

POTOMAC AND RAPPAHANNOCK
TRANSPORTATION COMMISSION

OFFICIAL COMMISSION MEETING

MINUTES

DATE: January 4, 2007
TIME: 7:00 p.m.
LOCATION: PRTC Transit Center
14700 Potomac Mills Road, 2nd Floor
Woodbridge, VA 22192-6811

1. CALL TO ORDER

Chairman Gibbons called the meeting to order at 7:05 p.m.

2. ROLL CALL

MEMBERS PRESENT

*Charles Badger	DRPT
*Hilda Barg, Immediate Past Chmn	Prince William County
*Bob Gibbons, Chairman	Stafford County
*Matthew Kelly, Treasurer	City of Fredericksburg
*Michele, McQuigg	Virginia House of Delegates
*Martin Nohe	Prince William County

ALTERNATES PRESENT

Jean Benson	City of Fredericksburg
Marvin Dixon	City of Fredericksburg
*Sorine Preli	Prince William County
*Bill Wren	City of Manassas Park

STAFF AND GENERAL PUBLIC

Gina Altis	PRTC Executive Assistant
Rick Canizales	PWC Dept. of Public Works
Joyce Embrey	PRTC Dir., Finance & Administration
Anthony Foster	PRTC Transportation Project Manager
Holly Frisch	Citizen
Al Harf	PRTC Executive Director
Steve Hastalis	Citizen
Angela Horan	PRTC Legal Counsel

Robb Howell
Bill Leisen
Doris Lookabill
Steve MacIsaac
Eric Marx
Betsy Massie
Lloyd Robinson
Jennifer Straub
Joe Swartz
Dale Zehner

FIRST TRANSIT Assistant General Mgr.
PRTC Mgr., Contract Operations
PRTC Mgr., Customer Service & Dispatch
VRE Legal Counsel
PRTC Dir., Planning & Operations
PRTC Dir., Grant & Project Management
FAMPO Chief Transportation Planner
VRE Deputy Chief Executive Officer
PRTC Senior Transit Planner
VRE Chief Executive Officer

MEMBERS ABSENT

Maureen Caddigan
Wally Covington
Paul Milde
John Jenkins
Frank Jones, Vice Chairman
Scott Lingamfelter
Toddy Puller
Corey Stewart
Douglas Waldron, Secretary

Prince William County
Prince William County
Stafford County
Prince William County
City of Manassas Park
Virginia House of Delegates
Virginia Senate
Prince William County
City of Manassas

ALTERNATES ABSENT

Mark Dudenhefer
Kathleen Gammell
Corey Hill
Larry Hughes
Peter LaMarca
Lorraine Lasch
Hal Parrish
Phillip Rodenberg
Sharmila Samarasinghe
George Schwartz
John Stirrup

Stafford County
City of Manassas Park
DRPT
City of Manassas
City of Fredericksburg
Prince William County
City of Manassas
City of Fredericksburg
DRPT
Stafford County
Prince William County

*Voting Member

3. INVOCATION Led by Commissioner Wren.
4. PLEDGE OF ALLEGIANCE Led by Commissioner Barg.
5. CITIZENS' TIME No citizens came forward.

6. RECOGNITION\FIRST TRANSIT

First Transit General Manager Carey Roessel reported that thirteen bus operators received compliments during the month of December. He noted that bus operator Bob Corbin decorated the bus he operates in a “holiday” motif and dressed as “Santa”. Mr. Corbin was featured in the local newspaper and received compliments from passengers.

Mr. Roessel recognized the December Operator-of-the-Month Mr. Wilfredo Ancalle and characterized him as an excellent bus operator.

7. APPROVAL OF MINUTES

RES 07-01-01
[PRTC\Minutes] Minutes of December 7, 2006. Commissioner Wren moved, with a second by Commissioner Barg, to approve the Minutes as amended. There was no discussion on the motion. (WREN\BARG, UNANIMOUS)

8. AGENDA APPROVAL

RES 07-01-02
[PRTC\Agenda] Agenda of January 4, 2007. Commissioner Barg moved, with a second by Commissioner Kelly, to approve the Agenda as presented. There was no discussion on the motion. (BARG\KELLY, UNANIMOUS)

9. CONSENT AGENDA APPROVAL

RES 07-01-03
[PRTC\Consent
Agenda] Consent Agenda of January 4, 2007. Commissioner Wren moved, with a second by Commissioner Kelly, to approve the Consent Agenda as presented. (WREN\KELLY, UNANIMOUS)

RES 07-01-04 A.
[PRTC\Finance] Approved the Treasurer’s Report of September 30, 2006, as presented. (WREN\KELLY, UNANIMOUS)

10. VIRGINIA RAILWAY EXPRESS (VRE)

[VRE\Info] A. Operations Board Meeting Agenda and Minutes of December 15, 2006. There were no comments.

[VRE\Info] B. Chief Executive Officer's.

Mr. Zehner reported that on-time performance during the month of December was 94% and 90% on the Fredericksburg and Manassas lines, respectively, and noted that ridership continues to rebound.

Mr. Zehner reported that a VRE "new railcar christening ceremony" is scheduled for Wednesday, January 17, 9:30-10:30 a.m., Business Center Drive, Alexandria, Virginia and noted that Senator Warner, Congressman Moran, and Congressman Davis are scheduled to attend.

Mr. Zehner noted that the VRE "Santa" trains operated on Saturday, December 9th were a big success. Tickets were sold out despite the additional train added on the Fredericksburg line and the trains carried approximately 7,500 people.

RES 07-01-05 C. Referral of the Revised FY2007 and Recommended
[VRE\FY08 Budget] FY2008 VRE Operating and Capital Budget to the
Localities. Commissioner Kelly moved, with a
second by Commissioner Nohe, to defer the
transmittal of the FY08 VRE budget to await the
final recommendations of the VRE Operations
Board on governance and subsidy allocation.

Commissioner McQuigg asked for clarification of the term "allocating grant revenues to the operating budget". Mr. Zehner explained that formula Federal funding funds can be used for certain maintenance-related purposes at the discretion of grantees, and that VRE proposes to do so in FY2008 because budget difficulties warrant this, though it does mean foregoing the use of these funds for more conventional capital purposes. Mr. Zehner went on to say that this is not a practice VRE favors as a general rule, and expressed the hope that 100% of formula funding would again be used for conventional capital purposes in FY2009 and beyond.

Mr. Zehner noted that the VRE Operations Board is working on possible "VRE "governance" changes that would alter the subsidy allocation formula if adopted. The changes being developed would become operative as soon as FY2008, and consequently NVTC may also elect to defer action on the FY2008 budget proposal so that it can review

both the budget and “governance changes” proposal recommended by the VRE Operations Board together at NVTC’s February 1st meeting.

Elaborating on the “governance changes” work, Mr. Zehner went on to say that staff is scheduled to meet tomorrow to refine the proposal and that the VRE Operations Board Subcommittee overseeing this effort will meet with staff next week. The Subcommittee will present a recommendation to the VRE Operations Board at its January 19th meeting.

Chairman Gibbons inquired about the possibility of an “impasse” in the budget and asked if a “vehicle” is in place to sustain the operation of the VRE until the impasse is settled.

VRE Legal Counsel Steve MacIsaac replied that no such vehicle is in place. He went on to say that the “Master Agreement” anticipates completion of the budget process by February 1st and noted that a proposed change to the allocation formula will require an amendment to the Master Agreement.

There was no further discussion on the motion.
(KELLY\NOHE, UNANIMOUS)

At this time, Commissioner Barg moved, with a second by Commissioner Wren, to reconsider the original motion/second such that the proposed FY2008 VRE budget would be approved for transmittal to the member jurisdictions tonight. Chairman Gibbons called the question for the vote and both Chairman Gibbons and Commissioner Kelly voted “nay”. PRTC Legal Counsel Angela Horan noted that, in accordance with the PRTC Bylaws, a majority vote of the Commission members and of the jurisdictions represented is needed to act and, as a result of the “tie” vote, the motion fails.

Commissioner Kelly noted that the Fredericksburg City Council’s support for the proposed budget is contingent on how the governance issue plays out. There may not be a direct impact on this particular budget, but there may be an impact on the future of

the organization. He noted that his vote on this issue is based on the Fredericksburg City Council's recommendations.

Chairman Gibbons clarified that because the "reconsideration" motion/second failed, the original motion/second made by Commissioners Kelly and Nohe, respectively, remains in-force – action on the proposed VRE FY2008 budget is deferred until February.

RES 07-01-06 D. Amend the Contract with Scheidt & Bachmann for
[VRE\Scheidt & Fare Collection Equipment Maintenance. Commis-
Bachmann Contract] sioner Wren moved, with a second by Commissioner
 Kelly, to authorize the VRE Chief Executive Officer
 to amend the Scheidt & Bachmann (S&B) contract to
 add one year of maintenance services in an amount
 not to exceed \$558,412, plus a contingency of
 \$29,500, for a total contract value not to exceed
 \$4,390,933. There was no discussion on the motion.
 (WREN\KELLY, UNANIMOUS)

RES 07-01-07 E. Extend Amended Operating Access Agreement
[VRE\CSXT] with CSXT. Commissioner Wren moved, with a
 second by Commissioner Barg, to authorize the VRE
 Chief Executive Officer to execute an extension of
 the Amended Operating/Access Agreement with
 CSXT through July 31, 2007.

Commissioner Kelly noted that while Fredericksburg is willing to support the motion, the VRE Operations Board has agreed to form a "task force" to reassess the terms of the longer-term operating access agreement that continues to be negotiated. He went on to say that further negotiations by staff on the longer-term agreement need to be tabled to afford the task force the time required to do this reassessment and meet itself with CSXT management as it intends to do. Commissioner Kelly concluded by observing that the City of Fredericksburg will not countenance further action on the longer-term agreement until the task force deliberations have been concluded.

Mr. Zehner added he anticipates that the task force effort will be discussed again at the January VRE Operations Board meeting. He went on to say that

the resolution before the Commission this evening is confined to an extension of the current Agreement to July 31, 2007, leaving the existing agreement terms intact.

There was no further discussion on the motion.
(WREN\BARG, UNANIMOUS)

RES 07-01-08
[VRE\Norfolk
Southern]

- F. Extend Amended Operating/Access Agreement with Norfolk Southern. Commissioner Wren moved, with a second by Commissioner Barg, to authorize the VRE Chief Executive Officer to execute an extension of the Amended Operating Access Agreement with Norfolk Southern through July 31, 2007. (WREN\BARG, UNANIMOUS)

11. CHAIRMAN'S TIME

Chairman Gibbons reported that he delivered “testimony” today at the 2007/8 State Budget Hearing in Loudoun County, highlighting the need for increased state transit assistance generally and for VRE in particular (including help on insurance).

Chairman Gibbons then drew the Commission’s attention to an information item in the board package regarding the Virginia Department of Rail and Public Transportation’s (VDRPT) “Washington, D.C. to Richmond Third Track Feasibility Study”. He noted that discussion about a third rail has been ongoing since 1992 and the Legislature has been asked to make a commitment as to when the third rail will be built.

Commissioner Barg agreed with Chairman Gibbons’ observations, expressing the hope that the state will see fit to advance this long-awaited project more quickly, and she asked Commissioner Badger to carry back the message that the Commission is eager for this to happen.

Commissioner Kelly commented that the State along with the Federal government needs to decide whether or not commuter rail will remain an integral part in the future transportation plan. He went on to say substantive, positive changes to the CSXT Agreement will require a more serious financial commitment to rail investment.

Moving to a different subject, Chairman Gibbons noted that the Federal Transit Administration’s (FTA) recent rulemaking on the issue of HOT lanes qualifying as “guideway miles” was not the outcome favored by the Commission. Because only HOT lanes that are converted HOV lanes qualify under FTA’s final rule, the newly constructed lanes proposed as far south as the Massaponax area will not qualify. Mr.

Harf noted that the rulemaking is adverse to Northern Virginia too, because the proposed beltway HOT lanes are also excluded.

Mr. Harf observed that FTA's reasoning was shaped by the practical problem that a more permissive rule would dilute formula funding currently received by certain metropolitan areas in lieu of a larger program. Thus, while FTA's final rule acknowledges that newly constructed HOT lanes could have as much transit benefit as HOV lanes converted to HOT lanes, the rule narrative suggests that a larger "pie" is required to permit a more permissive policy. Mr. Harf suggested that this acknowledgment affords the Commission and the Commonwealth an opportunity to join forces to advocate a larger pie so a more permissive policy -- as the Commission and the Commonwealth favor -- has no adverse impact on existing recipients.

Chairman Gibbons noted that a "GAO Report on Intercity Passenger Rail (Amtrak)" has been provided for the Commissioners' perusal. Mr. Harf explained that the Congress mandated that the GAO undertake the report and noted that the report is an examination of whether the country has an appetite for a national rail system. The report documents that currently 80% of Amtrak's subsidy is spent on long distance trains (longer than 500 miles) and these trains account for 15% of Amtrak's ridership, so there is a huge disparity between where the money is being spent and what the return on investment actually is. In essence, the report is an appeal for the Congress and the Administration to resolve what sort of national rail system there should be and what role the Federal government should play in creating and sustaining such a system.

12. EXECUTIVE DIRECTOR'S TIME

[PRTC\Info] A. Executive Director's Report.

Reporting first on legislative developments, Mr. Harf noted that the Congress is likely to enact a continuing resolution through the end of FY07. He explained that the funding will be at FY06 levels, or about 5% less than what SAFETEA-LU envisioned for transit in FY07. Mr. Harf also observed that Congressional leaders have indicated a likelihood of no earmarks in FY07, which would nix about \$2M that PRTC was anticipating for the western maintenance facility. Conceivably, however, PRTC will still be able to seek this funding from FTA, depending on whether the discretionary funds are appropriated for FTA to award as it sees fit. Mr. Harf noted that PRTC management is monitoring the situation carefully so it can move quickly as the facts become clearer.

Turning to the state side, Mr. Harf reported that the Kaine Administration has unveiled a pair of transportation funding proposals: one involving the use of one-time surpluses and the second a proposal for sustained increased transportation funding that will involve tax increases. The House of Delegates has reacted critically.

Finally, Mr. Harf noted that PRTC has completed its third year evaluation of First Transit's incentive earnings. He went on to say that First Transit earned just over a half million dollars – the sum of favorable passenger revenue variances and the actual performance incentives. In accordance with the PRTC-First Transit contract, a portion of the incentives will be retained by First Transit to defray the costs First Transit incurred for liquidated damages that were withheld, while the remainder becomes payable to the “rank and files” (all but Mr. Roessel). He noted that First Transit employees were informed that their share of the incentives amounted to close to \$2,000 before taxes.

RES 07-01-09
[PRTC\FY06
Audit]

- B. Accept the FY06 Audited Financial Statements, Required Communication to the Commissioners, and the Management Letter Presented by the Accounting Firm of PBGH LLP. Commissioner Barg moved, with a second by Commissioner Wren, to accept the FY06 audited financial statements, required communication to the Commissioners, and the management letter as presented by the accounting firm of PBGH LLP.

Mr. Mike Garber, PBGH LLP, provided a review of the financial statements/management letter and answered questions.

Chairman Gibbons noted that PBGH LLP is also VRE's auditor and expressed the Commission's appreciation to Mr. Garber.

There was no discussion on the motion.
(BARG\WREN, UNANIMOUS)

RES 07-01-10
[PRTC\Diesel
Fuel]

- C. Enter into a Contract for the Purchase of Diesel Fuel. Commissioner Barg moved, with a second by Commissioner Kelly, to authorize the Executive Director to award a contract to Mansfield Fuel for one year and exercise four option years if, in the Executive Director's judgment, doing so would be in PRTC's interest and further authorized to end the contract with Continental Oil by exercising the “termination for convenience” provision. There was no discussion on the motion. (BARG\KELLY, UNANIMOUS)

- RES 07-01-11
[PRTC\Surveillance
System Equipment]
- D. Conduct Procurement of Additional Transit Center Surveillance System Equipment. Commissioner Barg moved, with a second by Commissioner Kelly, to authorize the Executive Director to conduct a procurement for additional Transit Center surveillance system equipment. There was no discussion on the motion. (BARG\KELLY, UNANIMOUS)
- RES 07-01-12
[PRTC\Fare and
Ticketing Plan]
- E. Proposed Further Amendment to PRTC's Adopted Fare and Ticketing Plan. Commissioner Barg moved, with a second by Commissioner Kelly, to authorize management to commence a public review process of these proposed changes, and directs management to recommend a final course of action thereafter that accounts for reactions received. There was no discussion on the motion. (BARG\KELLY, UNANIMOUS)
- RES 07-01-13
[PRTC\First Transit
Change Order #6]
- F. Prepare and Execute Change Order #6 to First Transit Bus Services Operating Contract. Commissioner Barg, moved, with a second by Commissioner Kelly, to adopt the incentive range as proposed and further authorized to draft and execute Change Order #6 to the PRTC-First Transit contract containing the approved changes. There was no discussion on the motion. (BARG\KELLY, UNANIMOUS)
- RES 07-01-14
[PRTC\Schedule &
Bus Stop Displays]
- G. Delegation of Authority to the Executive Director to Approve All Expenses Related to Schedule and Bus Stop Display Production. Commissioner Barg moved, with a second by Commissioner Kelly, to authorize the Executive Director to incur costs associated with printed schedule and bus stop information display production of as much as \$430,000, which includes a 20% contingency allowance, to avert the need for recurring Commission actions for this routine type work. There was no discussion on the motion. (BARG\KELLY, UNANIMOUS)
- [PRTC\Info]
- H. Legislative Report. There were no further comments.

- [PRTC\Info] I. House Document No. 78 – Washington, D.C. to Richmond Third Track Feasibility Study. There were no further comments.
- [PRTC\Info] J. GAO Report on Intercity Passenger Rail. There were no further comments.
- [PRTC\Info] K. Other Information Items:
1. PRTC Service Performance Reports. There were no comments.
 2. PRTC Budget-to-Actual Comparison – Four Months Ended November 30, 2006. There were no comments.
 3. Communications:
 - a. Related to Funding. There were no comments.
 - b. Related to Jurisdiction. N/A.
 - c. General Interest. There were no comments.
- RES 07-01-15
[PRTC\Convene
Closed Meeting] L. Convene into Closed Meeting. Commissioner Kelly moved, with a second by Commissioner Barg, to convene into Closed Meeting at 8:10 p.m. regarding PRTC’s contract with First Transit pursuant to Section 2.2-3711.A.7 (legal) VA Code Ann. There was no discussion on the motion. (KELLY\BARG, UNANIMOUS)
- RES 07-01-16
[PRTC\Certify
Closed Meeting] M. Certification of Closed Meeting. Commissioner Barg moved, with a second by Commissioner Kelly, to certify Closed Meeting at 8:40 p.m. There was no discussion on the motion. (BARG\KELLY, UNANIMOUS)
- N. Action Items Reported out of Closed Meeting
- There were no items to report out of Closed Meeting.

13. OTHER BUSINESS/COMMISSIONERS' TIME

There was no other business to come before the Commission.

14. ADJOURNMENT

There being no further business to come before the Commission, Chairman Gibbons adjourned the meeting at 8:45 p.m.

NEXT MEETING: Wednesday, February 7, 2007, 7:00 p.m.

LOCATION: PRTC Transit Center
14700 Potomac Mills Road, 2nd Floor
Woodbridge, VA 22192-6811
Main #: (703) 583-7782
Fax #: (703) 583-1377