



Virginia Railway Express

# CHIEF EXECUTIVE OFFICER'S REPORT

October 2008

## MONTHLY DELAY SUMMARY

	June	July	August	September
<b>System wide</b>				
Total delays	163	120	48	55
Average length of delay (mins.)	20	16	16	13
Number over 30 minutes	35	15	3	2
Days with Heat Restrictions/Total days	5/21	3/22	0/21	0/21
On-Time Performance	73.2%	81.2%	92.1%	90.9%
<b>Fredericksburg Line</b>				
Total delays	84	57	17	29
Average length of delay (mins.)	17	17	18	16
Number over 30 minutes	13	7	1	2
On-Time Performance	69.2%	80.1%	93.7%	89.4%
<b>Manassas Line</b>				
Total delays	79	63	31	26
Average length of delay (mins.)	23	14	15	11
Number over 30 minutes	22	8	2	2
On-Time Performance	76.5%	82.2%	90.7%	92.3%

## SYSTEM RIDERSHIP

Average daily ridership in September was 16,215 - the highest ever. September ridership in 2008 was 11.8% higher than in September 2007. We had 16 days above 16,000 riders and 2 days above 17,000 riders. On September 11th, VRE ridership peaked with the highest ridership day ever with over 17,600 riders. Overall, seven of our top ten ridership days were in September. In addition, the ridership for the first three months of FY 2009 is 12.9% higher than the same period in FY 2008.

## SYSTEM ON TIME PERFORMANCE

System wide on-time performance (OTP) was 90.9% in September, with an OTP of 89.4% on the Fredericksburg Line and 92.3% on the Manassas Line. We had a total of only 55 delays out of 609 trains. The Manassas Line had seven days in September with 100% on-time performance. The Fredericksburg Line had eight days with 100% on-time performance.

## INCREASED LOCOMOTIVE FUNDING

The Virginia Department of Rail and Public Transportation applied for and received \$3.8 million of bonus obligation funds (federal STP funding not used by other states) for VRE to use toward the locomotive purchase. With these funds, we will be able to increase our initial

purchase of locomotives from two to five. Because of the larger initial purchase, we will save more than \$1 million on the cost of the first five vehicles.

## **SECOND PUBLIC WORKSHOP FOR GAINESVILLE-HAYMARKET STUDY**

VRE is conducting a yearlong Feasibility Study/Alternatives Analysis of a proposed extension from the existing VRE Manassas Station to the Town of Haymarket in western Prince William County. A second public workshop to discuss transportation alternatives and for VRE to hear the public's insights, thoughts and concerns regarding the proposed project will take place on Wednesday, October 22, 2008, at Battlefield High School, located at: 15000 Graduation Drive, Haymarket, VA 20169. The schedule of events follows:

6:30-7:00 p.m. Open House  
7:00 p.m. Presentation & Public Discussion  
9:00 p.m. Close

For more information contact VRE at 703.684.1001, [gotrains@vre.org](mailto:gotrains@vre.org), or check the VRE web site at [www.vre.org](http://www.vre.org).

## **MASTER AGREEMENT SURVEY**

The VRE Master Agreement Survey took place on Wednesday, October 1<sup>st</sup>. This survey is conducted once a year to determine the number of riders originating from each participating jurisdiction and to determine the subsidy that each jurisdiction pays. Staff from both PRTC, VRE and the local jurisdictions were on-board trains or at stations to assist with the survey. Results will be tabulated and available in November.

## **EXPANDED RAIL SERVICE IN THE COMMONWEALTH**

On Tuesday, September 30<sup>th</sup>, Governor Kaine, in conjunction with US DOT Secretary Mary Peters, announced a new partnership for expanded rail service in the Commonwealth. The partnership is focused on intercity rail rather than commuter rail, though the benefits to both were highlighted. They announced initial funding totaling \$13.5 million (\$2 million FRA and \$11.5M state funding) will be used to make track improvements to 3.1 miles of third track south of Fredericksburg and provide design of track and interlocking improvements in Richmond (between Main Street Station and Staples Mills station).

From VRE's standpoint this improvement project advances one of our MOU projects with CSX - the third track on the Fredericksburg line. Additionally, this project is critical for establishing a VRE station in Spotsylvania County.

## CLIFTON DAY

Once again, VRE provided train service for Clifton Day on Sunday, October 12<sup>th</sup> from 9:00 am – 5:00 pm. The Town of Clifton paid for the excursion rides in advance and sold their own tickets. The festivities included fine arts, crafts, and a flea market in the historic town of Clifton.

**MONTHLY PERFORMANCE MEASURES – SEPTEMBER 2008**

<b>MONTHLY ON-TIME PERFORMANCE</b>	<b>ON-TIME PERCENTAGE</b>
September Fredericksburg OTP Average	89.4%
September Manassas OTP Average	92.3%
<b>VRE SEPTEMBER OVERALL OTP AVERAGE</b>	<b>90.9%</b>

<b>RIDERSHIP YEAR TO DATE</b>	<b>RIDERSHIP</b>
VRE FY 2009 Passenger Totals	998,329
VRE FY 2008 Passenger Totals	884,554
<b>PERCENTAGE CHANGE</b>	<b>12.9%</b>

<b>RIDERSHIP MONTH TO MONTH COMPARISON</b>	
<b>DESCRIPTION</b>	<b>MONTHLY RIDERSHIP</b>
SEPTEMBER 2008	340,516
SEPTEMBER 2007	275,476
<b>PERCENTAGE CHANGE</b>	<b>11.8% NORMALIZED</b>
<b>SERVICE DAYS (CURRENT/PRIOR)</b>	<b>21 / 19</b>

# Chief Executive Officer's Ridership Report



**OCTOBER 2008**

*As Reported to the VRE Operations Board  
October 17, 2008*

## 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			7754		
November	6894			7707		
December	6081			7235		
January	6978			8148		
February	6842			8018		
March	6812			8050		
April	6988			8324		
May	6832			8094		
June	7123			8504		
Average growth			8.16%			13.37%
						10.93%

\*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: September 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										
2	3,594	3,677	7,271	100%	4,120	4,181	8,301	100%	15,572	100%
3	3,604	3,999	7,603	81%	4,463	4,432	8,895	69%	16,498	76%
4	3,627	3,838	7,465	94%	4,469	4,573	9,042	77%	16,507	86%
5	3,349	3,087	6,436	88%	3,678	4,045	7,723	69%	14,159	79%
6										
7										
8	3,772	3,884	7,656	100%	4,377	4,428	8,805	77%	16,461	90%
9	4,011	3,969	7,980	94%	4,320	4,833	9,153	100%	16,933	97%
10	3,977	3,920	7,897	100%	4,506	4,526	9,032	77%	16,929	90%
11	3,961	4,078	8,039	94%	4,651	4,922	9,573	100%	17,612	97%
12	3,231	3,198	6,429	94%	3,721	3,976	7,697	92%	14,126	93%
13										
14										
15	3,801	3,821	7,622	81%	4,338	4,622	8,960	85%	16,582	83%
16	3,980	3,905	7,885	100%	4,530	4,478	9,008	100%	16,893	100%
17	3,977	3,849	7,826	88%	4,535	4,591	9,126	100%	16,952	93%
18	3,831	3,827	7,658	88%	4,204	4,372	8,576	100%	16,234	93%
19	3,178	3,243	6,421	100%	3,537	3,841	7,378	92%	13,799	97%
20										
21										
22	3,870	3,811	7,681	100%	4,244	4,498	8,742	100%	16,423	100%
23	3,974	3,912	7,886	94%	4,443	4,873	9,316	92%	17,202	93%
24	3,985	4,012	7,997	69%	4,397	4,476	8,873	77%	16,870	72%
25	3,951	3,751	7,702	94%	4,337	4,315	8,652	92%	16,354	93%
26	3,212	3,232	6,444	88%	3,715	4,020	7,735	92%	14,179	90%
27										
28										
29	3,874	3,749	7,623	100%	4,211	4,468	8,679	85%	16,302	93%
30	3,967	3,867	7,834	94%	4,218	4,557	8,775	100%	16,609	97%
	78,726	78,629	157,355	92%	89,014	92,827	181,841	89%	339,196	91%
<b>Adjusted total:</b>			<b>157,395</b>				<b>189,121</b>	<b>Adjusted Total:</b>	<b>340,516</b>	<b>Adjusted Total:</b>

# of Service Days: 21  
 Manassas Daily Avg. Trips: 7,493 Adjusted Avg.: 7495  
 Fred'burg Daily Avg. Trips: 8,659 Adjusted Avg.: 8720  
 Total Avg. Daily Trips: 16,152 Adjusted Avg.: 16,215  
 Total Trips This Month: 340,516  
 Prior Total FY-2009: 657,813  
 Total Trips FY-2009: 996,329  
 Total Prior Years: 40,598,336  
 Grand Total: 41,596,665

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

# Chief Executive Officer's Report



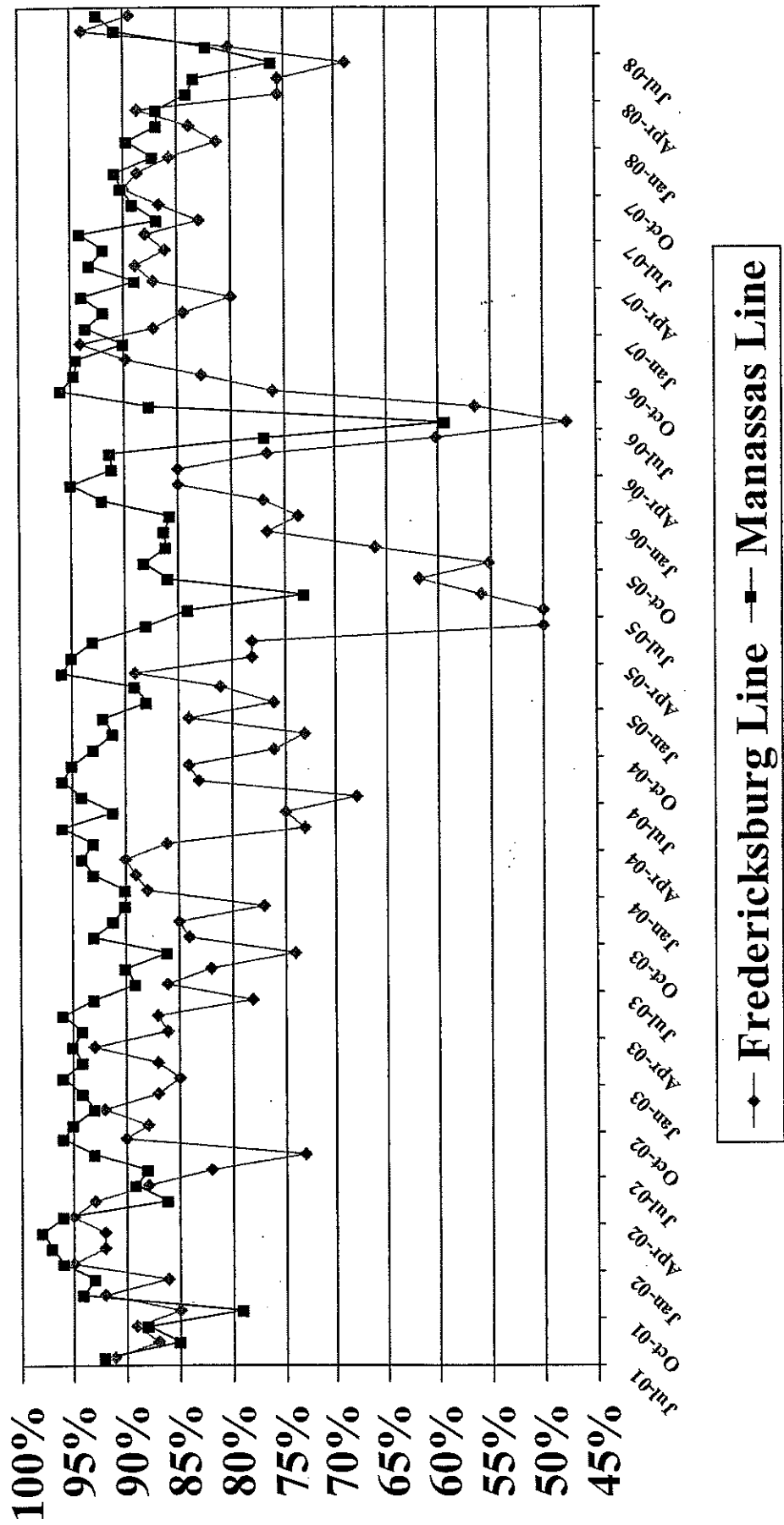
## Chief Executive Officer's On-Time Performance

**OCTOBER 2008**

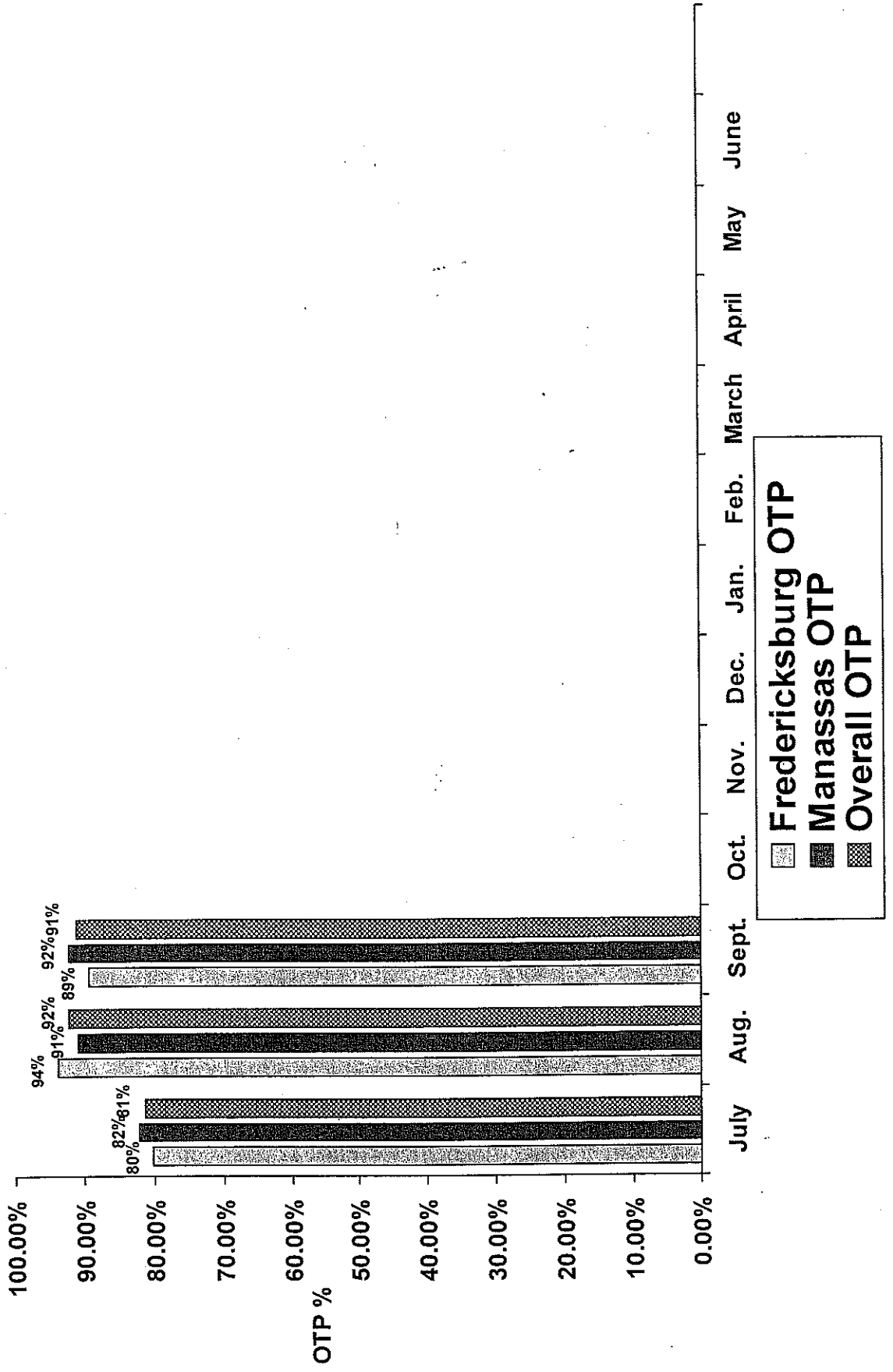
*As Reported to the VRE Operations Board  
October 17, 2008*

# On-Time Performance

July 2001 – September 2008



# Average On-Time Performance FY-2009



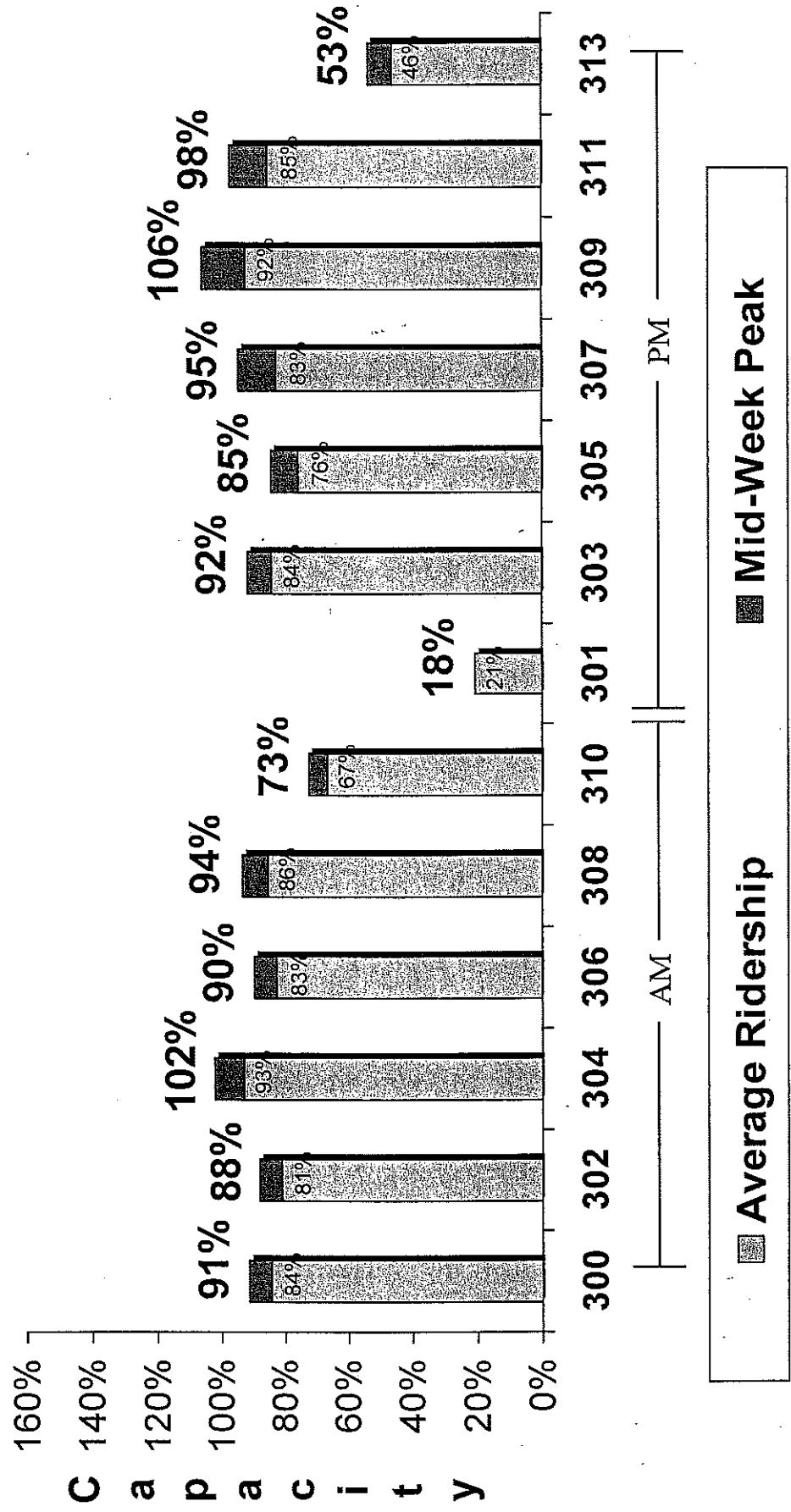
# Chief Executive Officer's Train Utilization



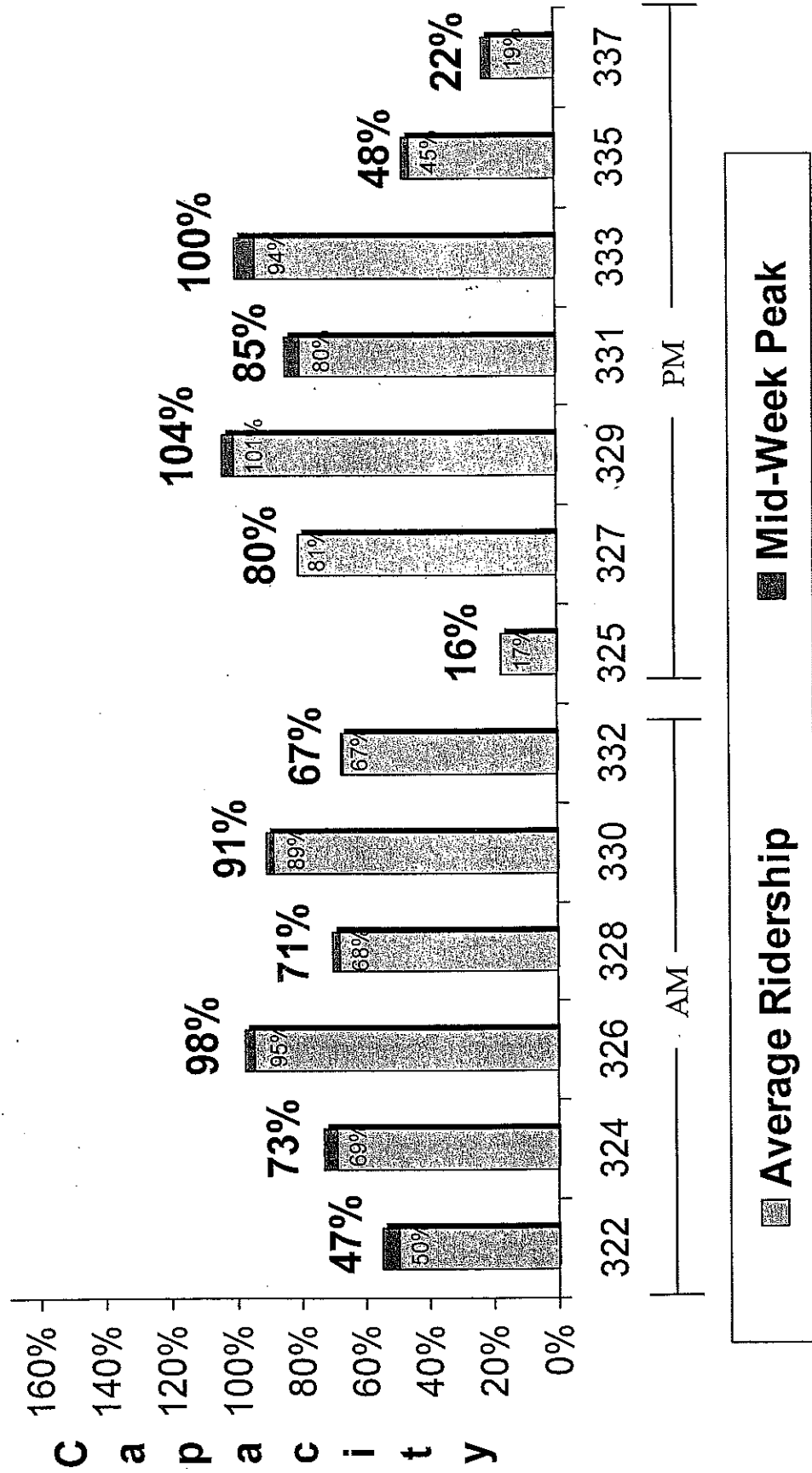
**OCTOBER 2008**

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# Train Utilization: Fredericksburg Line – September 2008



# Train Utilization: Manassas Line – September 2008



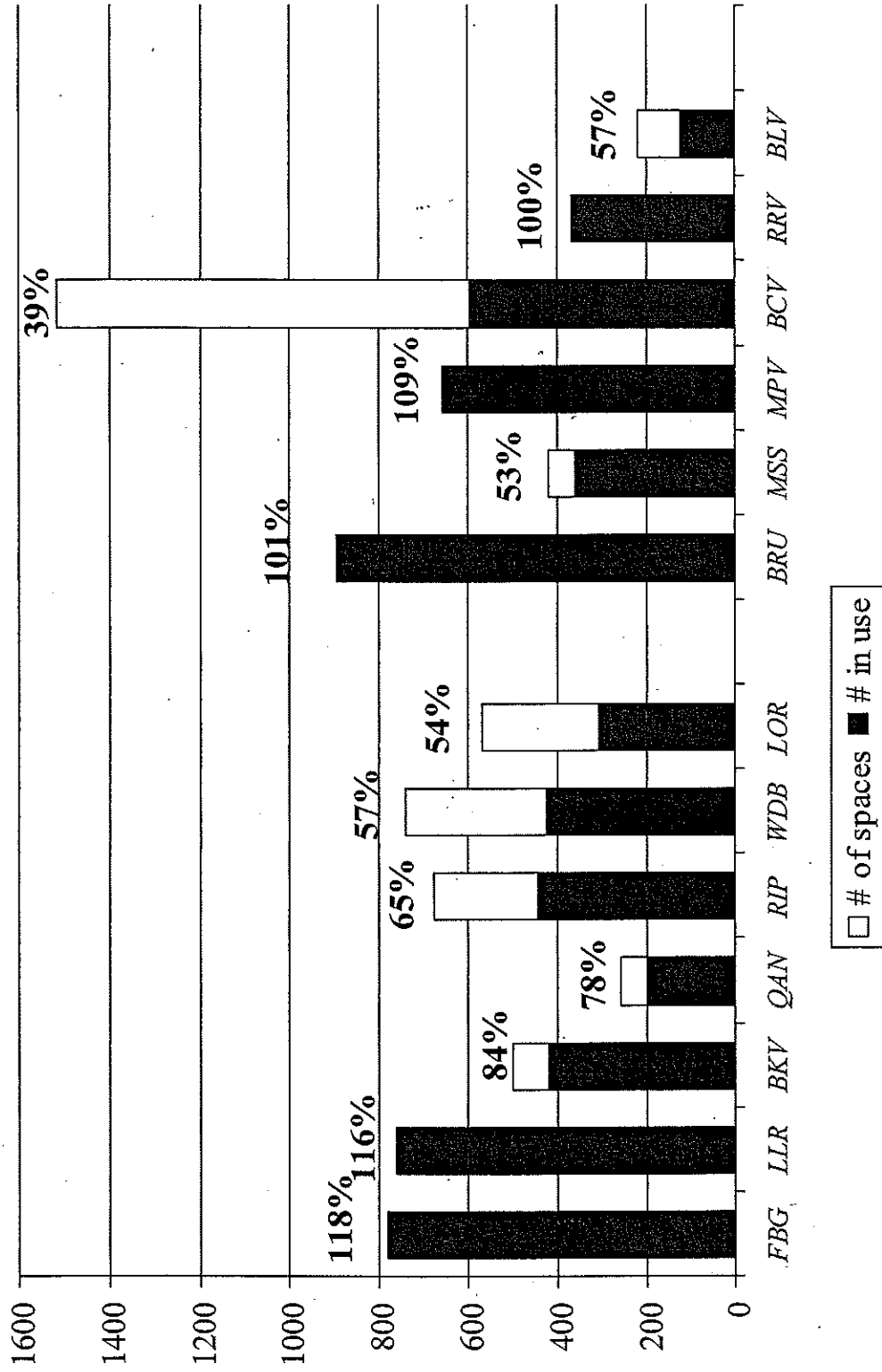
# Chief Executive Officer's Parking Utilization



**OCTOBER 2008**

*As Reported to the VRE Operations Board  
October 17, 2008*

# Parking Lot Utilization: September 2008



# Chief Executive Officer's Capital Project Summary



**OCTOBER 2008**

*As Reported to the VRE Operations Board  
October 17, 2008*

**VIRGINIA RAILWAY EXPRESS  
CAPITAL PROJECTS - PROGRESS REPORT  
Projects Underway in FY09 As of  
October 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	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.	15%	3rd Quarter 2009	Field survey work and environmental reconnaissance under way and mostly complete. Continuing to receive Stakeholder responses. Environmental work per NEPA underway. Base mapping will be completed next month and alignment alternatives will be developed then.
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			\$530,000	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	\$925,000		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. Final layout will be sent to CSX for approval.
L'Enfant Storage Track Construction			N/A	Construction of Wayside Power	20%	2nd 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. VRE purchased air compressor and associated components. Additional Wayside Power work to be addressed through future NVE task order or through IFB, when additional funding is available. PEPCO installed service to point of connection at C/T cabinet.
<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	LTX proposal review complete; comments under review by VRE staff. S&B proposal being reviewed by VRE legal counsel. Smart Benefits pilot continues.
Hecht Site Feasibility	Washington, D.C.	\$329,000	\$160,509	Investigate use of Hecht site for mid-day storage as proposed by Amtrak.	45%	4th 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.
WUJ Train Movement Study	Washington, D.C.	\$180,000	\$179,677	Investigate train movements in WUJ, Ivy 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 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.
2-Way Radio System Construction			\$248,400	Installation of new two-way radio system	85%	2nd Quarter 2009	Amended permits with City of Alexandria to list Contractor Information; Leases set to be signed. Field work to begin one month after signing.

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

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Gainesville Heymarket MIS	New Line	\$1,537,340	\$1,537,338	Develop expansion alternatives for new service to Gainesville and Heymarket	40%	1st Quarter 2009	Tier 1 alternatives screening workshop held 8/21/08. Final Tier 1 alternatives under review. Next public workshop scheduled for Oct. 22, 2008.
<b>Commuter Station Projects</b>							
Fredericksburg Viaduct Repairs							
Fredericksburg Viaduct Repairs Design	Fredericksburg	\$2,608,000	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				Develop detailed design to address necessary repairs	0%	2007-2010	Kick off meeting held on September 24. 30% design submittal scheduled for end of November.
Manassas City parking Deck Environmental				Construction of a 520 space parking garage in the City of Manassas.		2nd Quarter 2008	
Manassas City parking Deck Design			\$170,675	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	Manassas, Virginia	\$12,750,000	\$598,534	Design and limited construction administration for 520+ space parking structure.	95%	3rd Quarter 2008	PB providing ongoing construction administration support. Substantial completion achieved and garage opened to public on 8/29/08. Punch list items include elevator shaft louvers, window washing anchors, completion of graffiti-resistant coating and other miscellaneous items. Negotiating final change orders. Including additional scope to extend existing canopy 45 feet.
Manassas City Parking Deck Electrical Line Relocation			\$9,189,400	Construction of Parking Garage	97%	3rd Quarter 2008	
Land Acquisition Assistance			\$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).
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		\$810,000	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. Received PWC final site plan approval on 5/13/08.
Woodbridge Station Expansion K&R Traffic Relocation	Woodbridge, Virginia		\$870,543	Shifting of track 3 to the west to allow for future third track between platforms.	0%	3rd Quarter 2009	Force account agreement for track shifting and flagging services executed by VRE & CSX in late September. Will arrange meeting with CSX to discuss construction schedule.
Woodbridge Station Expansion Construction	Woodbridge, Virginia		\$3,868,700	Construction of second platform, pedestrian crossover to existing parking garage, and bus turnout on Route 1.	0%	3rd Quarter 2009	NTP anticipated for early October. CSX to release right-of-entry to Costello now that force account agreement is executed. Preparing task orders with HDR for additional construction phase services (Dewberry) and special inspections (Schmabel).
Woodbridge Station Expansion K&R Traffic Analysis	Woodbridge, Virginia		NA	To obtain traffic data and prepare report of analysis results			
Woodbridge Station Expansion Land Acquisition	Woodbridge, Virginia		\$4,311,928	Acquisition of 8 parcels, relocation fees, relocation assistance, appraisals, surveys, and legal fees associated with those acquisitions.	100%	Completed	Draft study complete. VRE forwarded review comments to MCV in late September. All property has been acquired and tenants and business relocated.

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Burke Centre Platform Extension Design		\$1,000,000	\$100,760	Extend platform by 200ft and replace existing platform post lights	100%	1st Quarter 2009	IFB posted on VRE website. Bids open 10/10/08.
Leeland Rd Station Parking Lot Expansion Environmental	Stafford, VA	\$889,000	\$172,700	Prepare an environmental assessment (EA) and Preliminary Engineering for an expansion of the VRE Leeland Road Station Park and Ride Lot.	46%	4th Quarter 2009	Draft EA currently under review; Stafford County wants neighboring parking lot investigated as potential site.
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.	45%	4th Quarter 2009	Draft EA currently under review; Will be ready for public circulation in Oct/Nov
<b>Yard Improvements</b>							
Broad Run Yard Expansion / Maintenance Facility	Broad Run	\$4,155,000		Design and construction of additional storage tracks and locomotive and train wash facilities.			Submission of final 100% Design submittal is anticipated on 10/01/2008. Preliminary site plan review comments have been received by DMJM and revised site plan submittal will be submitted once 100% Design has been completed. Coordination with PVC regarding building permit is on-going.
Broad Run Yard Expansion / Maintenance Facility Design			\$766,887	Perform design of S&I building, car wash, warehouse and limited construction support services.	88%	3rd Quarter 2008	
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	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			\$45,898	Evaluate SWM design performed by PB, identify more cost effective SWM alternatives, and revise SWM in site plan if necessary.	100%	Completed	Second extension of Right-of Entry Agreement through the end of construction currently being prepared by CSXT. BMP agreement recorded at Spotsylvania County on 8/14/2007. Site plan approved on 8/15/2007. Certification of as-built plans is currently being scheduled and will be completed by end of 10/2008.
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 train sets.	100%	4th Quarter 2007	Installation work will be completed as task order by NV Enterprises, Inc.
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.	0%	3rd Quarter 2008	Installation work expected to begin in early 10/2008. Work is anticipated to be completed by late 10/2008 to mid 11/2008 as estimated duration is approximately 6 weeks.
Crossroads Yard Expansion / Asphalt Paving			N/A	Install asphalt pavement between S&I and Train Wash Building to improve access and to protect underground oil-water separator and waste oil system.	100%	Completed	Asphalt work was completed between 09/09/2008 and 09/11/2008.
Crossroads Yard Expansion / Air Compressor Procurement			N/A	Procure and install air compressor system for new S&I Building and yard air system through Virginia state procurement process (eVA).	85%	4th Quarter 2008	Procurement process has been completed. Air compressor system has been delivered and is currently being stored at Crossroads Yard. Scope of work for installation of air compressor system is currently being prepared for quoting.
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.	97%	3rd Quarter 2008	S&I Building is mostly complete and is expected to be completed by mid 10/2008. Commissioning and testing of S&I Building is currently being scheduled and is anticipated for mid to late this month. Equipment for train wash system was delivered in mid 09/2008 and has been installed. Plumbing and electrical installation of train wash system is on-going and anticipated to be completed by mid 10/2008. Facilities expected to be turned over to VRE this month.
<b>Rolling Stock</b>							

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New Railcar Procurement Proj. No. 90-16-18028	System-wide	\$1.9 million annual payment		Construction of new passenger rail cars			
New Railcar Fabrication (11 Cab Cars)			\$25,035,000	Construction of 11 cab car BASE ORDER	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 Oversight (11 Cab Cars)			\$2,750,000	Perform all engineering oversight and warranty follow-up for construction of 11 cab cars	100%	1st Quarter 2008	Any rear-facing warranty work discovered from Option Cars that affect these cars will be billed as option work.
New Railcar Procurement Proj No 90-42-16060							
New Railcar Fabrication (50 Cars)	System-wide	\$2.5 million annual payment	\$90,427,748	Construction of OPTION ORDER consisting of 10 cab cars, 20 trailers with toilets and 20 trailers without toilets.	85%	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	70%	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	\$2,225,776	Top Deck Rebuild for 10 Locomotives	96%	On going Project	
Work Management Software Training and Set-up	Yards & Warehouse	\$95,000	N/R	Provide software and License agreements to track parts management. specific needs and train personnel in use product. Training underway. Transferring all inventory data from QuickBooks to new software.	100%		V02, V07, V21, V06, V08, V09, V31, V24 and V23 Top deck work has been completed. V10 is currently in Altona getting top deck work. Need Board Approval for additional top deck work
Locomotive Lease Procurement No. 90-55-16040	System-wide	\$597,000	\$202,575/year	3-year lease of 3 locomotives	65%	2nd Quarter 2008	Warehouse converted to MM on May 1, 2008. Work management still not running. 2 locomotives arrived at VRE. Should be in service by EOM. Third to follow. Should get the first two in service by 7/11/08
New Locomotive Manufacture (2)	System-wide	\$16,814,000	\$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.
New Locomotive Engineering Oversight			\$4,145,820	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 \$2,695,071.
New Railcar Procurement Proj No 90-66-16060							
New Railcar Fabrication (10 Cars)	System-wide	\$23,689,956	\$22,660,000.00	Construction of 10 trailer cars without toilets	3%	1st Quarter 2012	Cars are to arrive in February and March of 2010, but 2 year warranty extends the project
New Railcar Oversight (10 Cars)			\$1,009,956.00	Perform all engineering oversight and warranty follow-up for construction of 10 cars	0%	1st Quarter 2012	Under Task Order to MEC IV. Board Authority requested in October meeting

# Chief Executive Officer's Financial Report



**OCTOBER 2008**

*As Reported to the VRE Operations Board  
October 17, 2008*

## FINANCIAL STATISTICS FOR SEPTEMBER 2008

Copies of the September 2008 Operating Budget Report are attached.

Fare income for the month of September 2008 was \$465,089 above the budget – a favorable variance of 28.36%. The cumulative variance for the year is 14.33% or \$779,282 above the budget. This positive variance is the result of a substantial increase in ridership, which can be attributed to a number of factors, including higher fuel prices and increased OTP. Revenue in the first three months of FY 2009 is up 18.3% over FY 2008.

A summary of the financial results (unaudited) as of September 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%	70%	↑
<b>Budgeted Revenue</b>	65,263,822			
Budgeted Revenue YTD	20,441,503			
Actual Revenue YTD	21,170,699			
Cumulative Variance	729,196		729,196	↑
Percent Collected FY 07 YTD		31.32%	32.44%	
<b>Budgeted Expenses</b>	65,263,822			
Budgeted Expenses YTD	17,507,910			
Operating Expenses YTD	16,744,144			
Cumulative Variance	763,766		763,766	↑
Percent Collected FY 07 YTD		26.83%	25.66%	
<b>Net Income (Loss) from Operations</b>			1,492,962	↑

These figures are preliminary and unaudited.

**VIRGINIA RAILWAY EXPRESS**  
**FY 2009 Operating Budget Report**  
**September 30, 2008**

	CURR. MO. ACTUAL	CURR. MO. BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE \$	%	TOTAL FY09 BUDGET
<b>OPERATING REVENUE</b>							
Passenger Ticket Revenue	2,104,941	1,639,852	6,216,686	5,437,404	779,282	14.3%	21,490,692
Equipment Rental and Other	4,016	11,560	29,703	38,331	(8,628)	-22.5%	151,500
<b>Subtotal Operating Revenue</b>	<b>2,108,957</b>	<b>1,651,412</b>	<b>6,246,389</b>	<b>5,475,735</b>	<b>770,654</b>	<b>14.1%</b>	<b>21,642,192</b>
Jurisdictional Subsidy (1)			8,784,054	8,784,054		0.0%	16,361,819
Federal/State/Other Jurisdictional Subsidy	2,233,421	2,063,090	6,104,764	6,137,437	(32,673)	-0.5%	27,049,811
Appropriation from Reserve	9,610	13,353	35,492	44,277	(8,785)	0.0%	210,000
Interest Income	4,351,998	3,727,855	21,170,699	20,441,503	729,196	3.6%	65,263,822
<b>Total Operating Revenue</b>							
<b>OPERATING EXPENSES</b>							
Departmental Operating Expenses	3,448,784	3,357,937	10,283,581	11,038,601	755,020	6.8%	43,974,778
Debt Service	753,242	766,959	2,607,070	2,619,817	12,747	0.5%	15,022,547
Insurance	4,493	4,493	3,849,493	3,849,493		0.0%	5,275,000
Other Non-Departmental Expenses	500		4,000		(4,000)		991,497
<b>Total Operating Expenses</b>	<b>4,207,019</b>	<b>4,129,489</b>	<b>16,744,144</b>	<b>17,507,910</b>	<b>763,766</b>	<b>4.4%</b>	<b>65,263,822</b>
<b>NET INCOME (LOSS) FROM OPERATIONS</b>	<b>134,969</b>	<b>(400,634)</b>	<b>4,426,555</b>	<b>2,933,593</b>	<b>1,492,962</b>		
<b>CALCULATED OPERATING RATIO</b>							
			<b>70%</b>				

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