanent occupancy.
<b>Rolling Stock</b>						
New Railcar Procurement Proj No 90-42-16060						
New Railcar Fabrication (50 Cars)	System-wide	\$2.5 million annual payment	Construction of OPTION ORDER consisting of 10 cab cars, 20 trailers with toilets and 20 trailers without toilets.	90%	4th Quarter 2008	All 50 cars now in service. Still making field mods and working numerous warranty issues.
New Railcar Oversight (50 Cars)		\$2,148,814	Perform all engineering oversight and warranty follow-up for construction of 50 car option order.	80%	4th Quarter 2008	All work is now warranty work.
Top Deck Rebuilds Work Management Software Project No 90-57-16270	System-wide	\$3,372,000	Top Deck Rebuild for 10 Locomotives	90%	On going Project	V02, V07, V21, V06, V08, V09, V31, V23, V10 Top deck work has been completed. V04 is currently in Altoona getting top deck work. Board Approval for additional top deck work
Work Management Software Training and Set-up	Yards & Warehouse	\$95,000	Provide software and License agreements to track parts management. needs and train personnel in use product. Training underway. Transferring all inventory data from QuickBooks to new software.	100%		
		N/R		100%	2nd Quarter '08	Warehouse converted to MM on May 1, 2008. Work management still not running.
Locomotive Lease New Locomotive Procurement No. 90-55-16040	System-wide	\$597,000	3-year lease of 3 locomotives	65%	2nd Quarter 2008	2 locomotives arrived at VRE. Third to follow.
New Locomotive Manufacture (2)	System-wide	\$16,814,000	Base Order is for two MP-36 locomotives at \$4,233,487 each (\$8,466,974). Option units are between \$500,000 and \$700,000 less per unit.	0%	1st Quarter 2013	Base order locomotives will be delivered on or before April, 2010. Contract not yet signed. Attorneys discussing various clauses.
New Locomotive Engineering Oversight New Railcar Procurement Proj No 90-66-16060		\$4,145,920	On site engineering through warranty administration.	0%	1st Quarter 2015	Although contract total for 18 locomotives over a five year period is over \$4 million, budget for first two is limited to \$2,895,071.

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New Railcar Fabrication (10 Cars)	System-wide	\$23,889,956	\$22,660,000.00	Construction of 10 trailer cars without toilets	10%	1st Quarter 2012	Cars are to arrive in February and March of 2010, but 2 year warranty extends the project
						1st Quarter 2012	
New Railcar Oversight (10 Cars)			\$1,009,956.00	Perform all engineering oversight and warranty follow-up for construction of 10 cars	2%		Under Task Order to MEC IV.

# Chief Executive Officer's Financial Report



**NOVEMBER 2008**

*As Reported to the VRE Operations Board  
November 21, 2008*

## FINANCIAL STATISTICS FOR OCTOBER 2008

Copies of the October 2008 Operating Budget Report are attached.

Fare income for the month of October 2008 was \$311,616 above the budget – a favorable variance of 16.41%. The cumulative variance for the year is 14.87% or \$1,090,898 above the budget. This positive variance is the result of a substantial increase in ridership. Revenue in the first four months of FY 2009 is up 17.2% over FY 2008.

A summary of the financial results (unaudited) as of October 2008 follows. Detail on the major revenue and expense categories are provided in the attached Operating Budget Report.

Measures		Goal	Actual	Trend
Operating Ratio		55%	76%	↑
<b>Budgeted Revenue</b>	65,263,822			
Budgeted Revenue YTD	23,514,226			
Actual Revenue YTD	25,238,897			
Cumulative Variance	1,724,671		1,724,671	↑
Percent Collected FY 07 YTD		36.03%	38.67%	
<b>Budgeted Expenses</b>	65,263,822			
Budgeted Expenses YTD	22,115,734			
Operating Expenses YTD	21,233,219			
Cumulative Variance	882,515		882,515	↑
Percent Collected FY 07 YTD		33.89%	32.53%	
<b>Net Income (Loss) from Operations</b>			2,607,186	↑

These figures are preliminary and unaudited.

**VIRGINIA RAILWAY EXPRESS**  
**FY 2009 Operating Budget Report**  
**October 31, 2008**

	CURR. MO. ACTUAL	CURR. MO. BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE \$	YTD VARIANCE %	TOTAL FY09 BUDGET
<b>OPERATING REVENUE</b>							
Passenger Ticket Revenue	2,210,392	1,898,776	8,427,078	7,336,180	1,090,898	14.9%	21,490,692
Equipment Rental and Other	8,797	13,386	38,500	51,717	(13,217)	-25.6%	151,500
<b>Subtotal Operating Revenue</b>	<b>2,219,189</b>	<b>1,912,161</b>	<b>8,465,578</b>	<b>7,387,897</b>	<b>1,077,681</b>	<b>14.6%</b>	<b>21,642,192</b>
<b>Jurisdictional Subsidy (1)</b>							
Federal/State/Other Jurisdictional Subsidy	-	-	8,784,054	8,784,054	-	0.0%	16,361,819
Appropriation from Reserve	1,833,694	1,145,099	7,938,458	7,282,536	655,922	9.0%	27,049,811
Interest Income	15,315	15,462	50,807	59,739	(8,932)	-15.0%	210,000
<b>Total Operating Revenue</b>	<b>4,068,198</b>	<b>3,072,722</b>	<b>25,238,897</b>	<b>23,514,226</b>	<b>1,724,671</b>	<b>7.3%</b>	<b>65,263,822</b>
<b>OPERATING EXPENSES</b>							
Departmental Operating Expenses	3,716,803	3,840,332	14,000,384	14,878,932	878,548	5.9%	43,974,778
Debt Service	763,243	767,492	3,370,313	3,387,308	16,995	0.5%	15,022,547
Insurance	-	-	3,849,493	3,849,493	-	0.0%	5,275,000
Other Non-Departmental Expenses	9,029	-	13,029	-	(13,029)	0.0%	991,497
<b>Total Operating Expenses</b>	<b>4,489,075</b>	<b>4,607,823</b>	<b>21,233,219</b>	<b>22,115,734</b>	<b>882,514</b>	<b>4.0%</b>	<b>65,263,822</b>
<b>NET INCOME (LOSS) FROM OPERATIONS</b>	<b>(420,877)</b>	<b>(1,535,101)</b>	<b>4,005,678</b>	<b>1,398,492</b>	<b>2,607,186</b>		
<b>CALCULATED OPERATING RATIO</b>							
			<b>76%</b>				

(1) Total jurisdictional subsidy is \$17,275,500. Portion shown is attributed to Operating Fund only.