



Virginia Railway Express

CHIEF EXECUTIVE OFFICER'S REPORT

September 2008

MONTHLY DELAY SUMMARY

	May	June	July	August
System wide				
Total delays	123	163	120	48
Average length of delay (mins.)	17	20	16	16
Number over 30 minutes	20	35	15	3
Days with Heat Restrictions/Total days	0/21	5/21	3/22	0/21
On-Time Performance	80.9%	73.2%	81.2%	92.1%
Fredericksburg Line				
Total delays	67	84	57	17
Average length of delay (mins.)	18	17	17	18
Number over 30 minutes	9	13	7	1
On-Time Performance	76.8%	69.2%	80.1%	93.7%
Manassas Line				
Total delays	56	79	63	31
Average length of delay (mins.)	17	23	14	15
Number over 30 minutes	11	22	8	2
On-Time Performance	84.4%	76.5%	82.2%	90.7%

SYSTEM RIDERSHIP

Average ridership in August was over 15,200 - the highest August ever. August is traditionally the second lowest ridership month, after December, which makes this accomplishment all the more impressive. August ridership in 2008 was 10% higher than in August 2007. We had 4 days above 16,000 riders and 12 days above 15,000 riders. On Tuesday, August 12, VRE ridership peaked with the 2nd highest ridership day ever with 16,801 riders, only 6 riders less than the previous record (which was since broken on September 9, 2008 when we hit 16,933 trips). Early indications show that September will be a record breaking month with two days, so far, close to 17,000 riders.

SYSTEM ON TIME PERFORMANCE

System wide on-time performance (OTP) was 92.1% in August, with an OTP of 93.7% on the Fredericksburg Line and 90.7% on the Manassas Line. We had a total of only 48 delays out of 609 trains. The Manassas Line had seven days in August with 100% on-time performance. The Fredericksburg Line had ten days with 100% on-time performance. All told, we had five days of 100% on-time performance on the overall system.

BURKE CENTRE DIRECT MAIL POSTCARD

VRE conducted a community outreach direct mail campaign surrounding the Burke Centre VRE station letting people know that the garage was open and had available parking. Two free rides were offered if customers redeemed their postcards at the Burke Centre station on August 20th. VRE staff was on hand to collect the post cards and show new passengers how to validate their free ride tickets. We had 110 people redeem the postcards that day - 47 of which were first-time riders. A follow up campaign was conducted with each new rider to see how they enjoyed their trip. Feedback was very positive and many said that they would continue to ride VRE. We plan to do the same thing in Manassas now that the garage is open.

MANASSAS PARKING GARAGE OPENS FOR BUSINESS

The Manassas Parking Garage passed all inspections and was opened for use on Tuesday, September 2. To-date, the garage is 92% full with 237 out of a possible 300 spaces being used by commuters on the first day.

VRE Riders still need to obtain a FREE commuter parking permit in order to park in the VRE portion of the new garage. They do not need to be a Manassas City resident in order to obtain a permit.

EMERGENCY RESPONSE DRILL, SATURDAY, SEPTEMBER 20th

On Saturday, September 20th, VRE will hold its annual emergency drill at the Crossroads yard in Spotsylvania. We are seeking volunteers (age 13 and over) to act as "victims" on the train. The drill will run from 8 a.m. until approximately 12:00 p.m. Participants should expect a realistic simulation, as it makes the drills most effective.

VRE PATHFINDER SIGNS

VRE has been working with VDOT to improve directional guidance signs at all of the stations. After several meetings, a plan was developed which will install 120 new path finder signs, change out faded and out-dated signs, and add several signs on the Interstate highways. VDOT has informed us that the Richmond facility is currently producing the signs and work orders for installation in the next few weeks has been initiated.

NEW RAIL CARS

The last five new Gallery cars are scheduled to arrive on Thursday, September 18th. The cars will be placed on the Fredericksburg line, leaving only one train set per line made up of the older Gallery railcars.

PUBLIC HEARINGS SCHEDULED

We are proposing to seek comment on a FY 2009 mid-year fare increase of an amount not to exceed 15% and a FY 2010 fare increase of an amount not to exceed 10%, plus potential service reductions in FY 2010. Information is posted on the VRE website and an email was sent to all passengers on Friday, August 29th. The following dates and times of the meetings were advertised in local newspapers.

DATE	LOCATION	TIME
September 11, 2008 Thursday	Stafford County Govt Center Board Chambers 1300 Courthouse Road Stafford, VA 22554	7:00-9:00 P.M.
September 16, 2008 Tuesday	Crystal City Marriott Crystal Club Room 1999 Jefferson Davis Highway Arlington, VA 22202	12:00-2:00 P.M.
September 17, 2008 Wednesday	Fredericksburg City Hall Council Chambers 715 Princess Anne Street Fredericksburg, VA 22401	7:00-9:00 P.M.
September 22, 2008 Monday	Holiday Inn [L 'Enfant] Discovery 1 Ballroom 550 C. Street S.W. Washington, DC 20024	12:00-2:00 P.M.
September 24, 2008 Wednesday	P.R.T.C. Board Room, 2 nd Floor 14700 Potomac Mills Road Woodbridge, VA 22192	7:00-9:00 P.M.
September 29, 2008 Monday	Burke Centre Conservancy "The Ponds" Community Center 9837 Burke Pond Lane Burke, VA 22015	7:00-9:00 P.M.
September 30, 2008 Tuesday	Manassas City Hall City Council Chamber Room 9027 Center Street Manassas, VA 22110	7:00-9:00 P.M.

MONTHLY PERFORMANCE MEASURES – AUGUST 2008

MONTHLY ON-TIME PERFORMANCE	ON-TIME PERCENTAGE
August Fredericksburg OTP Average	93.7%
August Manassas OTP Average	90.7%
VRE AUGUST OVERALL OTP AVERAGE	92.1%

RIDERSHIP YEAR TO DATE	RIDERSHIP
VRE FY 2009 Passenger Totals	657,813
VRE FY 2008 Passenger Totals	609,068
PERCENTAGE CHANGE	10.5% Normalized

RIDERSHIP MONTH TO MONTH COMPARISON	
DESCRIPTION	MONTHLY RIDERSHIP
AUGUST 2008	319,222
AUGUST 2007	317,035
PERCENTAGE CHANGE	10.3% NORMALIZED
SERVICE DAYS (CURRENT/PRIOR)	21/23

Chief Executive Officer's Ridership Report



SEPTEMBER 2008

*As Reported to the VRE Operations Board
September 19, 2008*

Monthly Ridership and OTP: August 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	3,016	3,051	6,067	94%	3,834	3,932	7,766	85%	13,833	90%
2										
3										
4	3,635	3,590	7,225	75%	4,054	4,356	8,410	92%	15,635	83%
5	3,715	3,680	7,395	94%	4,156	4,444	8,600	92%	15,995	93%
6	3,776	3,698	7,474	88%	4,234	4,320	8,554	85%	16,028	86%
7	3,624	3,480	7,104	88%	4,254	4,545	8,799	100%	15,303	93%
8	2,993	2,889	5,882	100%	3,589	3,715	7,304	100%	13,186	100%
9										
10										
11	3,608	3,438	7,046	94%	4,079	4,384	8,463	100%	15,509	97%
12	3,903	3,715	7,618	100%	4,397	4,786	9,183	100%	16,801	100%
13	3,713	3,695	7,408	63%	4,212	4,584	8,796	85%	16,204	72%
14	3,662	3,544	7,206	75%	3,877	4,169	8,046	92%	15,252	83%
15	2,949	2,912	5,861	88%	3,525	3,307	6,832	92%	12,693	90%
16										
17										
18	3,552	3,484	7,036	100%	4,227	4,462	8,689	100%	15,725	100%
19	3,676	3,782	7,458	94%	4,276	4,658	8,934	100%	16,392	97%
20	3,681	3,571	7,252	94%	4,363	4,361	8,714	100%	15,966	97%
21	3,441	3,511	6,952	100%	4,234	4,247	8,481	100%	15,433	100%
22	2,746	2,926	5,672	94%	3,408	3,798	7,206	100%	12,878	97%
23										
24										
25	3,667	3,434	7,101	100%	4,154	4,372	8,526	100%	15,627	100%
26	3,678	3,582	7,260	100%	4,243	4,457	8,700	92%	15,960	97%
27	3,521	3,647	7,168	88%	4,153	4,281	8,434	77%	15,602	83%
28	3,546	3,506	7,052	81%	4,047	4,136	8,183	85%	15,235	83%
29	2,616	2,707	5,323	100%	3,077	3,356	6,433	92%	11,756	97%
30										
31										
Adjusted total:	72,718	71,842	144,560	91%	84,383	88,670	173,053	94%	317,613	92%
Adjusted total:			144,593				174,629	Adjusted Total:	319,222	

# of Service Days:	21	Total Trips This Month:	319,222	Adjusted Total:	319,222
Manassas Daily Avg. Trips:	6,884	Prior Total FY-2009:	338,591		
Fred'burg Daily Avg. Trips:	8,241	Total Trips FY-2009:	657,813		
Total Avg. Daily Trips:	15,124	Total Prior Years:	40,598,336		
		Grand Total:	41,256,149		

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



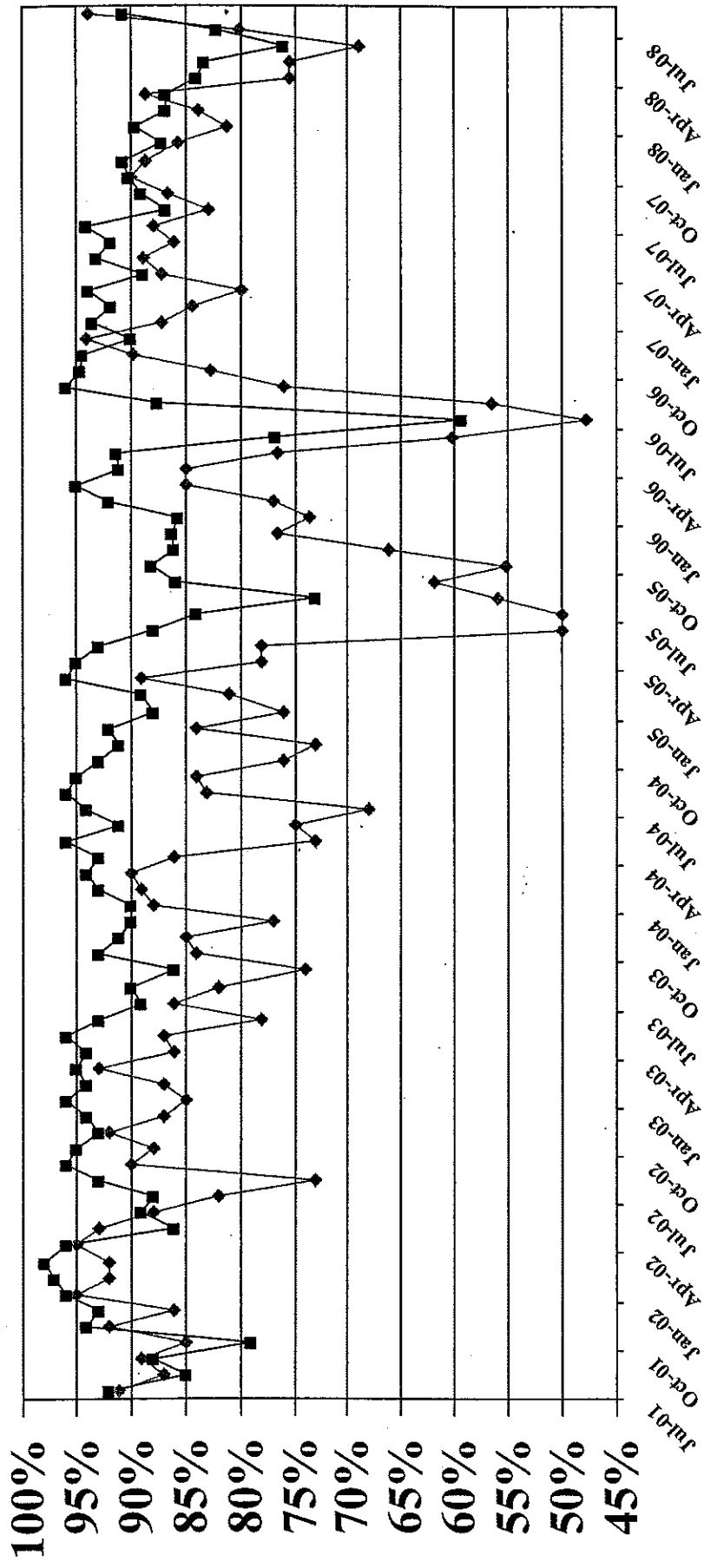
Chief Executive Officer's On-Time Performance

SEPTEMBER 2008

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September 19, 2008*

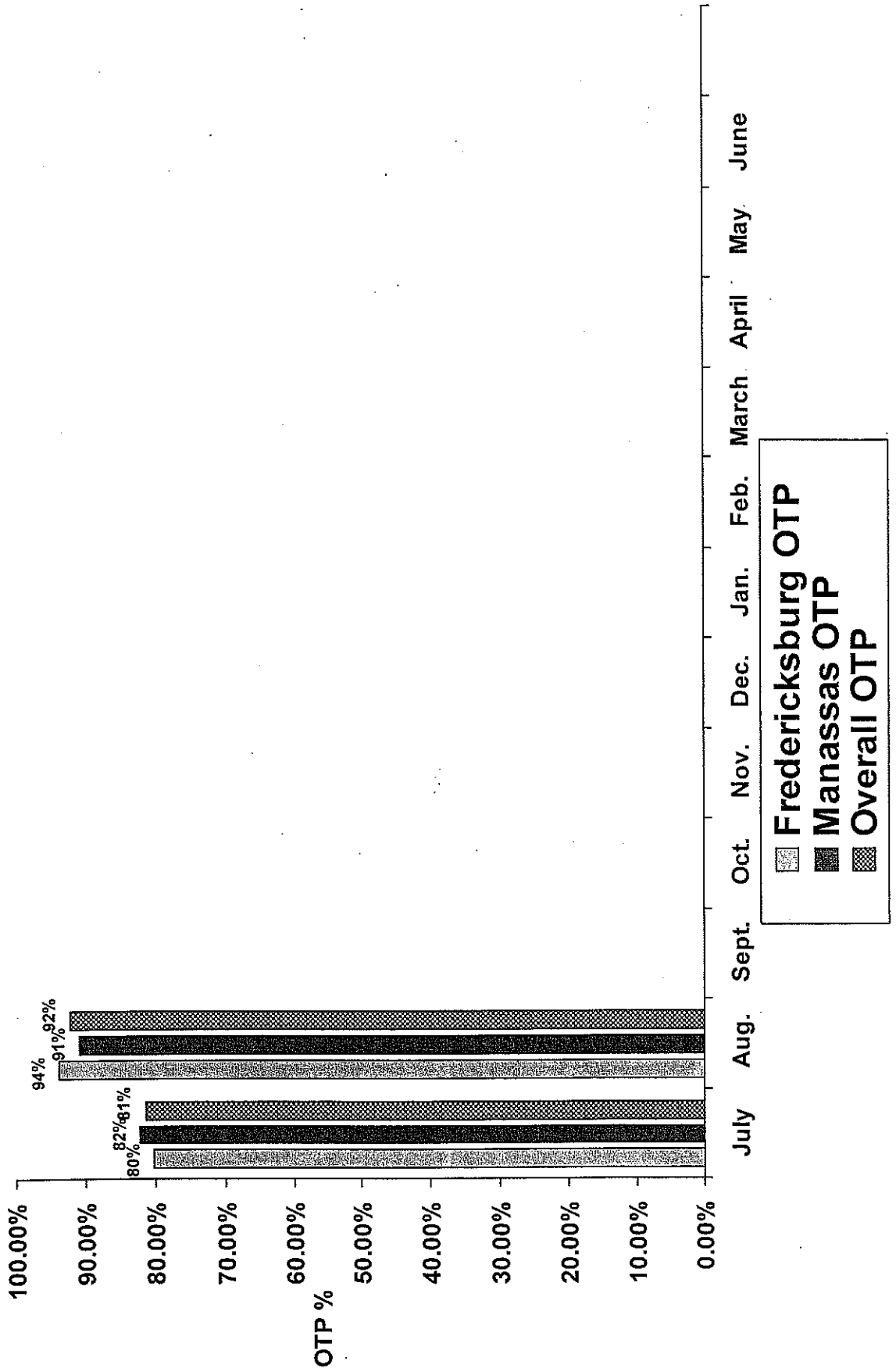
On-Time Performance

July 2001 – August 2008



◆ Frederickburg Line ■ Manassas Line

Average On-Time Performance FY-2009



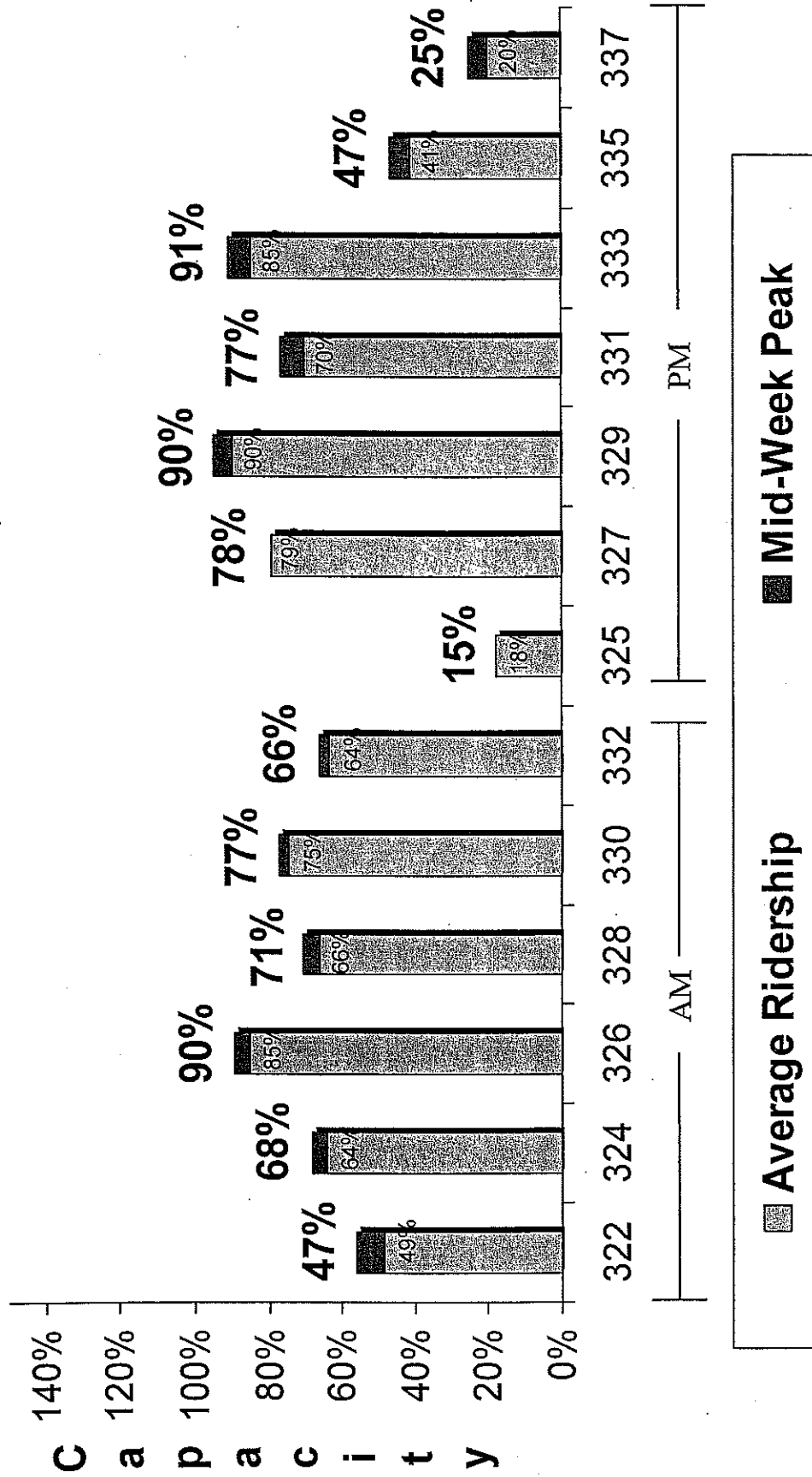
Chief Executive Officer's Train Utilization



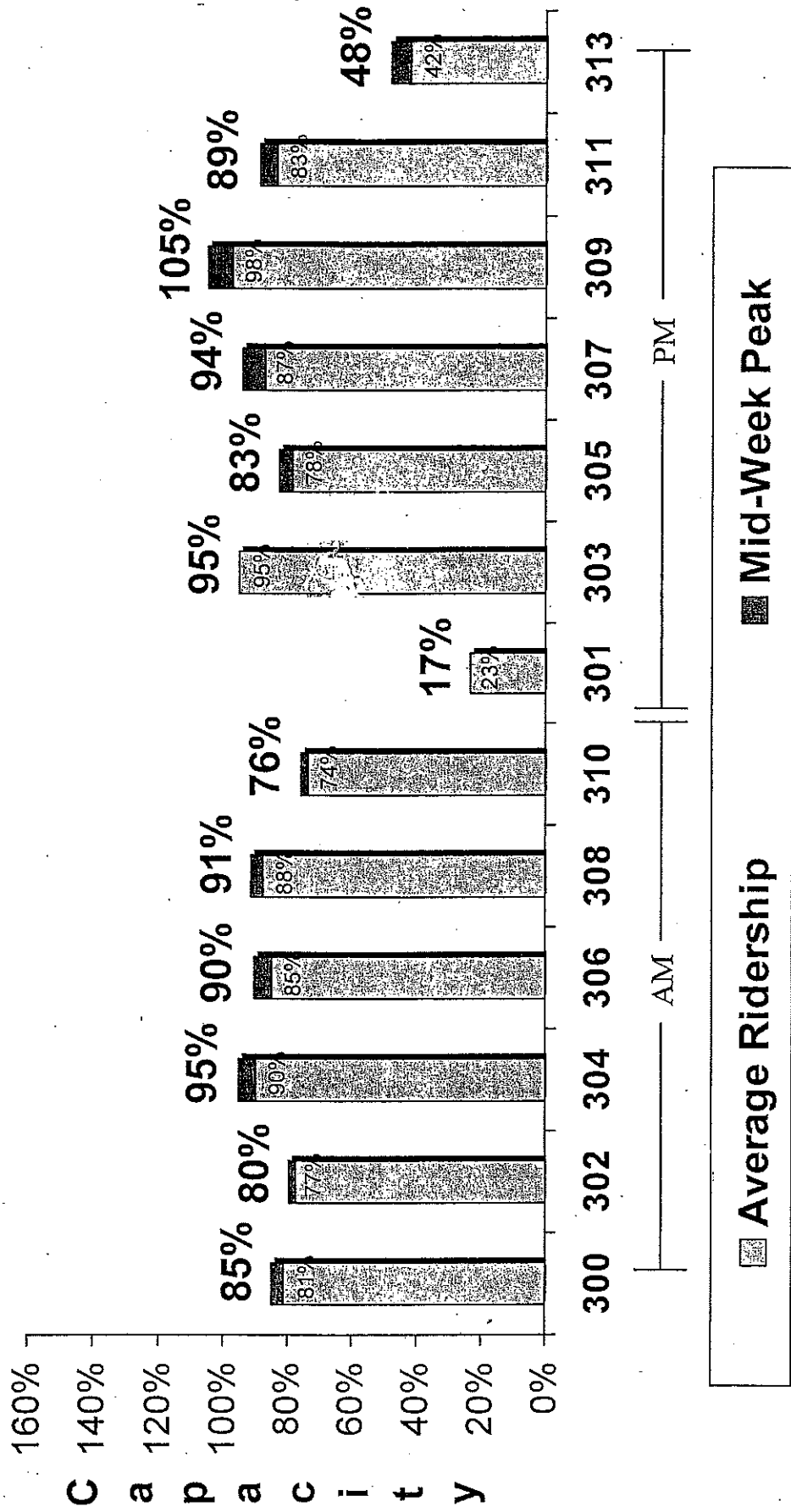
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Train Utilization: Manassas Line – August 2008



Train Utilization: Fredericksburg Line – August 2008



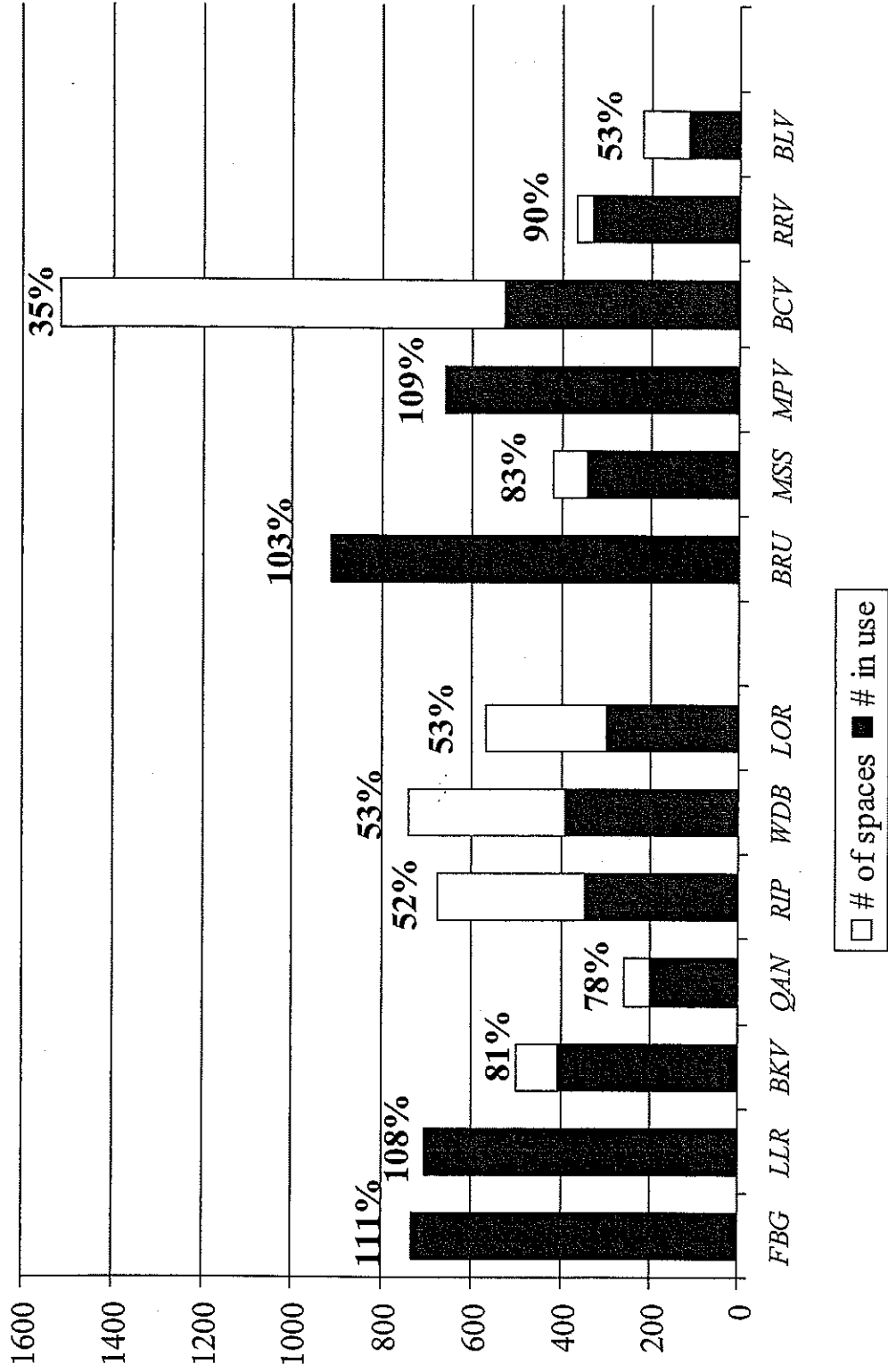
Chief Executive Officer's Parking Utilization



SEPTEMBER 2008

*As Reported to the VRE Operations Board
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Parking Lot Utilization: August 2008



Chief Executive Officer's Capital Project Summary



SEPTEMBER 2008

*As Reported to the VRE Operations Board
September 19, 2008*

**VIRGINIA RAILWAY EXPRESS
CAPITAL PROJECTS - PROGRESS REPORT
Projects Underway in FY09 As of
September 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
Tracks and Infrastructure							
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			\$1,861,709	Prepare an environmental assessment and preliminary design for track alternatives and supporting structures.	10%	3rd Quarter 2009	CSX to issue a ROE so survey work can begin the week of 9/2/08. Stakeholder notifications sent and responses being received. Environmental work per NEPA underway. Began considering various alignment 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			\$830,000	Construct approximately 1400 ft storage track just north of the existing platform	100%	Completed	Siding construction completed in late September. Passed CSX inspection upon completion. Paid final invoice (\$139,198.17).
L'Enfant Storage Track Wayside Power Design	L'Enfant	\$830,000	N/A	Design of wayside power for two train sets.	90%	3rd Quarter 2008	HDR provided draft design for wayside power, incorporating air compressor and shift of pedestal to north end of storage track.
L'Enfant Storage Track Wayside Power Construction			N/A	Construction of Wayside Power	10%	TBD	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.
Planning Studies and Communications Projects							
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	LTK 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.	\$328,000	\$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.
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%	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			\$98,000	Design and develop RFP for new two-way radio system	100%	Completed	Design completed.

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2-Way Radio System Construction	System-wide	\$346,400	\$248,400	Installation of new two-way radio system.	80%	1st Quarter 2009	VRE attorney reviewing leases for Fairfax and LeeLand. Notified BearCOM of licensed contractor requirements; Will extend contract schedule.
Gainesville Haymarket MIS	New Line	\$1,537,338	\$1,537,338	Develop expansion alternatives for new service to Gainesville and Haymarket	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.
Commonwealth Station Projects							
Fredericksburg Viaduct Repairs							
Fredericksburg Viaduct Repairs Design	Fredericksburg	\$2,806,000	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	Task order awarded to STV/RWA. Expect design work to begin mid September.
Manassas City parking Deck Environmental			\$170,675	Construction of a 520 space parking garage in the City of Manassas.	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 Design	Manassas, Virginia	\$12,750,000	\$599,534	Design and limited construction administration for 520+ space parking structure.	95%	3rd Quarter 2008	PB providing ongoing construction administration support.
Manassas City parking Deck Construction			\$9,169,400	Construction of Parking Garage	97%	3rd Quarter 2008	Substantial completion achieved and garage opened to public on 8/29/08. Punch list items include phone line for second elevator, elevator shaft louvers, window washing anchors, completion of graffiti-resistant coating and other miscellaneous items. Contract completion date 9/24/08.
Manassas City Parking Deck Electrical Line Relocation			\$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).
- Land Acquisition Assistance			\$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	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 YDOT 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 5/19/08.
Woodbridge Station Expansion Track Relocation	Woodbridge, Virginia	\$7,400,000	TBD	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 received, reviewed, and comments sent to CSX. Currently reviewing CSX insurance requirements contained in agreement. Received Board approval in August to execute agreement.
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	Costello resubmitted Right-of-Entry application to CSX in early July. NTP anticipated for early to mid September. PWC released building permit. PWC Special Inspections meeting, PWC Erosion & Sediment Control meeting and VRE preconstruction meeting held in August.

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Woodbridge Station Expansion K&R Traffic Analysis	Woodbridge, Virginia		N/A	To obtain traffic data and prepare report of analysis results	50%	3rd Quarter 2008	Study nearing completion. Results expected in August.
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 Design		\$1,000,000	\$100,760	Extend platform by 200ft and replace existing platform post lights	100%	1st Quarter 2009	Final Design Complete. Preparing IFB.
Leeland Rd Station Parking Lot Expansion	Stafford, VA		\$172,700	Prepare an environmental assessment (EA) and Preliminary Engineering for an expansion of the VRE Leeland Road Station Park and Ride Lot.	30%	4th Quarter 2009	Letters sent to stakeholder agencies and project neighbors. Draft EA due for review 9/19/08.
Brooke Station Environmental Expansion	Stafford, VA	\$958,400	\$275,124	Prepare an environmental assessment (EA) and Preliminary Engineering for an expansion of the VRE Brooke Station Park and Ride Lot.	30%	4th Quarter 2009	Letters sent to stakeholder agencies and project neighbors. Draft EA due for review 9/19/08.
Brooke Station Parking Lot Expansion	Stafford, VA			Reshape lot to gain spaces and improve circulation	100%	4th Quarter 2008	Completed on July 27. Yielded 69 additional spaces and 2 motorcycle spaces
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			\$756,887	Perform design of S&I building, car wash, warehouse and limited construction support services.	95%	3rd Quarter 2008	Comments on the 90% Design submittal were provided to DMJM on 6/12/2008. DMJM is currently in 100% Design phase and submittal due to VRE by 9/22/2008. 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 Design			\$524,628	Design and construction of additional storage tracks and locomotive and train wash facilities.	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 will need to be completed at the end of construction (anticipated for 10/2008).
Crossroads Yard Expansion / Maintenance Facility Yard Air Design	Crossroads	\$7,157,000	\$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			N/A	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 9/2008. Work is anticipated to be completed by mid to late 10/2008 as estimated duration is approximately 8 weeks

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

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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.	93%	3rd Quarter 2008	S&I Building is approximately 90% complete and is expected to be completed by mid 9/2008. Final site grading is approximately 90% complete and is expected to be completed by late 9/2008. Train wash system is being fabricated and delivery anticipated for late 9/2008. Train wash system expected to be installed and operational by late 10/2008. Track work is substantially complete and preliminary punch list items are being completed.
Rolling Stock							
New Railcar Procurement No. 90-18-16026				Construction of new passenger rail cars			
New Railcar Fabrication (11 Cab Cars)	System-wide	\$2.2 million annual payment	\$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 spanning 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)			\$90,427,748	Construction of OPTION ORDER consisting of 10 cab cars, 20 trailers with toilets and 20 trailers without toilets.	75%	4th Quarter 2008	45 cars now in service. Still making field mods and working numerous warranty issues. Last cars arrive on 9/18 for service on 9/22.
New Railcar Oversight (50 Cars)			\$2,148,814	Perform all engineering oversight and warranty follow-up for construction of 50 car option order	60%	4th Quarter 2008	After second week of Sept. all work will be at Manassas
Sounder Lease	System-wide		\$9,226,000	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	Top Deck Rebuild for 10 Locomotives	96%	On going Project	V02, V07, V21, V06, V08, V09, V31, V24 and V23 Top deck work has been completed. V10 is currently in Albion getting top deck work. Need Board Approval for additional top deck work
Work Management Software Training and Setup	Yards & Warehouse		\$65,000	Provide software and license agreements to track parts management.	100%		
			N/A	Transferring all inventory data from QuickBooks to new software.	100%	2nd Quarter '08	Warehouse converted to MM on May 1, 2008. Work management still not running
Locomotive Lease New Locomotive Procurement No. 90-55-16040	System-wide		\$202,575/year	3-year lease of 3 locomotives	65%	2nd Quarter 2008	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)			\$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			\$4,145,920	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



SEPTEMBER 2008

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FINANCIAL STATISTICS FOR AUGUST 2008

Copies of the August 2008 Operating Budget Report are attached.

Fare income for the month of August 2008 was \$42,444 above the budget – a favorable variance of 2.24%. The cumulative variance for the year is 8.27% or \$314,193 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 two months of FY 2009 is up 14.6% over FY 2008.

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

Measures		Goal	Actual	Trend
Operating Ratio		55%	76%	↑
Budgeted Revenue	65,263,822			
Budgeted Revenue YTD	16,713,648			
Actual Revenue YTD	16,818,711			
Cumulative Variance	105,063		105,063	↑
Percent Collected FY 07 YTD		25.61%	25.77%	
Budgeted Expenses	65,263,822			
Budgeted Expenses YTD	13,379,421			
Operating Expenses YTD	12,527,125			
Cumulative Variance	852,296		852,296	↑
Percent Collected FY 07 YTD		20.50%	19.19%	
Net Income (Loss) from Operations			957,359	↑

These figures are preliminary and unaudited.

VIRGINIA RAILWAY EXPRESS
FY 2009 Operating Budget Report
August 31, 2008

	CURR. MO. ACTUAL	CURR. MO. BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE \$	%	TOTAL FY09 BUDGET
OPERATING REVENUE							
Passenger Ticket Revenue	1,941,220	1,898,776	4,111,745	3,797,552	314,193	8.3%	21,490,892
Equipment Rental and Other	15,811	13,386	25,687	26,771	(1,084)	-4.0%	151,500
Subtotal Operating Revenue	1,957,031	1,912,161	4,137,432	3,824,323	313,109	8.2%	21,642,392
Jurisdictional Subsidy (1)	-	-	8,784,054	8,784,054	-	0.0%	16,361,819
Federal/State/Other Jurisdictional Subsidy	1,873,003	2,037,174	3,871,343	4,074,348	(203,005)	-5.0%	27,049,811
Appropriation from Reserve	-	-	-	-	-	0.0%	-
Interest Income	11,929	15,462	25,882	30,924	(5,042)	-16.3%	210,000
Total Operating Revenue	3,841,963	3,964,797	16,818,711	16,713,648	105,063	0.6%	65,263,822
OPERATING EXPENSES							
Departmental Operating Expenses	3,745,495	3,840,332	6,834,797	7,680,663	845,866	11.0%	43,974,778
Debt Service	958,466	926,879	1,843,828	1,853,758	9,930	0.5%	15,022,547
Insurance	-	-	3,845,000	3,845,000	-	0.0%	5,275,000
Other Non-Departmental Expenses	2,000	-	3,500	-	(3,500)	-	991,497
Total Operating Expenses	4,705,961	4,767,211	12,527,125	13,379,421	852,296	6.4%	65,263,822
NET INCOME (LOSS) FROM OPERATIONS	(863,998)	(802,413)	4,291,586	3,334,227	957,359		
CALCULATED OPERATING RATIO							
			76%				

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