



Virginia Railway Express

# CHIEF EXECUTIVE OFFICER'S REPORT

February 2009

## MONTHLY DELAY SUMMARY

	October	November	December	January
<b>System wide</b>				
Total delays	93	99	75	39
Average length of delay (mins.)	19	16	14	21
Number over 30 minutes	11	7	3	7
Days with Heat Restrictions/Total days	0/22	0/17	0/19	0/18
On-Time Performance	85.4%	80.6%	86.5%	93.1%
<b>Fredericksburg Line</b>				
Total delays	50	60	47	21
Average length of delay (mins.)	19	15	15	22
Number over 30 minutes	8	3	2	4
On-Time Performance	82.5%	73.8%	81.4%	91.8%
<b>Manassas Line</b>				
Total delays	43	39	28	18
Average length of delay (mins.)	18	17	14	21
Number over 30 minutes	3	4	1	3
On-Time Performance	87.8%	86.1%	90.8%	94.2%

## SYSTEM RIDERSHIP

The total number of January trips in 2009 was 8.4% higher than in January 2008. The year to date gain through January in ridership was 8.1%. This annualized gain in ridership is less than we experienced in December (10.9%) and November (9.1%). Because passengers were able to buy ten-trip tickets before the fare increase went into effect, we expect to have more information next month on the impact of the January fare increase on overall ridership.

## SYSTEM ON TIME PERFORMANCE

VRE implemented a schedule change on the Fredericksburg Line on Monday, January 5, 2009. The schedule change was the result of a systematic study of past performance. Most trains had changes to the intermediate stations as well as their final destination, with most having between 1 and 6 minutes added to the schedule. All trains kept their original departure times.

Our goal is to sustain on-time performance above 90% on both rail lines. We achieved the goal in January and February on-time is tending to be above 90%. In addition, in March we are planning to do a systematic study of on-time performance on the Manassas Line with the goal to make any schedule adjustments in the April time frame.

## **COMMEMORATIVE INAUGURATION TICKETS AVAILABLE FOR SALE**

Last month, VRE began selling the remaining Commemorative inauguration tickets. We have 26 unique tickets with train numbers available for sale, either individually or as a full set for collectors. We are selling single tickets for \$5 and a full set for \$100. As of last week, we sold \$450.00 worth of the Commemorative tickets. Information and the order form are available on our web site.

## **EQUIPMENT UPDATE**

The 10-car Sumitomo order (to replace the Kawasaki cars) is actively underway. The stainless steel for the cars will arrive at the assembly plant in Japan this month and we will receive the cars in two shipments of 5-cars each in February and March of 2010.

## **NEW LOCOMOTIVE UPDATE**

During the first week of February, VRE staff traveled to the manufacturing plant for Motive Power Inc. (MPI), in Boise, Idaho for a plant inspection and kick-off meeting for the five new locomotives. The manufacturing system is very impressive and is used as a training facility for equipment maintenance staff. The production process for VRE's five locomotives begins in July of this year, with the fabrication of frames, and continues until October 2010, when VRE takes delivery of all five. The kick-off meeting resulted in plans for several of the MPI staff to visit VRE in order to familiarize themselves with our operation and needs.

## **WOODBIDGE STATION EXPANSION**

Work is underway to construct a second platform at the VRE Woodbridge Station. This project will design and construct a 600 ft long second platform with a canopy along the west side of the station. The new platform will be connected to the existing parking garage via a 142 ft long overhead pedestrian bridge. A new stair and elevator tower will allow commuters to access the new platform directly from Route 1 via a kiss and ride entrance, which will be constructed at a later date. The second platform is scheduled for completion this summer with a budget of \$6.7 million.

**MONTHLY PERFORMANCE MEASURES – JANUARY 2009**

<b>MONTHLY ON-TIME PERFORMANCE</b>	<b>ON-TIME PERCENTAGE</b>
January Fredericksburg OTP Average	91.8%
January Manassas OTP Average	94.2%
<b>VRE JANUARY OVERALL OTP AVERAGE</b>	<b>93.1%</b>

<b>RIDERSHIP YEAR TO DATE</b>	<b>RIDERSHIP</b>
VRE FY 2009 Passenger Totals	2,214,593
VRE FY 2008 Passenger Totals	2,048,687
<b>PERCENTAGE CHANGE</b>	<b>8.1%</b>

<b>RIDERSHIP MONTH TO MONTH COMPARISON</b>	
<b>DESCRIPTION</b>	<b>MONTHLY RIDERSHIP</b>
JANUARY 2009	295,131
JANUARY 2008	317,646
<b>PERCENTAGE CHANGE</b>	<b>8.4% NORMALIZED</b>
<b>SERVICE DAYS (CURRENT/PRIOR)</b>	<b>18 / 21</b>

# Chief Executive Officer's Ridership Report



**FEBRUARY 2009**

*As Reported to the VRE Operations Board  
February 20, 2009*

# Monthly Ridership and OTP: January 2009

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										
2*	1,120	1,128	2,248	100%	1,618	1,288	2,886	100%	5,134	100%
3										
4										
5	3,988	3,982	7,940	100%	4,314	4,732	9,046	100%	16,986	100%
6	4,187	4,166	8,353	100%	4,433	4,965	9,398	100%	17,751	100%
7	3,932	4,231	8,163	88%	4,325	4,939	9,264	92%	17,427	90%
8	3,950	4,077	8,027	94%	4,541	4,653	9,194	85%	17,221	90%
9	3,486	3,247	6,743	86%	3,802	3,812	7,614	92%	14,357	90%
10										
11										
12	3,835	4,016	7,851	94%	4,040	4,372	8,412	92%	16,263	93%
13	4,053	3,984	8,037	100%	4,231	4,671	8,902	85%	16,939	93%
14	4,108	4,056	8,164	88%	4,510	4,761	9,271	92%	17,435	90%
15	3,907	3,798	7,705	100%	4,543	4,913	9,456	69%	17,161	86%
16	3,241	3,318	6,559	94%	3,825	3,539	7,364	100%	13,923	97%
17										
18										
19										
20										
21	3,720	3,756	7,476	100%	4,008	4,178	8,186	92%	15,662	97%
22	4,068	4,053	8,121	94%	4,209	4,191	8,400	85%	16,521	90%
23	3,493	3,498	6,991	100%	3,887	3,954	7,841	100%	14,832	100%
24										
25										
26	3,808	3,835	7,643	88%	4,005	4,299	8,304	86%	15,947	86%
27	4,003	4,064	8,067	81%	4,526	4,734	9,260	92%	17,327	86%
28	2,737	2,658	5,395	100%	2,992	3,485	6,477	100%	11,872	100%
29	3,995	3,776	7,771	94%	4,331	4,547	8,878	100%	16,649	97%
30	3,438	3,478	6,916	100%	3,981	3,730	7,711	77%	14,627	90%
31										
	69,049	69,121	138,170	95%	76,121	79,743	155,864	91%	294,034	93%
	Adjusted total:		136,978		Adjusted Total:		153,019	Adjusted Total:	289,997	

# of Service Days:	18	Total Trips This Month:	285,131	Adjusted Total:	289,997
Manassas Daily Avg. Trips:	7,272	Prior Total FY-2009:	1,919,462		
Fred'burg Daily Avg. Trips:	8,203	Total Trips FY-2009	2,214,593		
Total Avg. Daily Trips:	15,475	Total Prior Years:	40,588,336		
		Grand Total:	42,812,929		

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

## 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%	15391	10.68%
August	6405	6885	7.49%		7379	8316	12.70%	15201	10.28%
September	6847	7495	9.46%		7652	8720	13.96%	16215	11.84%
October	6973	7491	7.43%		7754	8538	10.11%	16029	8.84%
November	6894	7330	6.32%		7707	8439	9.50%	15769	8.00%
December	6081	7158	17.71%		7235	8584	18.65%	15742	18.22%
January	6978	7610	9.06%		8148	8501	4.33%	16111	6.51%
February	6842				8018			0	
March	6812				8050			0	
April	6988				8324			0	
May	6832				8094			0	
June	7123				8504			0	
Average growth			9.29%				11.81%		10.62%

\*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.

# Chief Executive Officer's Report

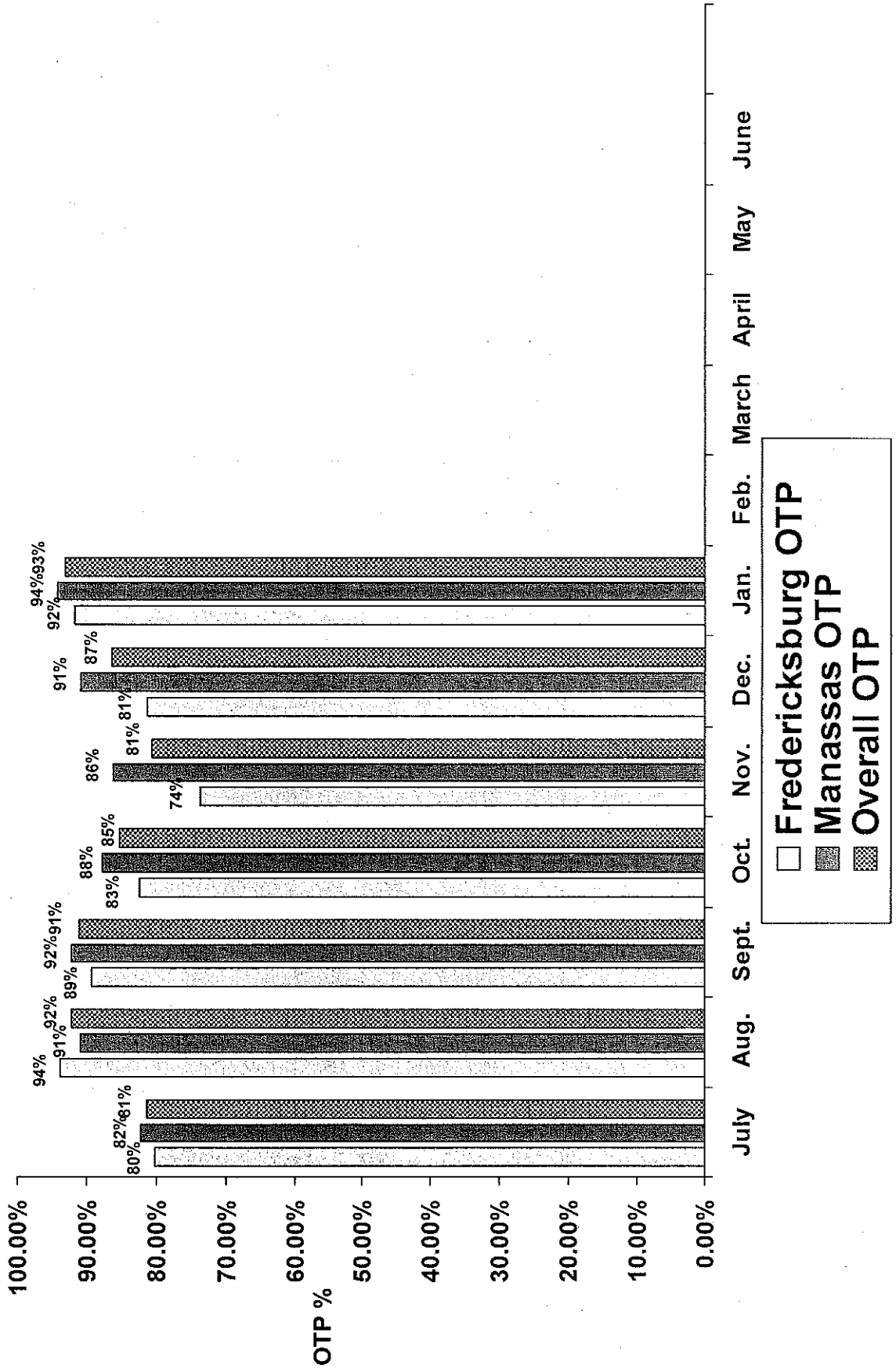


## Chief Executive Officer's On-Time Performance

**FEBRUARY 2009**

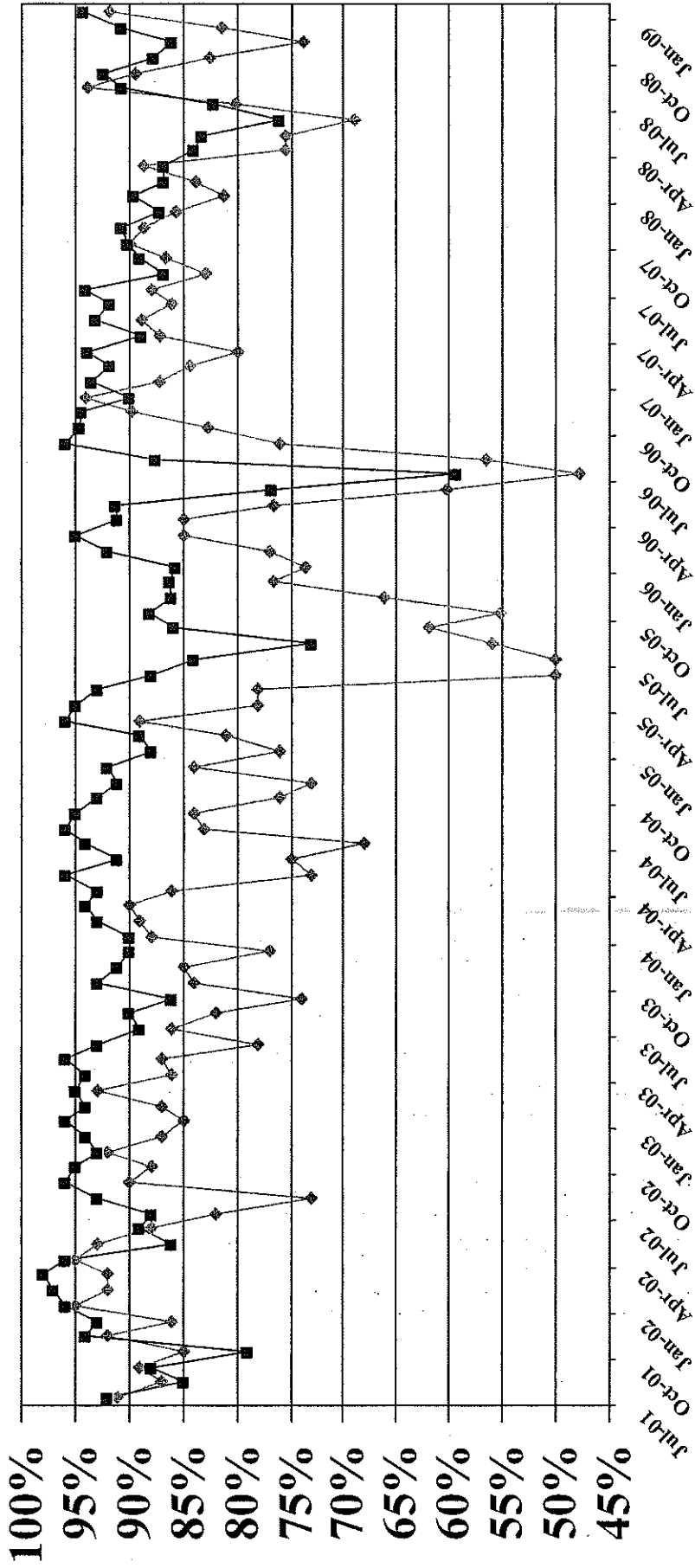
*As Reported to the VRE Operations Board  
February 20, 2009*

# Average On-Time Performance FY-2009



# On-Time Performance

July 2001 – January 2009



—◆— Fredericksburg Line —■— Manassas Line

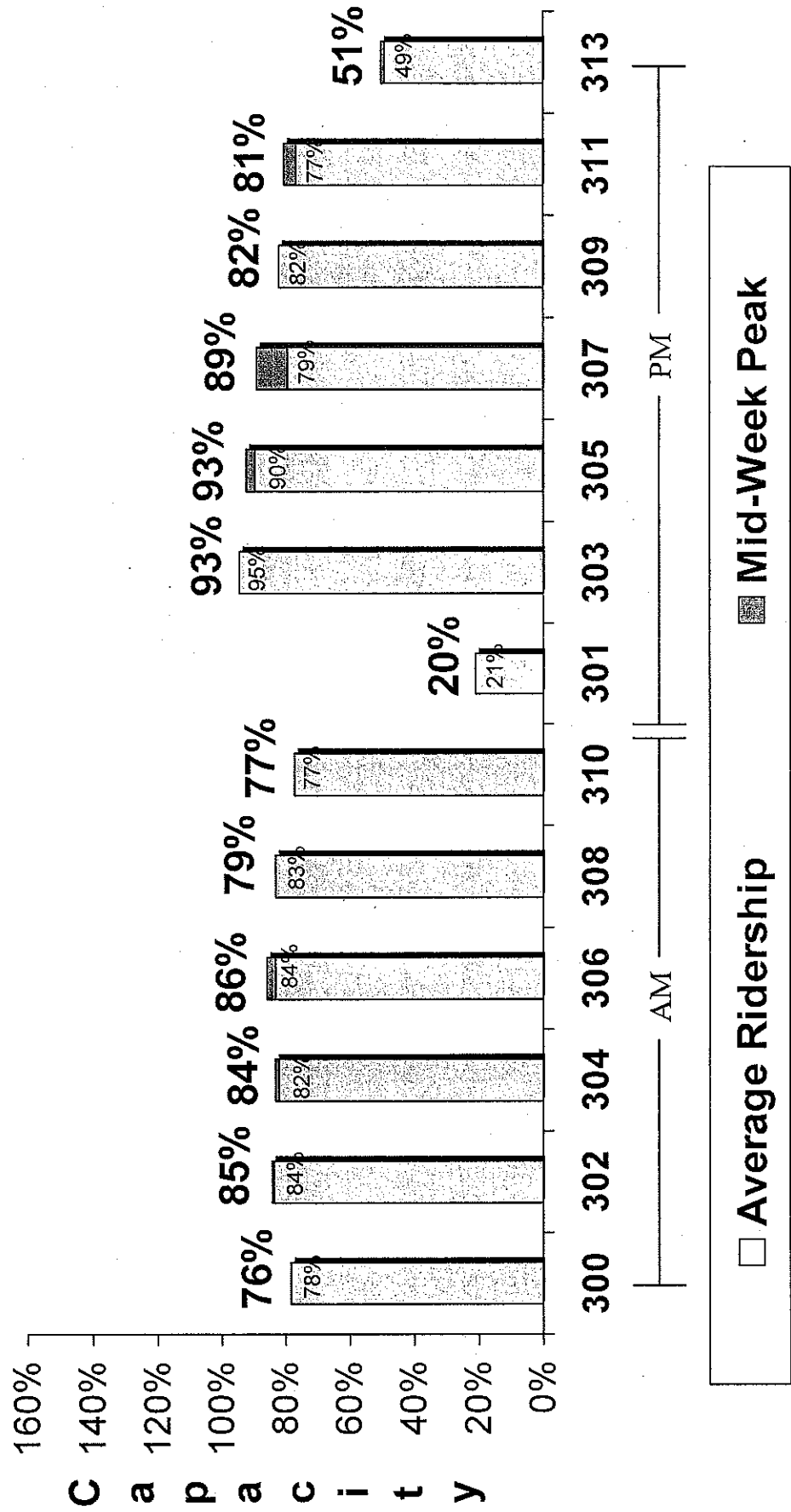
# Chief Executive Officer's Train Utilization



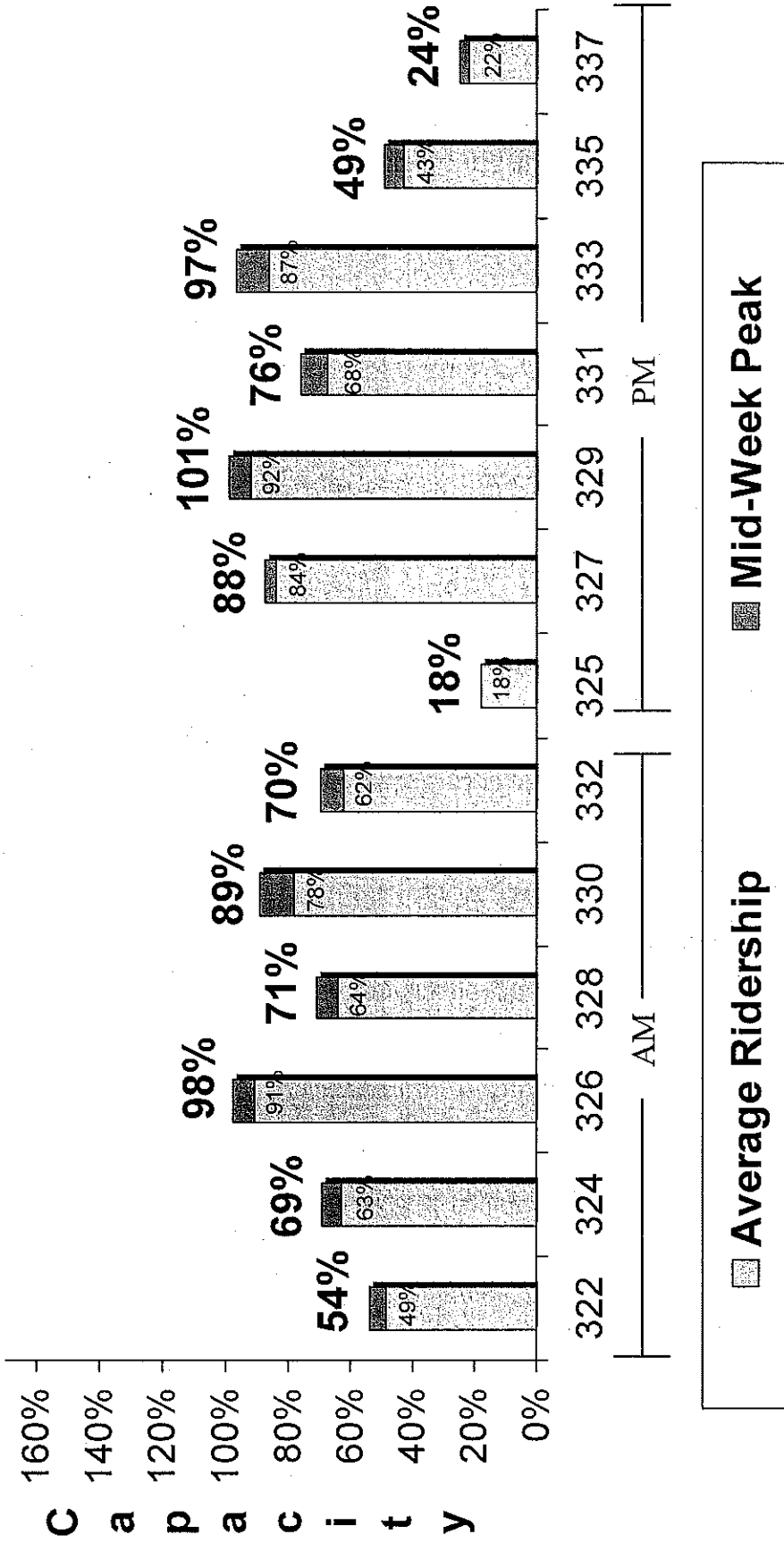
**FEBRUARY 2009**

*As Reported to the VRE Operations Board  
February 20, 2009*

# Train Utilization: Fredericksburg Line – January 2009



# Train Utilization: Manassas Line – January 2009



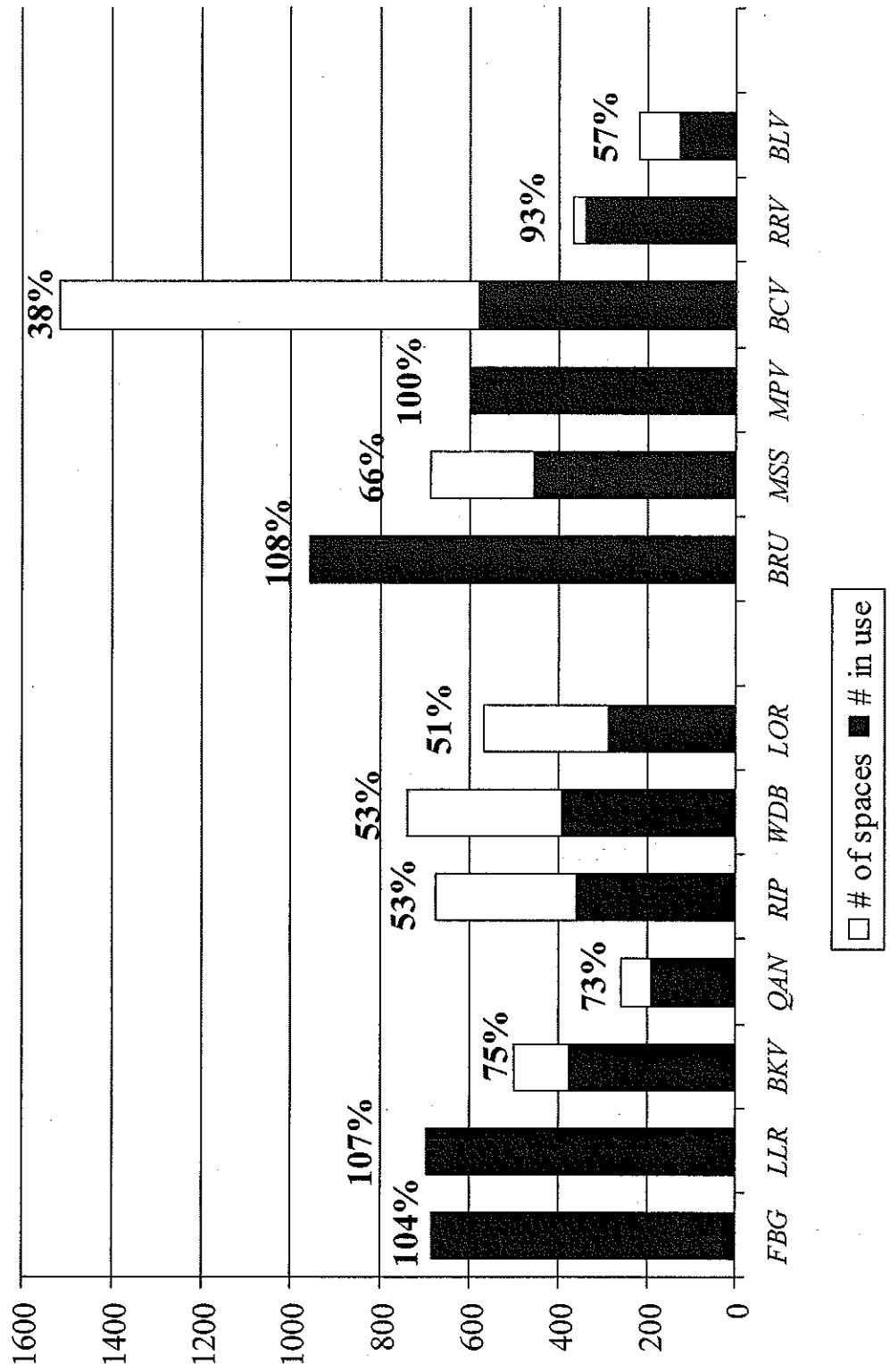
# Chief Executive Officer's Parking Utilization



**FEBRUARY 2009**

*As Reported to the VRE Operations Board  
February 20, 2009*

# Parking Lot Utilization: January 2008



# Chief Executive Officer's Capital Project Summary



**FEBRUARY 2009**

*As Reported to the VRE Operations Board  
February 20, 2009*

**VIRGINIA RAILWAY EXPRESS  
CAPITAL PROJECTS - PROGRESS REPORT  
Projects Underway in FY09 As of  
February 1, 2009**

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	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 83.4.			
Cherry Hill Third Track PE/EA			\$1,961,709	Prepare an environmental assessment and preliminary design for track alternatives and supporting structures.	30%	3rd Quarter 2009	Draft EA, base mapping and draft feasibility report submitted this month for VRE review. Preferred track alignment alternative being finalized and will be submitted to CSX for their approval. In total 3 bridges will be built/modified and one overhead bridge. Approximately 4000 ft of retaining wall to be constructed.
Cherry Hill Third Track PE/EA Support			\$272,747	Provide flagging services and design reviews.	30%	3rd Quarter 2009	CSX continues to provide flagging, attend meetings and review design alternatives.
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			\$650,000	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 (\$139,198.17).
L'Enfant Storage Track Wayside Power Design	L'Enfant	\$625,000	N/A	Design of wayside power for two train sets.	90%	1st Quarter 2009	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%	2nd Quarter 2009	NVE proceeding with C/T cabinet installation. VRE met with NVE and EZ Electric (boring subcontractor) to discuss CSX requirements to obtain crossing approval. VRE proposed CSX waiver of requirements for detailed boring and frac-out plans based on EZ Electric's experience on similar CSX projects - awaiting CSX response.
L'Enfant Storage Track Wayside Power Air Compressor Procurement			N/A	Procure and oversee installation of air compressor equipment for new storage track air system through Virginia state procurement process (e/A).	90%	2nd Quarter 2009	Procurement process has been completed. Air compressor system has been delivered and is being stored at Crossroads Yard.
<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%	2nd Quarter 2010	Awaiting revised S&B price proposal. Existing contract general terms and conditions will carry forward to contract amendment. S&B comments will be addressed in special T&C, currently under development. Smart Benefits pilot continues.
WUT Train Movement Study	Washington, D.C.	\$180,000	\$179,677	Investigate train movements in WUT, Ivy City and Coach Yard and allocate cost to utilize the facility.	99%	4th Quarter 2008	Negotiations underway.

Note 1: Total adopted CIP budget will be revised upon receipt of FY09 grant.

**VIRGINIA RAILWAY EXPRESS  
CAPITAL PROJECTS - PROGRESS REPORT  
Projects Underway in FY09 As of  
February 1, 2009**

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			\$98,000		Design and develop RFP for new two-way radio system	100%	Completed		Design completed.	
2-Way Radio System Construction	System-wide	\$346,400	\$248,400		Installation of new two-way radio system	91%	3rd quarter 2009		Installation at Fairfax, DC, and two Alexandria locations to start/finish this month; Working on zoning reclassification and coordination at Leeland for future construction.	
Gainesville Haymarket MIS	New Line	\$1,537,340	\$1,537,338		Develop expansion alternatives for new service to Gainesville and Haymarket	79%	2nd Quarter 2009		Draft Alternatives Analysis report under revision; awaiting 2/5 PB meeting and 2/10 FTA meeting to resolve ridership issues.	
<b>Computer 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	25%	2nd Quarter 2009		30% design review comments provided to STV and copy of plans sent to VDHR for their comment. Revised response from VDHR requesting additional information.	
Manassas City parking Deck Environmental			\$170,675		Construction of a 520 space parking garage in the City of Manassas	100%	Completed		Completed	
Manassas City parking Deck Design			\$598,534		Preliminary work (site location/environmental) for future garage parking.	100%	4th Quarter 2008		PB prepared as-built site and landscaping plans based on Costello's redlines. PB to submit as-builts to City of Manassas as required for issuance of Certificate of Occupancy.	
Manassas City parking Deck Construction	Manassas, Virginia	\$12,750,000			Design and limited construction administration for 520+ space parking structure.					
Manassas City parking Deck Security Camera Installation			\$9,189,400		Construction of Parking Garage	98%	1st Quarter 2009		Punch list items essentially complete, with exception of minor leak repairs at caulked joints. Returned canopy design submittal revise and resubmit. Once approved, plans to go through City of Manassas building permit review, then construction. Anticipate approx. six weeks for fabrication and construction.	
Manassas City Parking Deck Electrical Line Relocation			\$0		Installation of Security Cameras on Interior and Exterior of Parking Garage	5%	Apr-09		Site survey completed; drawings approved by VRE and City of Manassas; Quote obtained from sole source ADT Advanced Integration; docs submitted to Jen for review then to be submitted to the Board for approval; amount approx \$120k	
Woodbridge Station Expansion			\$416,000		Relocate high voltage line along Prince William Street	100%	Completed		Relocation of new pole and transmission line work complete. Paid final Dominion invoice (\$157,060.23).	
					This project includes a Kiss & Ride, Second Platform & Pedestrian Crossover -- which will join the parking garage and Second Platform.					

Note 1: Total adopted CIP budget will be revised upon receipt of FY09 grant.

**VIRGINIA RAILWAY EXPRESS  
CAPITAL PROJECTS - PROGRESS REPORT  
Projects Underway in FY09 As of  
February 1, 2009**

Project Name	Location	Estimated Cost	Actual Cost	Project Description	Progress %	Completion Date	Notes
Woodbridge Station Expansion Design	Woodbridge, Virginia	\$910,000		Design and limited construction administration for second platform, pedestrian crossover and elevator/stair tower.	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. Received PWC final site plan approval on 5/13/08.
Woodbridge Station Expansion Track Relocation	Woodbridge, Virginia	\$870,543		Shifting of track 3 to the west to allow for future third track between platforms and flagging services.	5%	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. CSX currently replacing ties throughout project area. Temporary crossing scheduled for completion this week. Flagging services are ongoing.
Woodbridge Station Expansion Construction	Woodbridge, Virginia	\$7,013,000	\$3,868,700	Construction of second platform, pedestrian crossover and elevator/stair tower.	5%	3rd Quarter 2009	Completing clearing of site on Rt. 1 side. Test pitting of two Verizon fiber optics lines to be completed this week. Tower caisson construction scheduled to begin next week. PWCSA permit obtained. Force main casing installation and bridge pier caissons or spread footer construction scheduled to begin next week or following week.
Woodbridge Station Expansion Construction Engineering Services	Woodbridge, Virginia		N/A	Perform construction engineering services for construction of second platform, pedestrian crossover and elevator/stair tower.	5%	3rd Quarter 2009	Reviewing RFIs and submittals.
Woodbridge Station Expansion Special Inspection Services	Woodbridge, Virginia		N/A	Perform special inspection services for construction of second platform, pedestrian crossover and elevator/stair tower.	0%	3rd Quarter 2009	
Woodbridge Station Expansion K&R Traffic Analysis	Woodbridge, Virginia		N/A	To obtain traffic data and prepare report of analysis results	100%	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-R-Ride facility.
Woodbridge Station Expansion Land Acquisition	Woodbridge, Virginia	\$4,346,000	\$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		\$1,200,000		Extend platform by 200ft and replace existing platform post lights	100%	3rd Quarter 2009	
Burke Centre Platform Extension Design			\$100,760	Design platform extension and provide limited construction support	100%	3rd Quarter 2009	Design Completed
Burke Centre Platform Extension Construction			\$1,094,500	General Contractor for construction	0%	2nd Quarter 2010	Board authorized Gurney Walsh construction contract. Start scheduled for mid-March
Leeland Rd Station Parking Lot Expansion Environmental	Stafford, VA	\$959,000	\$172,700	Prepare an environmental assessment (EA) and Preliminary Engineering for an expansion of the VRE Leeland Road Station Park and Ride Lot.	90%	4th Quarter 2009	Requested concurrence from VDHR that Brooke and Leeland Rd are two separate projects with separate reviews; EA submittal to FTA planned for mid-March.
Brooke Station 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.	90%	2nd Quarter 2010	Historical and cultural resources found in vicinity of proposed parking lot; Phase II studies required for environmental phase.
<b>Yard Projects</b>							
Broad Run Yard Expansion / Maintenance Facility				Design and construction of additional storage tracks and locomotive and train wash facilities.			

Note 1: Total adopted CIP budget will be revised upon receipt of FY09 grant.



**VIRGINIA RAILWAY EXPRESS**  
**CAPITAL PROJECTS - PROGRESS REPORT**  
**Projects Underway in FY09 As of**  
**February 1, 2009**

New Locomotive Engineering Oversight New Railcar Procurement Proj No 90-66-16060 New Railcar Fabrication (10 Cars) New Railcar Oversight (10 Cars)		\$3,165,548	On site engineering through warranty administration.	3%	4th Quarter 2012	Kickoff meeting scheduled for 1/27 at Boise, ID
	System-wide	\$23,689,956				
		\$22,660,000	Construction of 10 trailer cars without toilets	11%	1st Quarter 2012	Project Kick Off meeting held this month. Cars are to arrive in February and March of 2010.
		\$1,009,956	Perform all engineering oversight and warranty follow-up for construction of 10 cars	4%	1st Quarter 2012	Providing construction support as needed.

# Chief Executive Officer's Financial Report



**FEBRUARY 2009**

*As Reported to the VRE Operations Board  
February 20, 2009*

## FINANCIAL STATISTICS FOR JANUARY 2009

Copies of the January 2009 Operating Budget Report are attached. All budget amounts reflect the budget amendment adopted in January, including a material increase in fare revenue.

Fare income for the month of January 2009 was \$121,052 above the budget – a favorable variance of 5.91%. The cumulative variance for the year is 3.17% or \$445,242 above the amended budget. Revenue in the first seven months of FY 2009 is up 16.8% over FY 2008. This positive variance is the result of a substantial increase in ridership and a mid-year fare increase effective January 1, 2009.

A summary of the financial results (unaudited) as of January 2009 follows. Detail on the major revenue and expense categories are provided in the attached Operating Budget Report.

Measures		Goal	Actual	Trend
Operating Ratio		55%	70%	↑
<b>Budgeted Revenue</b>	65,263,822			
Budgeted Revenue YTD	44,761,765			
Actual Revenue YTD	45,409,322			
Cumulative Variance	647,557		647,557	↑
Percent Collected FY 07 YTD		68.59%	69.58%	
<b>Budgeted Expenses</b>	65,263,822			
Budgeted Expenses YTD	38,507,879			
Operating Expenses YTD	37,426,341			
Cumulative Variance	1,081,538		1,081,538	↑
Percent Collected FY 07 YTD		59.00%	57.35%	
<b>Net Income (Loss) from Operations</b>			1,729,095	↑

These figures are preliminary and unaudited.

A report on the investment portfolio as of the end of January is also attached; this report is provided periodically in accordance with the Investment Policy.

**VIRGINIA RAILWAY EXPRESS**  
**FY 2009 Operating Budget Report**  
 January 31, 2009

	CURR. MO. ACTUAL	CURR. MO. BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE \$	YTD VARIANCE %	TOTAL FY09 BUDGET
<b>OPERATING REVENUE</b>							
Passenger Ticket Revenue	2,170,450	2,049,398	14,498,254	14,053,012	445,242	3.2%	24,300,000
Equipment Rental and Other	134,901	12,777	270,786	87,614	183,172	209.1%	151,500
<b>Subtotal Operating Revenue</b>	<b>2,305,351</b>	<b>2,062,175</b>	<b>14,769,040</b>	<b>14,140,627</b>	<b>628,413</b>	<b>4.4%</b>	<b>24,451,500</b>
Jurisdictional Subsidy (1)	7,577,765	7,577,765	16,361,819	16,361,819	-	0.0%	16,361,819
Federal/State/Other Jurisdictional Subsidy	1,977,541	2,054,307	14,189,588	14,158,115	31,472	0.2%	26,630,594
Appropriation from Reserve	-	-	-	-	-	0.0%	-
Interest Income	14,959	14,759	88,876	101,205	(12,329)	-12.2%	210,000
<b>Total Operating Revenue</b>	<b>11,875,615</b>	<b>11,709,006</b>	<b>45,409,322</b>	<b>44,761,765</b>	<b>647,557</b>	<b>1.4%</b>	<b>67,653,913</b>
<b>OPERATING EXPENSES</b>							
Departmental Operating Expenses	4,233,144	4,108,322	26,297,836	27,327,914	1,030,078	3.8%	48,263,978
Debt Service	2,009,461	2,019,458	7,264,983	7,330,472	65,489	0.9%	13,487,241
Insurance	-	-	3,849,493	3,849,493	-	0.0%	4,875,000
Other Non-Departmental Expenses	-	-	14,029	-	(14,029)	-	1,027,694
<b>Total Operating Expenses</b>	<b>6,242,605</b>	<b>6,127,779</b>	<b>37,426,341</b>	<b>38,507,879</b>	<b>1,081,538</b>	<b>2.8%</b>	<b>67,653,913</b>
<b>NET INCOME (LOSS) FROM OPERATIONS</b>	<b>5,633,010</b>	<b>5,581,226</b>	<b>7,982,981</b>	<b>6,253,887</b>	<b>1,729,095</b>		<b>0</b>
<b>CALCULATED OPERATING RATIO</b>							
						70%	

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

## VRE Investment Portfolio

As of January 31, 2009

Investment Type	Institution	Amount	Comments	Rate
Money market fund - overnight sweep	Suntrust Bank	340,000	Disbursement account	0.20% (1)
LGIP (Local Government Investment Pool)	LGIP	7,041,064	Operating reserve and general funds (Includes \$1.75M from sale of Mafersa cars)	1.34% (1)
<i>Project Funds</i>				
LGIP (Local Government Investment Pool)	LGIP	1,734,686	Proceeds from sale of Kawasaki railcars	1.34% (1)
LGIP (Local Government Investment Pool)	LGIP	52,337	Revolving account for small liability claims	1.34% (1)
Money market fund	U.S. Bank	3,053,857	Funds held by bond trustee until next payment date	0.03%
Insurance trust fund	DRM	<u>8,230,472</u>	Amount as of 12/31/2008	N/A
<b>Total portfolio</b>		<b>20,452,415</b>		

(1) Monthly average for January

(2) The money market funds used by VRE are: the Virginia LGIP; RidgeWorth Institutional US Government Securities (SunTrust); and First American Treasury Obligations Fund - Class D (U.S. Bank). All are currently rated AAAm by Standard and Poor's, the highest possible rating for this type of fund.

### Percentage of portfolio:

LGIP	43%
Money market fund	17%
Insurance trust fund	40%