



Virginia Railway Express

# CHIEF EXECUTIVE OFFICER'S REPORT

May 2008

## MONTHLY DELAY SUMMARY

	January 08	February 08	March 08	April 08
<b>System wide</b>				
Total delays	86	84	75	126
Average length of delay (mins.)	20	16	16	14
Number over 30 minutes	13	9	6	11
Days with Heat Restrictions/Total days	0/21	0/20	0/21	0/22
On-Time Performance	85.9%	85.5%	87.7%	80.3%
<b>Fredericksburg Line</b>				
Total delays	51	42	31	70
Average length of delay (mins.)	20	16	18	12
Number over 30 minutes	8	3	4	0
On-Time Performance	81.3%	83.8%	88.6%	75.5%
<b>Manassas Line</b>				
Total delays	35	42	44	56
Average length of delay (mins.)	20	16	15	17
Number over 30 minutes	5	6	2	11
On-Time Performance	89.6%	86.9%	86.9%	84.1%

## SYSTEM RIDERSHIP

Ridership in April 2008 was 11.6% higher than in April 2007. We hit over 16,000 riders twice during the month of April. Monday ridership has also increased, which in the past has been a low ridership day. We carried over 15,000 twice this month on a Monday.

Ridership has grown for ten consecutive months. More importantly, the cumulative ridership for this fiscal year has climbed to 14,538 average daily trips and represents a 5.3% increase from last fiscal year. This is the highest that it's been since June 2006. There are now 1,587 more trips per day than there were a year ago.

## SYSTEM ON TIME PERFORMANCE

The system wide on-time performance dipped to 80.3% in April, with an on-time performance of 75.5% on the Fredericksburg Line and 84.1% on the Manassas Line. Although, on-time performance was less than the previous month, the average delay system wide dropped from 16 minutes to 14 minutes, indicating that most delays were minor. The largest cause of delays was train interference and slow orders on the Fredericksburg line due to CSX repairing mainline tracks. CSX operated a special inspection car on the Fredericksburg Line which identified a number of minor defects in the rail as well as rail that was misaligned. CSX immediately placed slow orders over most of the areas until maintenance crews could correct

the defects. Most of the defects have been corrected and I anticipate that the on-time performance will bounce back to the previous levels in May. The good news was that only nine delays out of the total 126 delays for April were due to mechanical issues.

### **CSX THIRD TRACK INSTALLATION**

On Friday, May 30<sup>th</sup>, VRE will experience service disruptions on both lines due to CSX tying in a new portion of third main track at "RO", an area just south of the Potomac River Bridge near the Crystal City Station.

The third track is near completion and in order to tie it in with the existing track, CSX must run a series of tests and conduct signal suspensions to ensure that everything is working before opening it to regular railroad traffic. This process will take three days and three nights, which prevents work from being contained to the weekend. CSX will begin the process on Thursday evening, May 29 after VRE service and complete it on Sunday, June 1.

On May 30<sup>th</sup> VRE will terminate Fredericksburg line trains at Franconia/Springfield and passengers will transfer to Metro using their VRE ticket. Manassas line trains will terminate at the Norfolk Southern facility near the Van Dorn Street Metrorail station where they will be bused to the Metro Station. This process will be reversed in the afternoon. VRE staff will be on location at both Metro stations to assist passengers. Passenger notification has begun and will continue through the month of May.

### **MEET THE MANAGEMENT**

Next week, we will begin our Meet the Management sessions at the origination stations. The first event will be at the Fredericksburg station on May 14<sup>th</sup>. We will be at the Broad Run station on May 21<sup>st</sup>, and the Leeland Road station on May 28<sup>th</sup>. We will meet all morning trains with refreshments and answer any questions.

### **CUSTOMER SERVICE SURVEY**

The annual Customer Service Survey was held on May 7<sup>th</sup>. VRE and PRTC staff rode all trains and administered the survey. The results will be tabulated and a final report will be distributed to the Board at the August Operations Board meeting.

### **NEXT DELIVERY OF NEW RAIL CARS**

The next five new Gallery cars will be delivered to Ivy City on May 15<sup>th</sup>. Testing will occur over the weekend and be ready for service on the Manassas line by Monday, May 19<sup>th</sup>. With this delivery, 30 railcars out of the 50 railcar option will have been received and put into service.

## **NEW LEASED LOCOMOTIVES**

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Two of the new leased locomotives arrived in April. One is currently being tested on a revenue train. The second one is undergoing inspections at Ivy City and I anticipate it will be placed into service shortly. A third unit will arrive in May.

## **VRE WINS VTA INNOVATIVE PROGRAM AWARD**

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VRE was recently notified that our fall Courtesy Campaign was awarded the Virginia Transportation Association Innovative Program Award. The award will be presented at the May 20<sup>th</sup> VTA conference in Crystal City. Our winter campaign "Car Bad, Train Good", also received an honorable mention award in the Transportation Advertising category for VTA.

**MONTHLY PERFORMANCE MEASURES – APRIL 2008**

<b>MONTHLY ON-TIME PERFORMANCE</b>	<b>ON-TIME PERCENTAGE</b>
April Fredericksburg OTP Average	75.5%
April Manassas OTP Average	84.1%
<b>VRE APRIL OVERALL OTP AVERAGE</b>	<b>80.3%</b>

<b>RIDERSHIP YEAR TO DATE</b>	<b>RIDERSHIP</b>
VRE FY 2008 Passenger Totals	2,994,850
VRE FY 2007 Passenger Totals	2,845,170
<b>PERCENTAGE CHANGE</b>	<b>5.3%</b>

<b>RIDERSHIP MONTH TO MONTH COMPARISON</b>	
<b>DESCRIPTION</b>	<b>MONTHLY RIDERSHIP</b>
MARCH 2008	336,860
APRIL 2007	288,227
<b>PERCENTAGE CHANGE</b>	<b>11.6% NORMALIZED</b>
<b>SERVICE DAYS (CURRENT/PRIOR)</b>	<b>22/21</b>

# Chief Executive Officer's Ridership Report



**MAY 2008**

*As Reported to the VRE Operations Board  
May 16, 2008*

# Monthly Ridership and OTP: April 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	3,711	3,552	7,263	75%	4,229	4,421	8,650	92%	15,913	83%
2	3,723	3,777	7,500	81%	3,966	4,404	8,370	77%	15,870	79%
3	3,598	3,678	7,276	94%	4,019	4,269	8,288	85%	15,564	90%
4	3,044	2,937	5,981	88%	3,761	4,069	7,830	85%	13,811	86%
5										
6										
7	3,546	3,524	7,070	81%	4,031	4,076	8,107	77%	15,177	79%
8	3,717	3,697	7,414	100%	4,309	4,139	8,448	77%	15,862	90%
9	3,806	3,765	7,571	88%	3,956	4,367	8,323	62%	15,894	76%
10	3,608	3,542	7,151	88%	3,947	4,058	8,005	54%	15,156	72%
11	2,882	3,081	5,963	81%	3,861	3,839	7,700	38%	13,663	62%
12										
13										
14	3,581	3,476	7,057	63%	3,766	4,154	7,920	46%	14,977	55%
15	3,730	3,620	7,350	81%	4,214	4,390	8,604	85%	15,954	83%
16	3,475	3,850	7,325	81%	3,983	4,261	8,244	85%	15,569	
17	3,399	3,532	6,931	75%	4,010	4,365	8,375	85%	15,306	79%
18	2,862	3,002	5,864	75%	3,634	3,834	7,468	77%	13,332	76%
19										
20										
21	3,695	3,402	7,097	100%	3,950	4,388	8,338	92%	15,435	97%
22	3,558	3,646	7,204	88%	4,105	4,400	8,505	85%	15,709	86%
23	3,633	3,495	7,128	100%	4,347	4,645	8,992	85%	16,120	93%
24	3,516	3,705	7,221	94%	4,275	4,626	8,901	54%	16,122	76%
25	2,889	2,752	5,641	56%	3,703	4,038	7,741	85%	13,362	69%
26										
27										
28	3,470	3,404	6,874	75%	3,900	4,173	8,073	69%	14,947	72%
29	3,851	3,773	7,624	100%	3,919	4,242	8,161	85%	15,785	93%
30	3,583	3,613	7,196	88%	4,229	4,330	8,559	85%	15,755	86%
	73,167	73,271	153,701	85%	83,885	89,067	181,602	75%	335,303	80%
<b>Adjusted total:</b>			<b>153,736</b>				<b>183,124</b>	<b>Adjusted Total:</b>	<b>336,860</b>	

# of Service Days:	22	Adjusted Total:	336,860
Manassas Daily Avg. Trips:	6,986	Trips This Month:	336,860
Fred'burg Daily Avg. Trips:	8,324	Prior Total FY-2008:	2,657,990
Total Avg. Daily Trips:	15,241	Total Trips FY-2008:	2,994,850
		Total Prior Years:	36,959,773
		Grand Total:	39,964,623

# Monthly Ridership Changes: Fiscal Year 2007 vs. 2008

Current Month	MANASSAS			FREDERICKSBURG		
	Avg Daily FY2007	Avg Daily FY2008	% change	Avg Daily FY2007	Avg Daily FY2008	% change
July	6310	6513	3.22%	7337	7393	0.76%
August	6319	6405	1.36%	7070	7379	4.37%
September	6451	6847	6.14%	7232	7652	5.81%
October	6820	6973	2.24%	7513	7754	3.21%
November	6695	6894	2.97%	7626	7707	1.06%
December	5823	6081	4.43%	6813	7235	6.19%
January	7158	6978	-2.51%	7862	8148	3.64%
February	6921	6842	-1.14%	7465	8018	7.41%
March	6842	6812	-0.44%	7218	8050	11.53%
April	6467	6988	8.06%	7259	8324	14.67%
May	6600			7493		
June	6647			7560		
Average growth			2.43%			5.86%
						4.22%

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

\*\* Average daily ridership for January 2007 does not include 1/2/07 due to Federal Government closure.

# **Chief Executive Officer's Report**



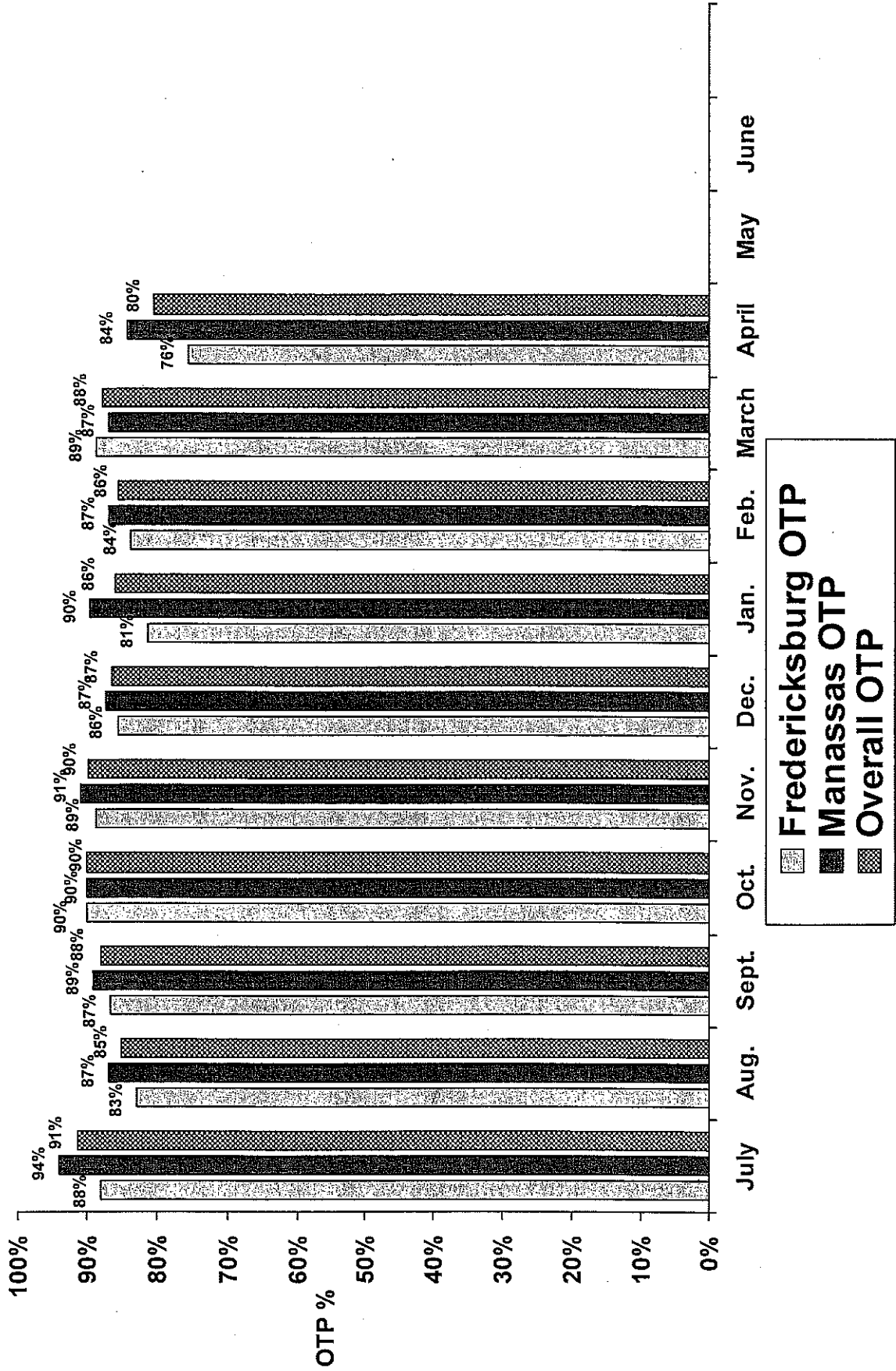
## **Chief Executive Officer's On-Time Performance**

**MAY 2008**

*As Reported to the VRE Operations Board  
May 16, 2008*

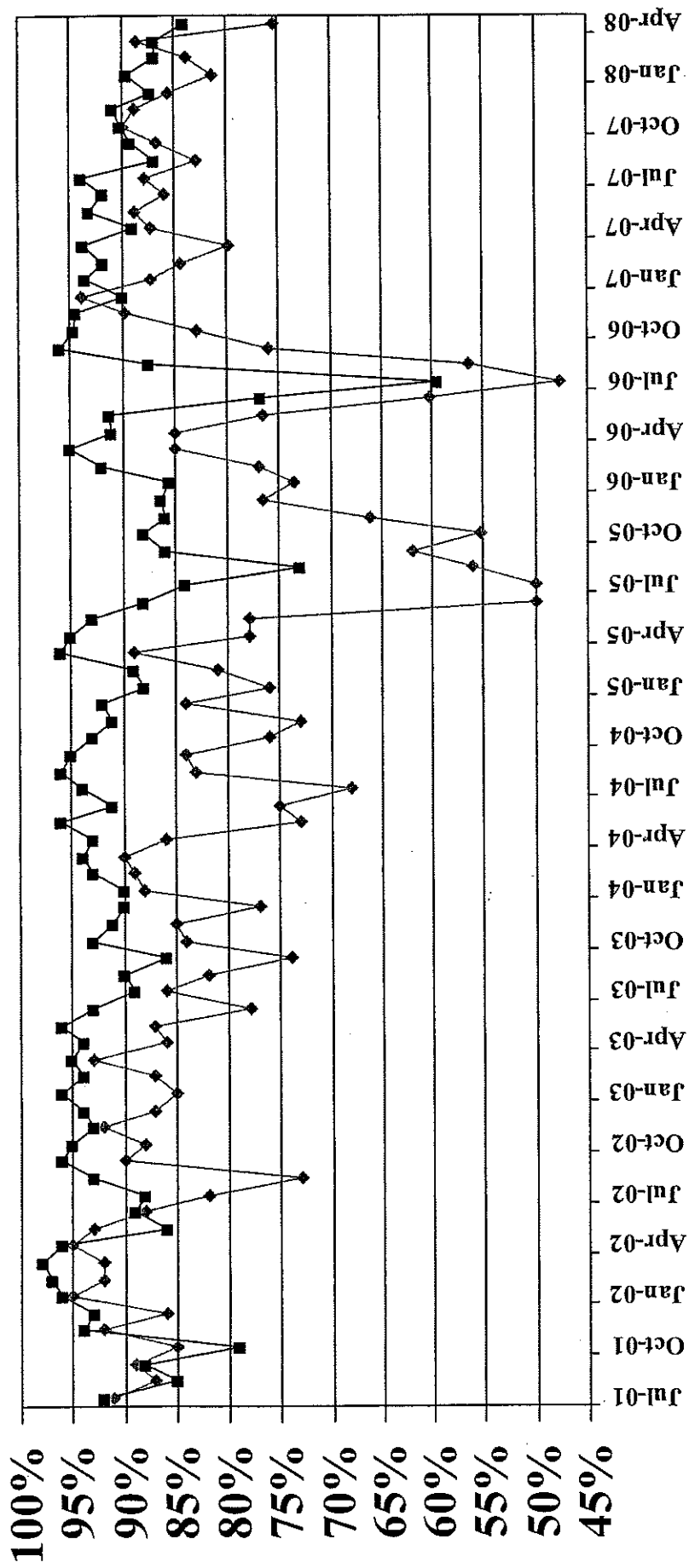
# Average On-Time Performance

## FY-2008



# On-Time Performance

July 2001 – April 2008



◆ Fredericksburg Line    ■ Manassas Line

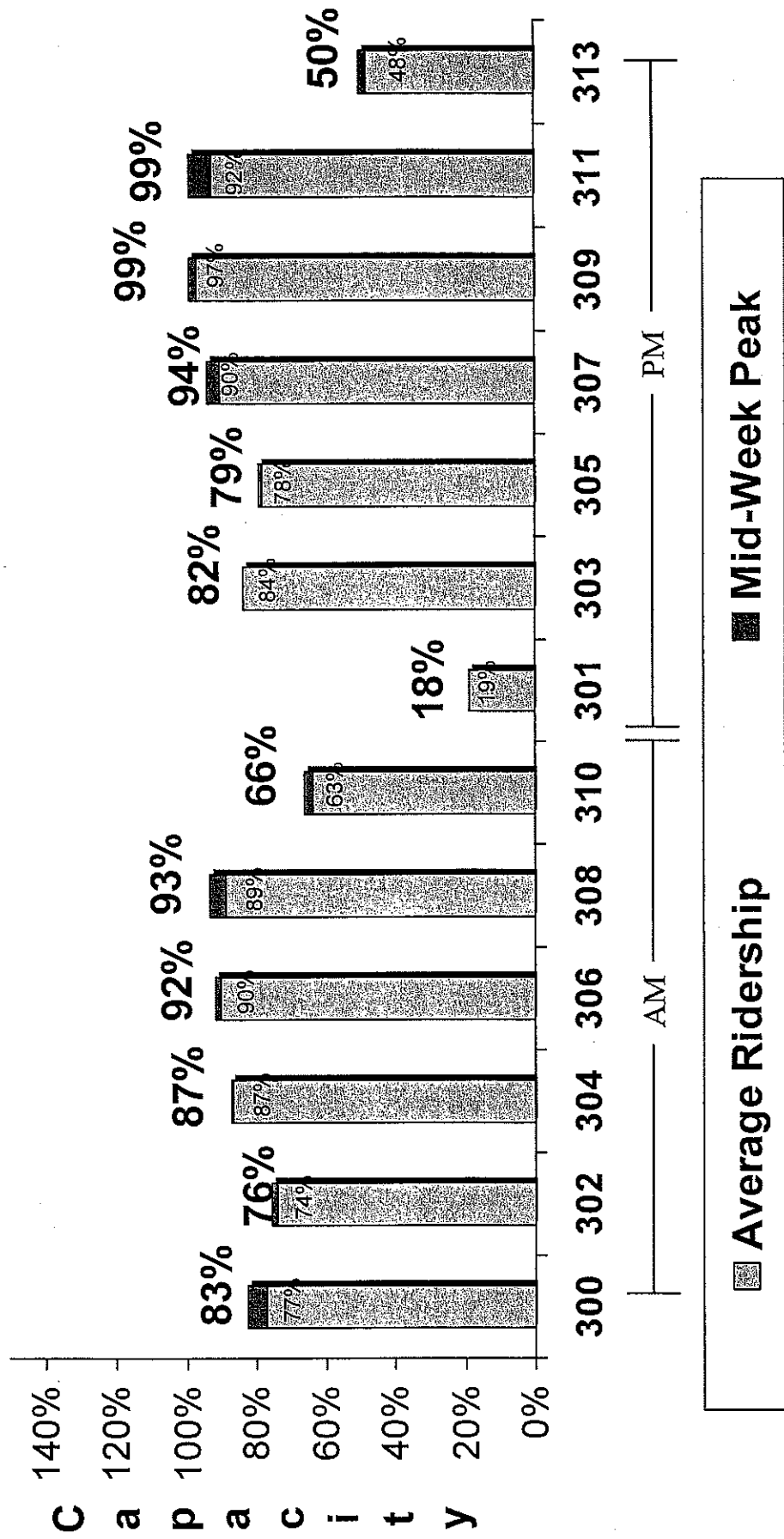
# Chief Executive Officer's Train Utilization



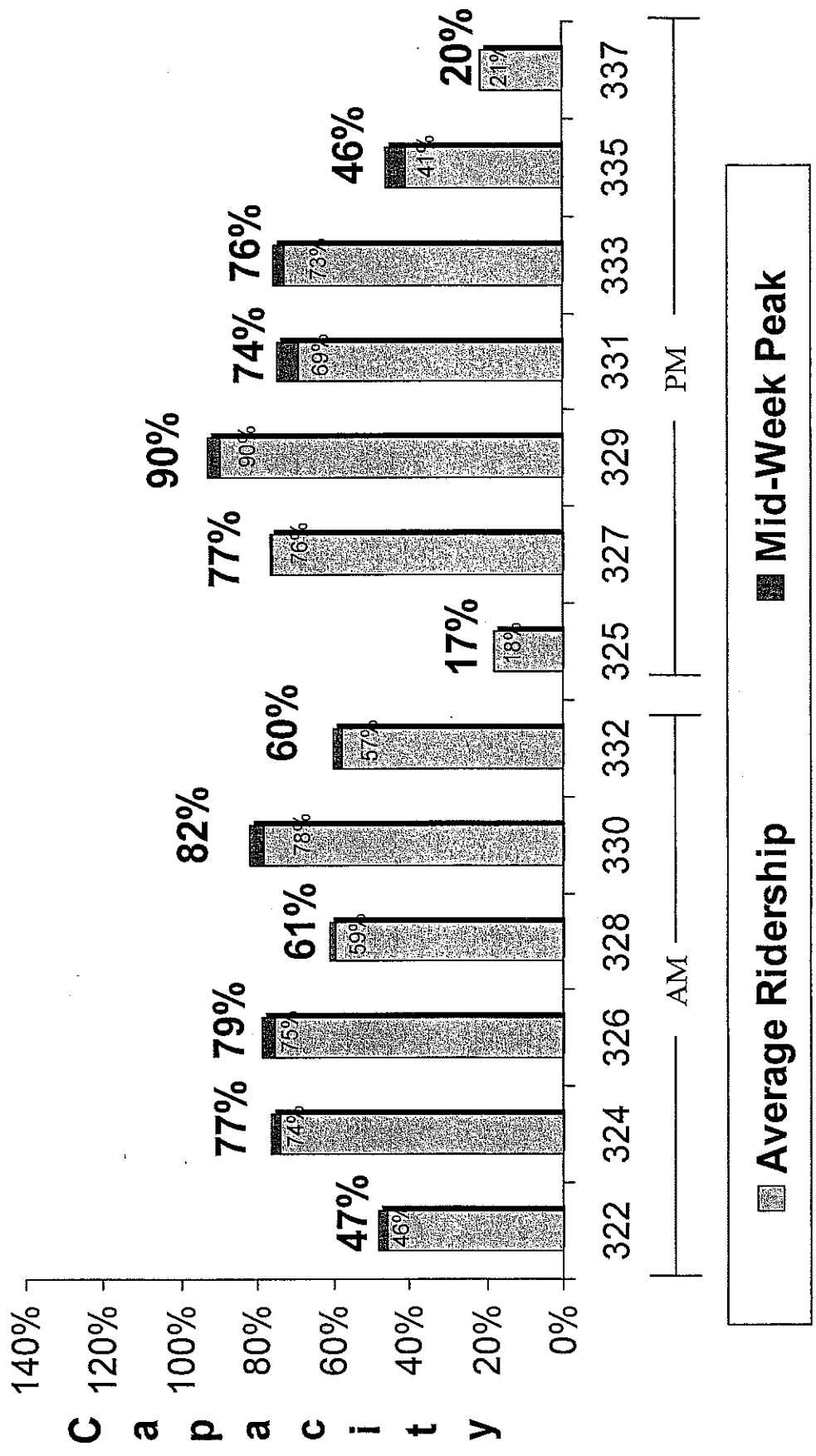
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# Train Utilization: Fredericksburg Line – April 2008



# Train Utilization: Manassas Line – April 2008



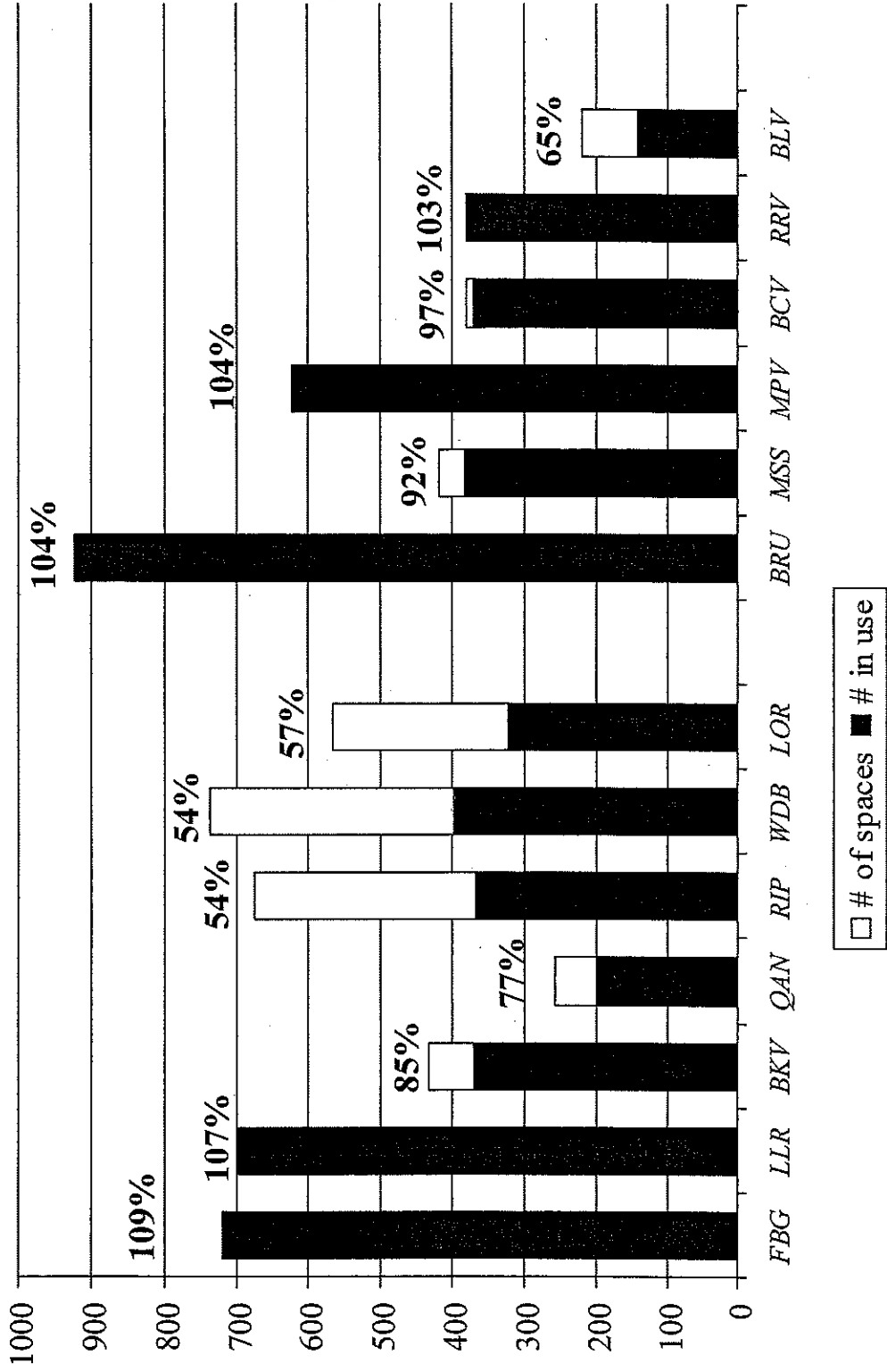
# Chief Executive Officer's Parking Utilization



**MAY 2008**

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May 16, 2008*

# Parking Lot Utilization: April 2008



# Chief Executive Officer's Capital Project Summary



**MAY 2008**

*As Reported to the VRE Operations Board  
May 16, 2008*

**VIRGINIA RAILWAY EXPRESS  
CAPITAL PROJECTS - PROGRESS REPORT  
Projects Underway in FY08 As of  
May 1, 2008**

PROJECT	LOCATION	TOTAL ADORPTED CIP BUDGET THRU FY08	TOTAL BOARD APPROVED FUNDS	PROJECT DESCRIPTION	PERCENTAGE (%) OF TOTAL PROJECT TASK COMPLETION	PROJECT COMPLETION DATE	STATUS
Cherry Hill Third Track	Cherry Hill, Virginia	\$2,500,000		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 63.4.			Working with DRPT to finalize grant agreement. PE/EA work will be awarded to STV/RWA pending Commission authorization. Will schedule kick off meeting once contract is executed to start work in April.
Cherry Hill Third Track PE/EA			\$1,961,709	Prepare an environmental assessment and preliminary design for track alternatives and supporting structures.	0%	3rd Quarter 2009	Contract executed with STV. Received NTP from DRPT. NTP issued to STV for May 1, 2008. Kick off meeting scheduled for May 14, 2008.
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	\$830,000	\$830,000	Construct approximately 1400 ft storage track just north of the existing platform	95%	1st Quarter 2008	Siding construction completed in late September. VRE performed inspection in mid-January. Awaiting final CSXT inspection and final invoice.
L'Enfant Storage Track Wayside Power Design			N/A	Design of wayside power for two train sets.	85%	2nd Quarter 2008	HDR indicates it will be feasible to move power pedestals to north end of siding. Revised design and construction cost estimate in progress. Working to incorporate design of air compressor and associated electrical requirements. 60% cost estimate shows \$224,000 required for construction. Moving power pedestals to north end of siding may result in cost savings. Additional funding may be needed for construction of WP. PEPCO requires design change to electric service - approx. total cost \$87k. Signed task order with NVE to install C/T cabinet. PEPCO to proceed with service installation once C/T cabinet is installed and PEPCO design changes complete.
L'Enfant Storage Track Wayside Power Construction			N/A	Construction of Wayside Power	0%	TBD	
<b>Planning Studies and Communications Projects</b>							
SmartTrip Technical Support Proj. No. 1310 020	VRE offices/ system wide	\$155,000	\$154,285	Technical assistance for the design, procurement, installation and testing of a SmartTrip compatible system for VRE.	31%	3rd Quarter 2009	HDR completed review of Phase 1 scope of work; reviewing suggested changes and completing other contract documents for S&B amendment. Smart Benefits pilot continues.
Hecht Site Feasibility	Washington, D.C.	\$329,000	\$160,909	Investigate use of Hecht site for mid-day storage as proposed by Amtrak.	45%	2nd Quarter 2008	Meeting was held with Amtrak on 10/31/07 where Amtrak presented a new plan to facilitate VRE access to the site. This plan appears feasible provided that purchase or lease of CSXT trackage is accomplished. VRE usage to be analyzed
WUJT Train Movement Study	Washington, D.C.	\$180,000	\$179,677	Investigate train movements in WUJT, Ivy City and Coach Yard and allocate cost to utilize the facility.	99%	2nd 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 VRE'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.

**VIRGINIA RAILWAY EXPRESS  
CAPITAL PROJECTS - PROGRESS REPORT  
Projects Underway in FY08 As of  
May 1, 2008**

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2-Way Radio System Construction			\$248,400	Installation of new two-way radio system	70%	2nd quarter 2008	Located antenna location in Alexandria. Working on lease agreement and permit process. Contract Amendment 1. All leases under review by VRE Attorney.
Gainesville Haymarket MIS	New Line	\$1,537,338	\$1,537,338	Develop expansion alternatives for new service to Gainesville and Haymarket	0%	1st Quarter 2009	Kick-off meeting held on 4/10/08. Project Manual/Schedule submitted 4/17/08. Public participation plan submitted 5/2/08 and under review. Progress meeting scheduled for 5/8/08.
<b>Commuter Station Projects</b>							
Fredericksburg Viaduct Repairs	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. Option 7 costs \$2.4 Million which includes repairs to the bottom of the platform slabs, CSX center track slab, abutments, ramps, and pier substructures.
Manassas City Parking Deck				Develop detailed design to address necessary repairs	0%	2007-2010	Will issue a task order for detailed design and construction documents once further funding is in place.
Manassas City parking Deck Environmental			\$170,675	Construction of a 520 space parking garage in the City of Manassas.	100%	2nd Quarter 2008	Both Commissioners 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 Design			\$596,534	Preliminary work (site location/environmental) for future garage parking.		Completed	
Manassas City parking Deck Construction	Manassas, Virginia	\$12,750,000	\$9,189,400	Design and limited construction administration for 520+ space parking structure.	95%	3rd Quarter 2008	PB providing ongoing construction administration support.
Manassas City Parking Deck Electrical Line Relocation				Construction of Parking Garage	75%	3rd Quarter 2008	Precast erection complete. Current construction activities include electrical, plumbing, roofing, slab on grade installation, caulking and precast finishing.
- Land Acquisition Assistance			\$416,000	Relocate high voltage line along Prince William Street	100%	Completed	Relocation of new pole and transmission line work complete.
Woodbridge Station Expansion	Woodbridge, Virginia		\$102,626	Assist in relocation services for current Owners and Tenants per Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act.	100%	Completed	Property acquisition was completed in September and tenant relocation was completed in January
Woodbridge Station Expansion Track Relocation	Woodbridge, Virginia		\$910,000	This project includes a Kiss & Ride, Second Platform & Pedestrian Crossover - which will join the parking garage and Second Platform.	100%	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. PWC indicated site plan approval can be granted without recommendation letter from VDOT. Final site plan submitted to PWC 4/29/08.
			TBD	Shifting of track 3 to the west to allow for future third track between platforms.	0%	3rd Quarter 2007	Draft force account agreement and project addendum approved by Legal. CSX force account estimate prepared. Release of estimate dependant on resolution of other CSX issues.

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CAPITAL PROJECTS - PROGRESS REPORT  
Projects Underway in FY08 As of  
May 1, 2008**

PROJECT	LOCATION	TOTAL ADOPTED OIP BUDGET THROUGH FY09	TOTAL BARD APPROVED FUNDS	PROJECT DESCRIPTION	PERCENTAGE (%) OF TOTAL PROJECT TASK COMPLETION	PROJECT COMPLETION DATE	STATUS
Woodbridge Station Expansion Construction	Woodbridge, Virginia		TBD	Construction of second platform, pedestrian crossover to existing parking garage, and bus turnout on Route 1.	0%	2nd Quarter 2009	Received Board and Commission approval to award contract to Costello Construction of Maryland, Inc. Contract forwarded to Costello for signature.
Woodbridge Station Expansion K&R Traffic Analysis	Woodbridge, Virginia		NA	To obtain traffic data and prepare report of analysis results	10%	2nd Quarter 2008	Study underway. Gathering additional VRE ridership data for use in completing traffic analysis. Continuing coordination with VDOT.
Woodbridge Station Expansion Land Acquisition	Woodbridge, Virginia	\$4,311,928	\$4,311,928	Acquisition of 8 parcels, relocation fees, relocation assistance, appraisals, surveys, and legal fees associated with those acquisitions.	100%	Completed	All property has been acquired and tenants and business relocated.
Burke Centre Platform Extension	Burke, VA	\$1,000,000	\$100,760	Extend platform by 200ft and replace existing platform post lights	30%	2nd Quarter 2008	30% Design Complete. 60% Design due at end of June. Pursuing replacement lighting options and details.
Burke Centre Platform Extension Design	Burke, VA						
Leeland Rd Station Expansion	Stafford, VA	\$958,400	\$172,700	Prepare an environmental assessment (EA) and Preliminary Engineering for an expansion of the VRE Leeland Road Station Park and Ride Lot.	0%	4th Quarter 2009	Kick-off meeting held with DMJM 5/5/08. Data collection started.
Environmental							
Parking Lot							
Expansion							
Environmental	Stafford, VA		\$275,124	Prepare an environmental assessment (EA) and Preliminary Engineering for an expansion of the VRE Brooke Station Park and Ride Lot.	0%	4th Quarter 2009	Kick-off meeting held with DMJM 5/5/08. Data collection started.
Yard Improvements							
Broad Run Yard Expansion / Maintenance Facility	Broad Run	\$3,222,000		Design and construction of additional storage tracks and locomotive and train wash facilities.			
Broad Run Yard Expansion / Maintenance Facility Design				Perform design of S&I building, car wash, warehouse and limited construction support services.	90%	2nd Quarter 2008	90% Design submitted to VRE for review on 04/07/2008 and review meeting held on 04/30/2008. VRE currently reviewing 90% Design submission and expects to provide comments to DMJM by the end of May 2008. Coordination with Dominion Power regarding to electrical service install and with PWC regarding building permit and site plan are on-going.
Crossroads Yard Expansion / Maintenance Facility			\$786,887	Design and construction of additional storage tracks and locomotive and train wash facilities.			
Crossroads Yard Expansion / Maintenance Facility Design				Perform design of S&I building and car wash and limited construction support services	100%	4th Quarter 2007	Providing construction support as needed.
Crossroads Yard Expansion / Maintenance Facility SWM Investigation	Crossroads	\$7,157,000	\$45,898	Evaluate SWM design performed by PB, identify more cost effective SWM alternatives, and revise SWM in site plan if necessary.	100%	Completed	Right-of-Entry Agreement, expiring 12/31/2007, with CSXT executed on 7/30/2007. Extension of Right-of-Entry Agreement through the end of construction was executed on 01/21/2008. BMP agreement recorded at Spotsylvania County on 8/14/2007. Site plan approved on 8/15/2007. Certification of as-built plans will need to be completed at the end of construction (summer 2008).
Crossroads Yard Expansion / Maintenance Facility Yard Air Design			\$43,042	Perform design of compressed air system for yard to be used for air brake testing of trains.	100%	4th Quarter 2007	RFO No. 09-001 was issued on 3/12/2008. Two quotes were received from Rio Prime Construction and Paramount Mechanical. Quotes are currently being evaluated by VRE.

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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.	65%	3rd Quarter 2008	Foundations, floor slab and erection of structural steel for Train Wash Building are substantially complete. Erection of the Train Wash Building is expected to be completed by middle of May 2008. Foundation for S&I Building is about 85% complete. Completion of foundation and floor slab is anticipated by the end of May 2008. Pre-engineered building for S&I Building is expected to be delivered by mid May 2008 and erected by early July 2008. Construction of concrete inspection pit and jacking pads is complete. Utility installation is currently about 95% complete. Track work has begun and right-hand turnout has been installed.
Rolling Stock							
New Railcar Procurement Proj. No. 90-16-16026				Construction of new passenger rail cars	100%	1st Quarter 2008	All 11 cars in base order on VRE property. All 11 in service. Working out warranty issues. Have added Sparking brakes
New Railcar Fabrication (11 Cab Cars)	System-wide	\$2.2 million annual payment	\$26,035,000	Construction of 11 cab car BASE ORDER	97%	1st Quarter 2008	Engineering now focused on warranty issues.
New Railcar Oversight (11 Cab Cars)			\$2,750,000	Perform all engineering oversight and warranty follow-up for construction of 11 cab cars			
New Railcar Procurement Proj No 90-42-16060							
New Railcar Fabrication (50 Cars)			\$90,427,748	Construction of OPTION ORDER consisting of 10 cab cars, 20 trailers with toilets and 20 trailers without toilets.	40%	4th Quarter 2008	25 cars now in service. All other shells either at Super Steel. 5 more scheduled to arrive on 3/15.
New Railcar Oversight (50 Cars)			\$2,148,814	Perform all engineering oversight and warranty follow-up for construction of 50 car option order	35%	4th Quarter 2008	Activities in Japan concluded. All work now in Milwaukee and Manassas.
Sounder Lease	System-wide	\$8,226,000	\$8,380,180	Lease of three train sets from Sound Transit	100%	Completed	First set of cars returned to Seattle in May, 2006. Second set returned June, 2007. Third, and final, set returned in March, 2008. Finalizing accounts between parties
Top Deck Rebuilds Work Management Software Project No 90-57-16270	System-wide	\$4,500,000	\$1,730,776	Top Deck Rebuild for 8 Locomotives	88%	On going Project	V02, V07, V21, V06, V08 and V09 Top deck work has been completed. V24 is being Overhauled and will be completed by the end of this week (4/4/08) and V05 is preparation for shipment as the next candidate for topdeck Overhaul. V05 is temporarily on hold
Work Management Software Training and Set-up	Yards & Warehouse	\$96,000	N/R	Provide software and License agreements to track parts management. Transfer all inventory data from Quickbooks to new software.	100%	2nd Quarter '08	Ready to launch warehousing application 6/1/08. Work management phase should follow by 1 or 2 months.
Locomotive Lease New Locomotive Procurement No. 90-55-16040	System-wide	\$607,725	\$202,575/year	3-year lease of 3 locomotives	66%	2nd Quarter 2008	2 locomotives arrived at VRE. Should be in service by EOM. Third to follow.
New Locomotive Manufacture (2)		\$10,000,000	\$9,634,396	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.

**VIRGINIA RAILWAY EXPRESS  
CAPITAL PROJECTS - PROGRESS REPORT  
Projects Underway in FY08 As of  
May 1, 2008**

PROJECT	LOCATION	TOTAL ADOPTED CIP BUDGET THRU FY08	TOTAL BOARD APPROVED FUNDS	PROJECT DESCRIPTION	PERCENTAGE (%) OF TOTAL PROJECT TASK COMPLETION	PROJECT COMPLETION DATE	STATUS
New Locomotive Engineering Oversight		\$4,145,920	\$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.

# Chief Executive Officer's Financial Report



**MAY 2008**

*As Reported to the VRE Operations Board  
May 16, 2008*

## FINANCIAL STATISTICS FOR APRIL 2008

Copies of the April 2008 Operating Budget Report are attached.

Fare income for the month of April 2008 was \$75,698 above the budget – a favorable variance of 4.02%. The cumulative variance for the year is 1.55% or \$274,854 above the budget. This positive variance is generally in line with current projections and reflects the anticipated gradual increase in ridership. Revenue in the first ten months of FY 2008 is up 10.7% over FY 2007.

A summary of the financial results (unaudited) as of April 2008 follows. Detail on the major revenue and expense categories are provided in the attached Operating Budget Report. This report is consistent with the year-end financial projection that was presented to the Board in April, which estimated a net income loss from operations of approximately \$2 million. Major factors contributing to this loss are higher than anticipated diesel fuel costs, Amtrak contract settlement costs, equipment repair costs, and less than budgeted revenue from older state grants with lower match reimbursement rates.

Measures		Goal	Actual	Trend
Operating Ratio		55%	65%	↑
<b>Budgeted Revenue</b>	61,499,872			
Budgeted Revenue YTD	53,291,535			
Actual Revenue YTD	50,310,386			
Cumulative Variance	(2,981,149)		(2,981,149)	↓
Percent Collected FY 07 YTD		86.65%	81.81%	
<b>Budgeted Expenses</b>	61,499,872			
Budgeted Expenses YTD	50,572,159			
Operating Expenses YTD	49,323,286			
Cumulative Variance	1,248,873		1,248,873	↑
Percent Collected FY 07 YTD		82.23%	80.20%	
<b>Net Income (Loss) from Operations</b>			(1,732,276)	↓

These figures are preliminary and unaudited.

**VIRGINIA RAILWAY EXPRESS**  
**FY 2008 Operating Budget Rreport**  
**April 30, 2008**

	CURR. MO. ACTUAL	CURR. MO. BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE \$	%	TOTAL FY08 BUDGET
<b>OPERATING REVENUE</b>							
Passenger Ticket Revenue	1,960,662	1,884,964	18,010,655	17,735,801	274,854	1.5%	21,334,369
Equipment Rental and Other	11,968	198,227	379,406	427,114	(47,708)	-11.2%	513,775
<b>Subtotal Operating Revenue</b>	<b>1,972,630</b>	<b>2,083,191</b>	<b>18,390,061</b>	<b>18,162,915</b>	<b>227,146</b>	<b>1.3%</b>	<b>21,848,144</b>
Jurisdictional Subsidy (1)	-	-	12,836,166	12,836,166	-	0.0%	12,836,166
Federal/State Subsidy	1,348,259	3,112,905	18,733,694	22,117,876	(3,384,182)	-15.3%	26,605,562
Appropriation from Reserve	14,934	17,078	350,465	174,578	175,887	100.7%	210,000
Interest Income	3,335,823	5,213,174	50,310,386	53,291,535	(2,981,149)	-5.6%	61,499,872
<b>Total Operating Revenue</b>							
<b>OPERATING EXPENSES</b>							
Departmental Operating Expenses	3,785,769	5,557,676	35,205,257	36,382,505	1,177,248	3.2%	43,866,359
Debt Service	1,001,624	971,338	9,144,271	9,174,478	30,207	0.3%	12,409,373
Insurance	(105,000)	(198,245)	4,950,000	4,961,755	11,755	0.2%	5,160,000
Other Non-Departmental Expenses	-	5,317	23,758	53,422	29,664	55.5%	64,140
<b>Total Operating Expenses</b>	<b>4,682,393</b>	<b>6,336,086</b>	<b>49,323,286</b>	<b>50,572,159</b>	<b>1,248,873</b>	<b>2.5%</b>	<b>61,499,872</b>
<b>NET INCOME (LOSS) FROM OPERATIONS</b>	<b>(1,346,570)</b>	<b>(1,122,912)</b>	<b>987,100</b>	<b>2,719,376</b>	<b>(1,732,276)</b>		<b>0</b>
<b>CALCULATED OPERATING RATIO</b>							
			<b>65%</b>				

(1) Total jurisdictional subsidy is \$13,379,154. Portion shown is attributed to Operating Fund only.