



Virginia Railway Express

# CHIEF EXECUTIVE OFFICER'S REPORT

April 2010

## MONTHLY DELAY SUMMARY

	December	January	February	March
<b>System wide</b>				
Total delays	64	52	64	61
Average length of delay (mins.)	17	13	16	17
Number over 30 minutes	9	1	5	6
Days with Heat Restrictions/Total days	0/22	0/19	0/15	0/23
On-Time Performance	89.1%	90.6%	84.8%	90.8%
<b>Fredericksburg Line</b>				
Total delays	37	21	34	35
Average length of delay (mins.)	21	16	18	17
Number over 30 minutes	8	1	4	4
On-Time Performance	86.1%	91.5%	82.1%	88.3%
<b>Manassas Line</b>				
Total delays	27	31	30	26
Average length of delay (mins.)	13	12	14	17
Number over 30 minutes	1	0	1	2
On-Time Performance	91.6%	89.8%	87.1%	92.9%

## SYSTEM RIDERSHIP

Average daily ridership for March was 17,405, which marks the third consecutive month where the average daily ridership was above 17,000. Cumulative ridership compared to last year is up 3.0%, with approximately 820 more riders than last March. Although the one day total trip record was not broken again this month, daily trip totals consistently approached that record with 8 days over 18,000.

## ON-TIME PERFORMANCE

Systemwide on-time performance is back to 90%. On-time performance on the Fredericksburg Line for the month of March was 88.3% and the Manassas Line was 92.9%. Train interference was the main cause of delays - 42.6% of the total. Sixteen percent of delays were caused by signal failures. Coastal flood warnings along the Potomac on the morning of March 29<sup>th</sup> caused speed restrictions and also contributed to 16% of the delays for the month. There were only 5 mechanical failures in March. On April 2<sup>nd</sup>, CSX shut down the railroad for over 4 hours due to police activity near the tracks in Alexandria which delayed or cancelled all afternoon service.

## **WOODBIDGE STATION UPDATE**

Construction of the Woodbridge station expansion is essentially complete. VRE is currently working with the County to obtain all permits necessary to open the facility. We expect this effort to be completed by the end of April. Construction of the temporary Kiss & Ride will follow. An opening ceremony is planned for May 12<sup>th</sup> at 11:00am at the Woodbridge station.

## **BROAD RUN SERVICE AND INSPECTION BUILDING**

Work on the new building is in the final stages. Finish work inside the building is underway and mechanical, electrical and plumbing work are in full swing. Two tracks will be extended as part of this project to provide additional storage space. All work is expected to be completed by end of June of this year.

## **FREDERICKSBURG STATION IMPROVEMENTS**

This project will address the delaminated concrete issue and provide platform, lighting and aesthetic enhancements. The project is currently out for bid. A pre-bid meeting was held on April 8<sup>th</sup> with various contractors in attendance. Bids are due on April 28<sup>th</sup> and work is expected to begin this summer.

## **CERTIFICATE OF ACHIEVEMENT FOR FINANCIAL REPORT**

VRE has been awarded the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for our FY 2009 financial report. This award is the highest form of recognition in governmental accounting and financial reporting. VRE has achieved this award for three consecutive years.

## **KEOLIS UPDATE**

VRE and Keolis have been meeting monthly with the Federal Railroad Administration and the host railroads to ensure that everyone involved will be comfortable when the change in contractors occurs the end of June.

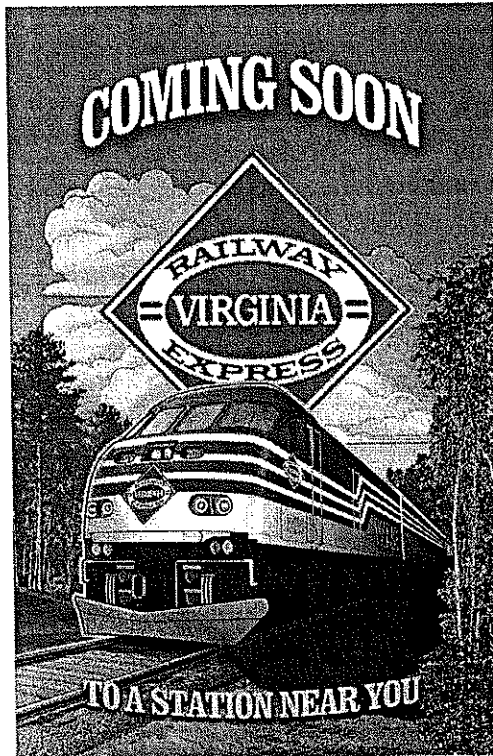
In Progress -- Both to VRE and FRA

Rolling Stock Maintenance Plan  
Facility Maintenance Plan  
Warehouse Maintenance Plan  
Training Program Plan  
System Security Plan  
Environmental Services Plan

Track Safety Standards  
Worker Protection Program  
Operational Rule Testing Plan  
System Safety Program Plan  
Contingency Plan

Keolis has also completed negotiation of final employment terms with both the UTU and BLET for VRE service. Keolis representatives were at the VRE yards on April 12 and 13<sup>th</sup> to answer questions concerning the employment terms for joining Keolis. I'll provide an update on the employment status at the Operations Board meeting on April 16<sup>th</sup>.

### UPDATE ON DELIVERY OF FIRST MOTIVE POWER LOCOMOTIVE



The first new VRE locomotive (V50) has completed final assembly and will exit the paint shop on April 20, 2010. From there, the locomotive will receive final detail work, performance testing and conditional acceptance by VRE. The V50 is currently on schedule to arrive at VRE on July 1, 2010.

Posters have been designed and printed to be placed at every station to build anticipation among our riders for the unveiling of our first new locomotive. A ceremony will be scheduled for later this summer to commemorate the event.

### BIKE TO WORK DAY

VRE will partner with Fairfax County and the Washington Area Bicyclist Association (WABA) to participate in Bike to Work Day on May 21<sup>st</sup>. The Burke Centre VRE station will be a pit stop and VRE staff will be on hand to help with the event.

## **MEET THE MANAGEMENT**

Our annual "Meet the Management" program began this week with Union Station on April 7. These events are an opportunity to show appreciation to our riders. During this time, VRE management visits a different station every week, bringing refreshments for passengers. The goal is to meet our riders in person and to hear any questions, complaints or comments they may have. Board Members are welcome to attend any or all of the events in their jurisdictions. Below please find this years' Meet the Management schedule:

April 7	Union Station, all evening trains
April 14	L'Enfant, all evening trains
April 21	Crystal City, all evening trains
April 28	Alexandria, all evening trains
May 5	Franconia/Springfield, all evening trains
May 19	Fredericksburg, all morning trains
May 26	Broad Run, all morning trains
June 2	Leeland Road, all morning trains
June 9	Manassas, all morning trains
June 16	Brooke, all morning trains
June 23	Manassas Park, all morning trains
June 30	Quantico, all morning trains
July 7	Burke Centre, all morning trains
July 14	Rippon, all morning trains
July 21	Rolling Road, all morning trains
July 28	Woodbridge, all morning trains
August 4	Backlick, all morning trains
August 11	Lorton, all morning trains

## **TAKE YOUR KIDS TO WORK DAY**

On Thursday, April 22, 2010, the Take Our Daughters and Sons to Work Foundation will host the 18th annual Take Our Daughters And Sons To Work® Day. The program continues its focus on the competing challenges adults face integrating work and family. On that day, as in years past, VRE will allow children aged 18 and younger to ride for free with an accompanying fare paying adult. No special I.D.'s are needed on this day only.

## **UPDATE ON DISCOUNTED TICKET SALES**

Starting in November 2009, VRE began a process of incremental changes to our discounted ticket policy and sales location availability. These changes were designed to increase control over discounted ticket sales and to decrease instances of abuse by non-qualifying passengers. These changes included a reduction in the number of VRE ticket vendor locations authorized to

sell discounted tickets and a revision of required identification for passengers to prove they meet the discount qualification guidelines.

Since these changes began, we have seen a decrease in the number of gross discounted rides sold each month from an average of 18,300 before the change, to an average of 12,300 discounted rides produced after the change, a decrease of 6,000 rides per month. This change reflects a reduction in the share of discounted rides from 6.6% of total rides produced to 4.5% of total rides produced.

#### **TIE REPLACEMENT – APRIL 18<sup>th</sup> TO MAY 5<sup>th</sup>**

CSX will be replacing ties from April 18<sup>th</sup> to May 5<sup>th</sup>. The work will be done outside of service hours, but speed restrictions will slow our trains from the area just north of Crystal City to Alexandria. These tie replacements are part of regular track maintenance designed to keep the railroad in a state of good repair. CSX will make sure that VRE service will run as smoothly as possible during these upgrades.

**MONTHLY PERFORMANCE MEASURES – MARCH 2010**

<b>MONTHLY ON-TIME PERFORMANCE</b>	<b>ON-TIME PERCENTAGE</b>
March Fredericksburg OTP Average	88.3%
March Manassas OTP Average	92.9%
<b>VRE MARCH OVERALL OTP AVERAGE</b>	<b>90.8%</b>

<b>RIDERSHIP YEAR TO DATE</b>	<b>RIDERSHIP</b>
VRE FY 2010 Passenger Totals	2,941,830
VRE FY 2009 Passenger Totals	2,856,084
<b>PERCENTAGE CHANGE</b>	<b>3.0%</b>

<b>RIDERSHIP MONTH TO MONTH COMPARISON</b>	
<b>DESCRIPTION</b>	<b>MONTHLY RIDERSHIP</b>
MARCH 2010	400,309
MARCH 2009	338,375
<b>PERCENTAGE CHANGE</b>	<b>8.0%(NORMALIZED)</b>
<b>SERVICE DAYS (CURRENT/PRIOR)</b>	<b>23/21</b>

# Chief Executive Officer's Ridership Report



**APRIL 2010**

*As Reported to the VRE Operations Board  
April 16, 2010*

# Monthly Ridership Changes: FY 2009 v. FY 2010

Current Month	MANASSAS			FREDERICKSBURG				
	Cumulative FY2009	Cumulative FY2010	% change	Cumulative FY2009	Cumulative FY2010	% change	Current Total	% change
July	154,066	163,100	5.9%	184,525	179,830	-2.5%	342,930	1.3%
August	298,659	317,944	6.5%	359,154	351,580	-2.1%	669,524	1.8%
September	456,054	479,425	5.1%	542,275	528,890	-2.5%	1,008,315	1.0%
October	620,865	646,968	4.2%	730,116	707,230	-3.1%	1,354,198	0.2%
November	746,905	795,248	6.5%	875,201	861,321	-1.6%	1,656,569	2.1%
December	883,468	945,530	7.0%	1,035,994	1,017,358	-1.8%	1,962,888	2.3%
January	1,021,679	1,110,585	8.7%	1,192,914	1,185,171	-0.6%	2,295,756	3.7%
February	1,165,667	1,234,347	5.9%	1,352,042	1,307,174	-3.3%	2,541,521	0.9%
March	1,328,811	1,430,590	7.7%	1,527,273	1,511,240	-1.0%	2,941,830	3.0%
April	1,492,195			1,707,585				
May	1,640,938			1,867,882				
June	1,808,366			2,049,280				

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

# Monthly Ridership and OTP: March 2010

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	4,332	4,340	8,672	100%	4,071	4,512	8,583	85%	17,255	93%
2	4,557	4,691	9,248	100%	4,582	4,615	9,197	100%	18,445	100%
3	4,559	4,702	9,261	100%	4,615	4,725	9,341	100%	18,602	100%
4	4,649	4,730	9,379	94%	4,527	4,658	9,185	77%	18,564	86%
5	3,791	3,865	7,656	100%	3,830	3,793	7,623	77%	15,279	90%
6										
7										
8	4,414	4,276	8,690	94%	4,168	4,504	8,672	77%	17,362	86%
9	4,465	4,674	9,139	100%	4,572	4,796	9,368	100%	18,507	100%
10	4,615	4,606	9,221	94%	4,348	4,824	9,172	92%	18,393	93%
11	4,473	4,549	9,022	100%	4,328	4,499	8,827	92%	17,849	97%
12	3,529	3,590	7,119	75%	3,802	4,017	7,819	100%	14,938	86%
13										
14										
15	4,267	4,451	8,718	100%	4,277	4,415	8,692	92%	17,410	97%
16	4,538	4,689	9,227	81%	4,226	4,640	8,866	69%	18,073	76%
17	4,501	4,498	8,999	88%	4,288	4,790	9,078	100%	18,077	93%
18	4,315	4,307	8,622	88%	4,531	4,443	8,974	62%	17,596	76%
19	3,532	3,478	7,010	94%	3,564	4,134	7,698	100%	14,708	97%
20										
21										
22	4,014	4,285	8,299	88%	4,464	4,331	8,795	100%	17,094	93%
23	4,442	4,298	8,740	94%	4,470	4,702	9,172	92%	17,912	93%
24	4,604	4,622	9,226	88%	4,429	4,740	9,169	92%	18,395	90%
25	4,410	4,458	8,868	94%	4,405	4,660	9,065	85%	17,933	90%
26	3,654	3,479	7,133	94%	3,782	3,906	7,688	100%	14,821	97%
27										
28										
29	4,036	3,868	7,904	81%	4,677	5,061	9,738	54%	17,642	69%
30	4,057	4,071	8,128	94%	4,446	4,673	9,119	92%	17,247	93%
31	4,053	3,752	7,805	100%	4,239	4,723	8,962	92%	16,767	97%
	97,807	98,259	196,066	93%	98,642	104,161	202,803	88%	398,869	91%
	Adjusted total:		196,243		Adjusted Total:		204,065	Adjusted Total:	400,309	

# of Service Days:	23	Total Trips This Month:	400,309	Adjusted Total:	400,309
Manassas Daily Avg. Trips:	8,525	Prior Total FY-2010:	2,541,521	Total Trips FY-2010:	2,941,830
Fred'burg Daily Avg. Trips:	8,818	Total Trips FY-2010:	34,455,982	Total Prior Years:	47,397,812
Total Avg. Daily Trips:	17,342	Adjusted Avg.:	17,405	Grand Total:	

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



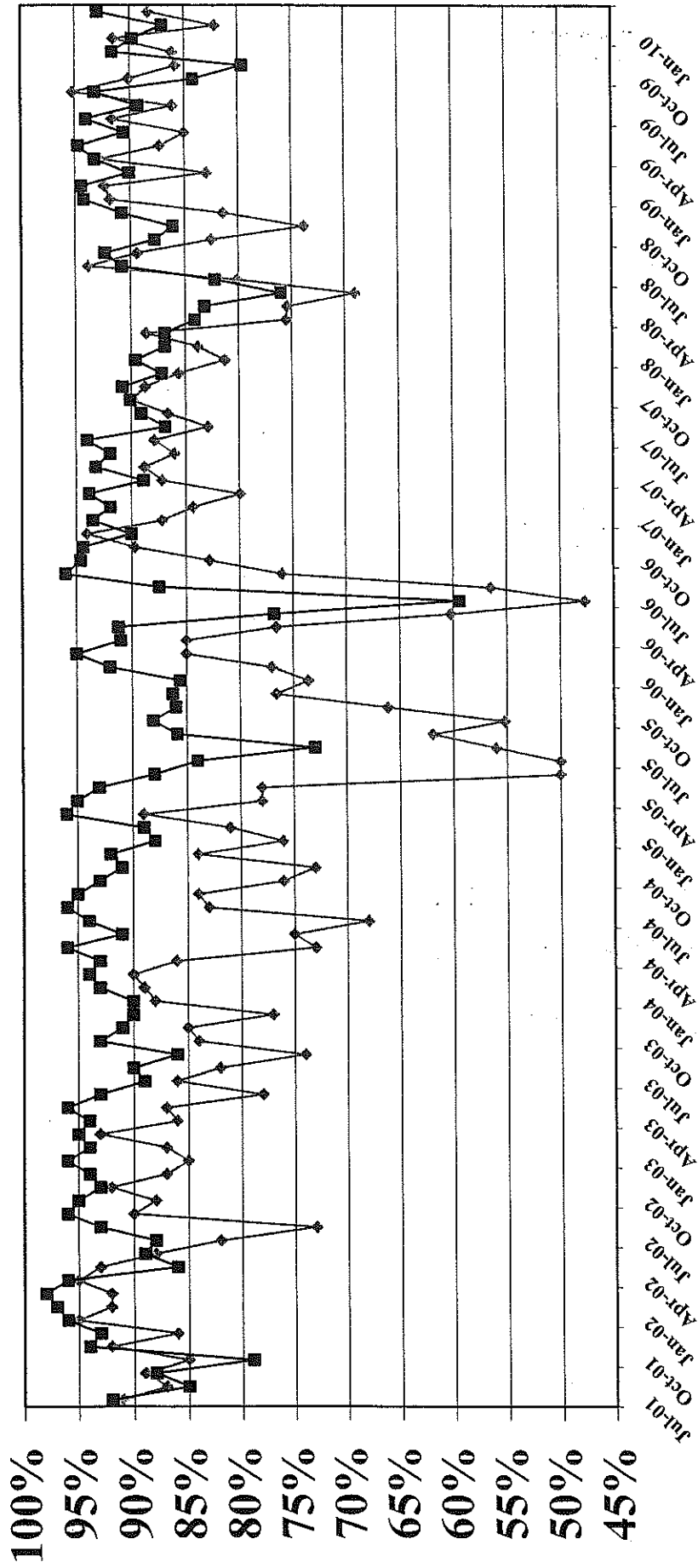
## Chief Executive Officer's On-Time Performance

**APRIL 2010**

*As Reported to the VRE Operations Board  
April 16, 2010*

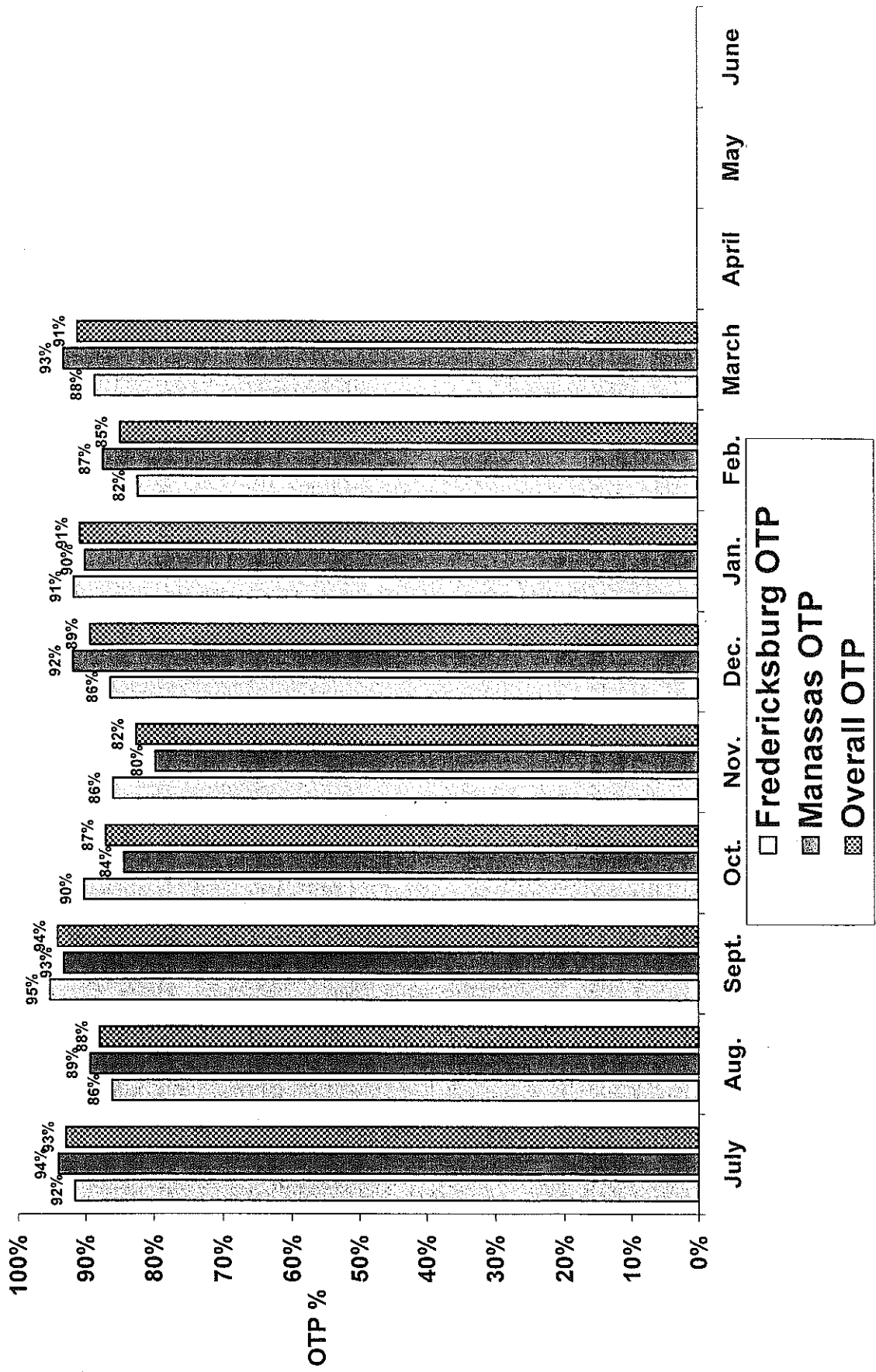
# On-Time Performance

July 2001 – March 2010



◆— Frederickburg Line    ■— Manassas Line

# Average On-Time Performance FY-2010



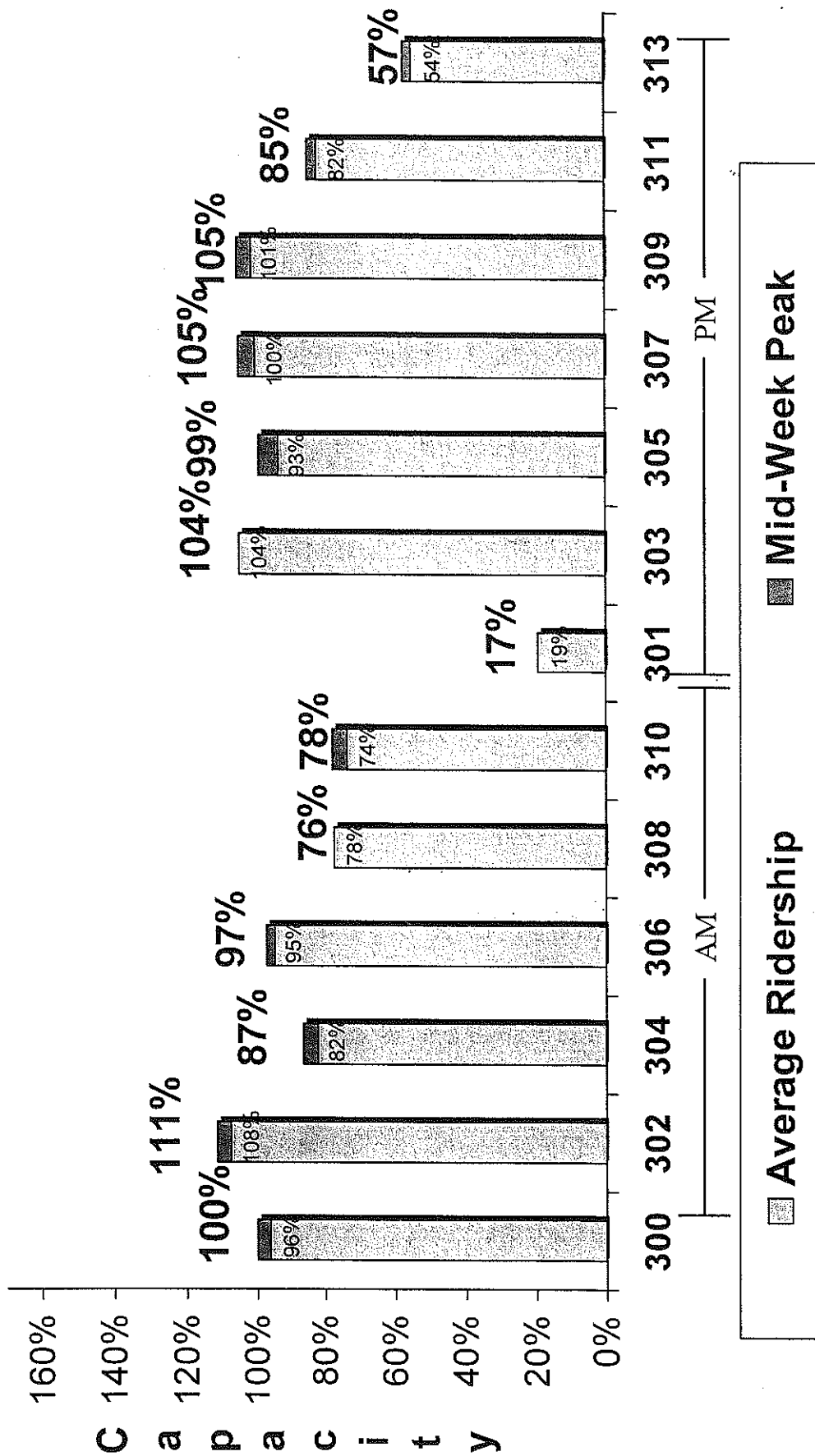
# Chief Executive Officer's Train Utilization



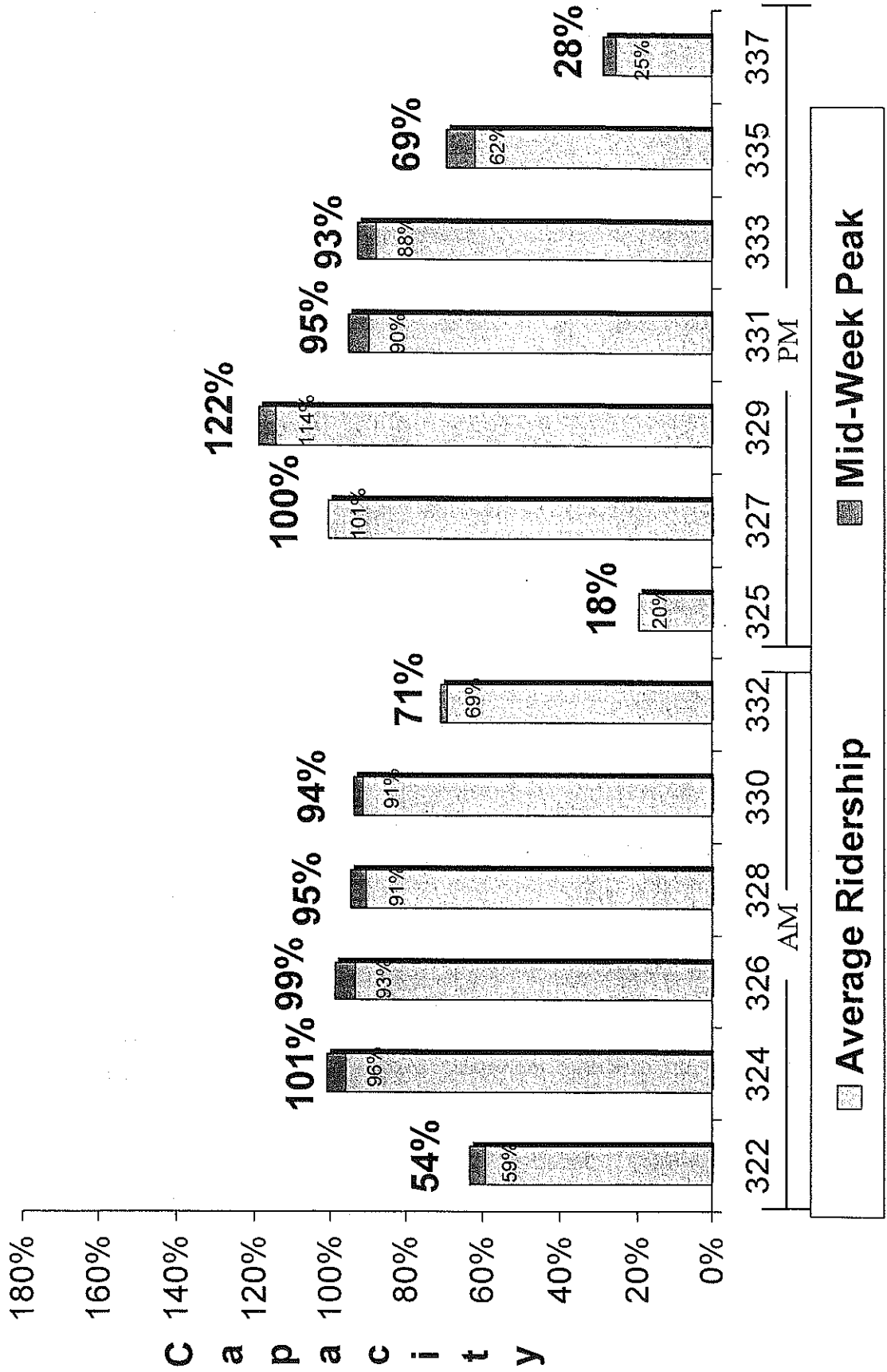
**APRIL 2010**

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# Train Utilization: Fredericksburg Line – March 2010



# Train Utilization: Manassas Line – March 2010



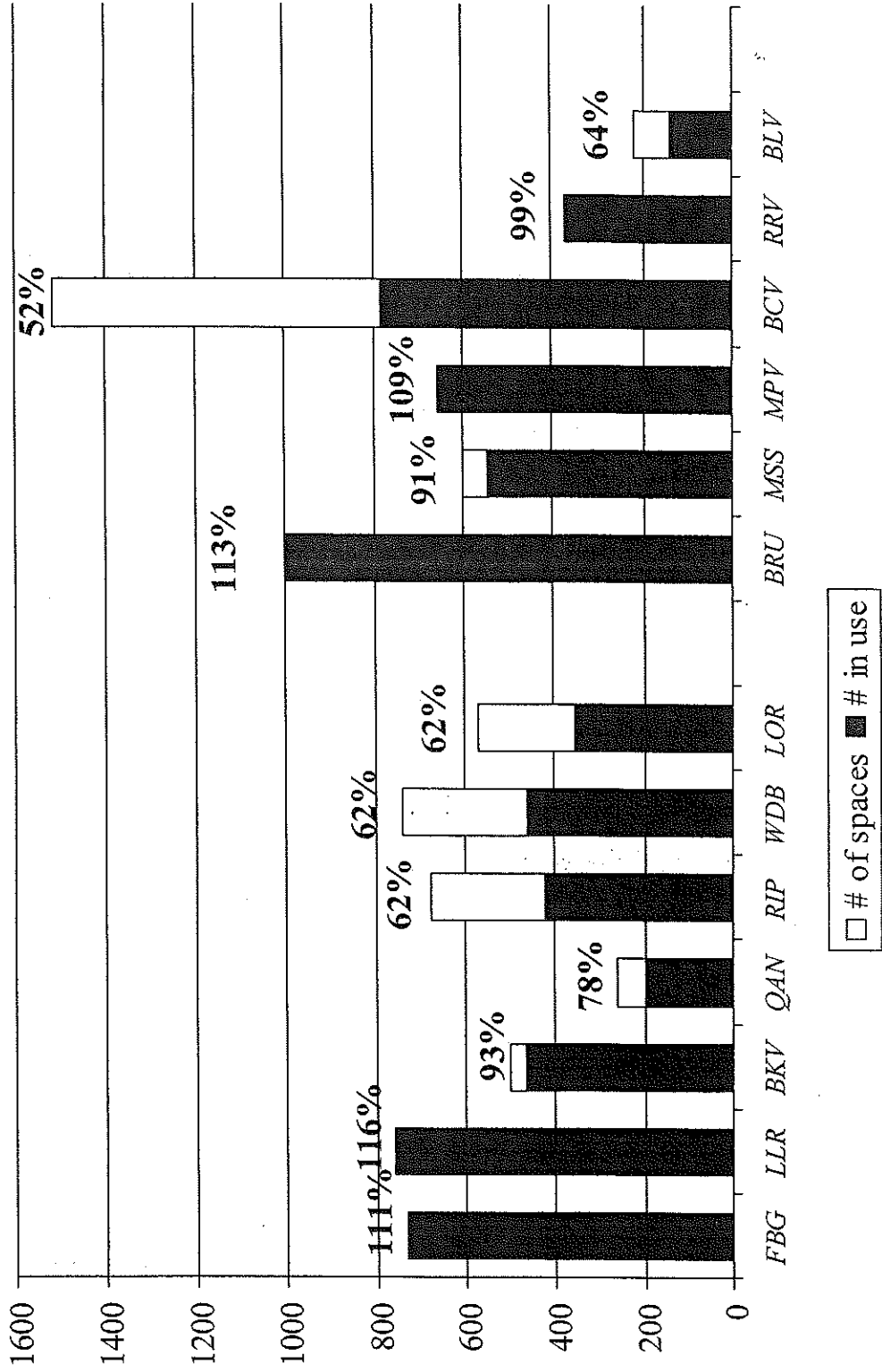
# Chief Executive Officer's Parking Utilization



**APRIL 2010**

*As Reported to the VRE Operations Board  
April 16, 2010*

# Parking Lot Utilization: March 2010



# Chief Executive Officer's Capital Project Summary



**APRIL 2010**

*As Reported to the VRE Operations Board  
April 16, 2010*

**VIRGINIA RAILWAY EXPRESS  
CAPITAL PROJECTS - PROGRESS REPORT  
Projects Underway in FY10 As of  
April 1, 2010**

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>							
Gainesville/Haymarket Expansion				Expansion of service to Gainesville and Haymarket		4th Quarter 2014	
G/H Expansion MIS	NS "B" Line	\$1,537,340	\$1,537,338	Develop expansion alternatives for new service to Gainesville and Haymarket	100%	2nd Quarter 2010	Final invoice received 11/9/09; submitted for payment. Final Alternatives Analysis report completed 5/29/09. Final Feasibility Study completed 9/29/09.
G/H Expansion PE and EA		TBD	TBD	Perform modeling, environmental analysis and preliminary engineering.	0%	4th Quarter 2011	Contract award underway.
Cherry Hill Third Track				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	Cherry Hill, Virginia	\$2,500,000	\$1,961,709	Prepare an environmental assessment and preliminary design for track alternatives and supporting structures.	95%	4th Quarter 2009	Advancing environmental permits and developing design build documents. Awaiting direction from FRA/DRPT regarding EA and design revisions Speed Rail funding. PE budget being used to develop DB contract requirements.
Cherry Hill Third Track PE/EA Support			\$272,747	Provide flagging services and design reviews.	95%	4th Quarter 2009	Coordinating with CSX on DB contract. PE plans with CSX for sign off.
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	\$825,000	N/A	Design of wayside power for two train sets.	95%	4th Quarter 2009	HDR delivered final wayside power and compressed air design for CSX submission. CSX approved design. Waiting on receipt of agreement package.
L'Enfant Storage Track Wayside Power Construction			N/A	Construction of Wayside Power	20%	2nd Quarter 2010	NVE has ordered materials and is prepared to begin work. CSX has authorized VRE to start conduit and power pedestal installation on railroad property, pending agreement execution. VRE continuing to pursue authorization to construct compressor building on PIECO property. Project currently on hold.

Note 1: Total adopted CIP budget will be revised upon receipt of FY11 grant.

**VIRGINIA RAILWAY EXPRESS  
CAPITAL PROJECTS - PROGRESS REPORT  
Projects Underway in FY10 As of  
April 1, 2010**

Project Name	Location	Estimated Cost	FY10 Budget	Actual Cost	Progress %	Current Status	Completion Date	Notes
L'Enfant Storage Track Wayside Power Air Compressor Procurement		N/A			90%	Procure and oversee installation of air compressor equipment for new storage track air system through Virginia state procurement process (EVA)	4th Quarter 2009	Procurement process has been completed. Air compressor system has been delivered and is being stored at Crossroads Yard. VRE/NVE coordinating with Kaeser regarding construction details. Kaeser installed phase monitors on compressors.
Cab Signal Installation from CP RO to CP Virginia Avenue	Virginia / Washington, D.C.	\$1,260,000	\$1,260,000		100%	Installation of cab signals from MP CFP 110.1 to MP CFP 112.2	4th Quarter 2009	Signal cutover completed weekend of October 24, 2009. Attended site visit with DRPT and CSX in mid January required for grant reimbursement.
<b>Planning Studies and Communications Projects</b>								
SmartTrip Fare System Update	VRE offices/ system wide	\$1,102,750				Technical assistance for the design, procurement, installation and testing of a SmartTrip compatible system for VRE.	2nd Quarter 2011	Proceeding with PCI compliance documentation review and technical support
SmartTrip Fare System Update Technical Support				\$154,285	65%			Progress meeting scheduled 04/15/10. Hardware/communications installation and application testing/certification underway; completion scheduled 4/28/10. Contract amendment pending for SBC manufacturing delay. Smart Benefits pilot continues.
SmartTrip/PCI Fare System Update				\$947,750	25%	Upgrade of the fare collection system to comply with PCI requirements	2nd Quarter 2011	
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		\$88,000	100%	Design and develop RFP for new two-way radio system	Completed	Design completed.
2-Way Radio System Construction				\$248,400	98%	Installation of new two-way radio system	4th quarter 2010	Bearcom is working out issues with Diagonal Road to finalize lease; Bearcom set to install console at Keolis office when given the go-ahead; Ordering portable radios.
Spotsylvania Station Study	Spotsylvania			NA	0%	Concept design and site feasibility study for new Spotsylvania station	4th Quarter 2010	Held kick-off meeting on 1/27/10. Spotsylvania County is working on their project administration agreements. Work will continue once Spotsylvania finalizes funding.
<b>Communications Projects</b>								
Fredericksburg Viaduct Repairs								
Fredericksburg Viaduct	Fredericksburg	\$2,606,000		NA	100%	Develop scope of work to address spalling concrete and drainage with available funding	Completed	Final report submitted to VRE on May 15, 2007.

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**VIRGINIA RAILWAY EXPRESS  
CAPITAL PROJECTS - PROGRESS REPORT  
Projects Underway in FY10 As of  
April 1, 2010**

Project Name	Location	FY10 Budget	Project Description	Progress %	Completion Date	Notes
Repairs Design		\$148,281	Develop detailed design to address necessary repairs	100%	1st Quarter 2011	Final plans received and CSX approved project. Preliminary comments from permitting process received on 03/03/2010. IFB advertised on March 25, 2010. Bids are currently due on April 28, 2010.
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%	Completed	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	Design and limited construction administration for second platform, pedestrian crossover and elevator/stair tower.	95%	1st Quarter 2010	Flagman required for several days of work near right-of-way upon improved weather conditions.
Woodbridge Station Expansion Construction	Woodbridge, Virginia	\$4,545,660	Shifting of track 3 to the west to allow for future third track between platforms and flagging services.	95%	2nd Quarter 2010	Remaining PWC inspections include fire and final building. Ramp at existing elevator under construction. Facility expected to open and start of temporary kiss ride construction to start in mid April. Opening ceremony scheduled for May 12.
Woodbridge Station Expansion Construction Engineering Services	Woodbridge, Virginia	N/A	Construction of second platform, pedestrian crossover and elevator/stair tower.	95%	2nd Quarter 2010	Received PWC site plan revision comments and preparing response package.
Woodbridge Station Expansion Special Inspection Services	Woodbridge, Virginia	\$86,570	Perform construction engineering services for construction of second platform, pedestrian crossover and elevator/stair tower.	95%	2nd Quarter 2010	Finalizing final report for PWC Special Inspections Branch. Responding to PWC site plan review comments.
Broad Run Platform Extension Design	Bristow, VA	\$113,300	Extend platform by ~200ft	20%	4th Quarter 2010	Survey and geotech testing completed; 30% design submittal due this week
Manassas Park Station Canopy Extension	Manassas Park Station	NA	Extend canopy on existing platform	100%	3rd Quarter 2010	HDR finalized plans, specs, estimate for bid set. Wind breaks to be installed to use grant funds while waiting for construction money for canopy project.
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	100%	2nd Quarter 2010	Punchlist items complete (other than tree planting); Contractor sending sub to site to reconnect VRE speakers on north end of platform; Working on close-out

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**VIRGINIA RAILWAY EXPRESS  
CAPITAL PROJECTS - PROGRESS REPORT  
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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.	100%	3rd quarter 2010	FTA approved Categorical Exclusion.
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.	100%	3rd quarter 2010	FTA approved Categorical Exclusion.
<b>Yard Projects</b>							
Broad Run Yard Expansion / Maintenance Facility				Design and construction of additional storage tracks and locomotive and train wash facilities.			
Broad Run Yard Expansion / Maintenance Facility Design			\$766,867	Conceptual and final design of S&I building, carwash and track work.	100%	3rd Quarter 2008	Site plan, footing and foundation permit, and retaining wall permit have been approved and were pick-up from PWC on 5/5/2009. AECOM is currently providing on-going construction support.
Broad Run Yard Expansion / Maintenance Facility Construction	Broad Run	\$6,000,000		Construction of S&I building and track work.	80%	2nd Quarter 2010	Pulling of new electrical conductors has begun and is currently about 85% complete. Installation of track work in S&I Building is 75% complete and will be completed in April 2010. Fabrication of switchgear and pre-engineered steel building has been completed. Erection of pre-engineered steel building shell is substantial complete and interior work is on-going. Installation of new switchgear is on-going and will be completed by about late April 2010.
Broad Run Yard Expansion / Maintenance Facility Electrical Service			\$4,559,500	Temporarily relocate existing power to avoid construction conflicts and install new permanent power to new S&I Building.	95%	2nd Quarter 2010	PO for installation of new permanent power issued to Dominion on 9/18/2009. Installation of new permanent power is complete. Transformer has been tested and was energized upon completion of switchgear SG-2. Installation in late January 2010. New electrical services for switchgear SG-2 has been established. New electrical services for switchgear SG-3 will be established in April 2010.
Broad Run Train Wash and Warehouse			N/A	Design and construction of Broad Run train wash facilities, warehouse and crew building. Design and implementation of modifications to Crossroads train wash facilities.			
Broad Run Train Wash and Warehouse Design	Broad Run / Crossroads	\$3,195,000	\$520,212	Conceptual and final design of new Broad Run train wash, warehouse and crew building. Design of modifications to existing Crossroads train wash.	15%	2nd Quarter 2010	Held kick-off meeting on 1/27/10. Continuing design coordination with STV/RWA. Currently reviewing Design Definition Report. Design Concept meeting to be scheduled to coincide with Crossroads train wash operations for observation.
<b>Rolling Stock</b>							
New Railcar Procurement Proj No 90-42-16050							

Note 1: Total adopted CIP budget will be revised upon receipt of FY11 grant.

**VIRGINIA RAILWAY EXPRESS  
CAPITAL PROJECTS - PROGRESS REPORT  
Projects Underway in FY10 As of  
April 1, 2010**

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.	95%	4th Quarter 2010	All 50 cars now in service. Still making field mods and working numerous warranty issues.
New Railcar Oversight (50 Cars)			\$3,033,212	Perform all engineering oversight and warranty follow-up for construction of 50 car option order.	90%	4th Quarter 2010	All work is now warranty work.
Top Deck Rebuilds	System-wide	\$3,372,000	\$2,225,776	Top Deck Rebuild for 10 Locomotives	95%		V02, V07, V21, V06, V08, V09, V31, V24, V23, V10, V04 and V22 Top deck work has been completed. In the planning and preparation stage to send V20 for top deck overhaul work.
Work Management Software Project No 90-57-16270			N/R	Provide software and License agreements to track parts management.	100%	Completed	
Work Management Software Training and Set-up	Yards & Warehouse	\$95,000		Design software modifications for conformity with VRE specific needs and train personnel in use product. Training underway. Transferring all inventory data from QuickBooks to new software.	100%	4th Quarter 2009	Validating updates; target December for start of work management implementation.
New Locomotive Procurement No. 90-55-16040							
New Locomotive Manufacture (2)	System-wide	\$64,725,912	\$60,579,992	Base Order is for five MP-36 locomotives at \$3,694,922 each (\$18,474,610).	25%	4th Quarter 2012	V50 production started on 11-10-09, on schedule; projected July 1, 2010 delivery date. Currently in the paint shop on 3/30/10
New Locomotive Engineering Oversight			\$4,145,920	On site engineering through warranty administration.	25%	4th Quarter 2012	On-site inspectors in Boise; FAI work to be completed 1st QTR 2010
New Railcar Procurement Proj No 90-66-16060							
New Railcar Fabrication (10 Cars)	System-wide	\$23,669,956	\$22,660,000	Construction of 10 trailer cars without toilets	90%	1st Quarter 2012	10 cars placed into revenue service on 2-1-10
New Railcar Oversight (10 Cars)			\$1,009,956	Perform all engineering oversight and warranty follow-up for construction of 10 cars	75%	1st Quarter 2012	all 10 cars have been delivered and work will not shift to Warranty Administration

Note 1: Total adopted CIP budget will be revised upon receipt of FY11 grant.

# Chief Executive Officer's Financial Report



**APRIL 2010**

*As Reported to the VRE Operations Board  
April 16, 2010*

## FINANCIAL STATISTICS FOR MARCH 2010

Copies of the March 2010 Operating Budget Report are attached.

Fare income for the month of March 2010 was \$218,349 above the budget – a favorable variance of 8.85%. The cumulative variance for the year is 11.19% or \$2,243,315 above the adopted budget. Revenue in the first nine months of FY 2010 is up 17.4% over FY 2009. This positive variance is the result of higher than anticipated ridership and the January and July 2009 fare increases.

A summary of the financial results (unaudited) as of March 2010 follows. Detail on the major revenue and expense categories are provided in the attached Operating Budget Report. These figures reflect the Amended FY10 Budget.

A year-end projection is also attached, along with an investment report through the end of March, the most recent report available.

Measures		Goal	Actual
Operating Ratio		55%	82%
<b>Budgeted Revenue</b>	72,109,066		
Budgeted Revenue YTD	55,769,336		
Actual Revenue YTD	57,258,361		
Cumulative Variance	1,489,025		1,489,025
Percent Collected FY 07 YTD		77.34%	79.41%
<b>Budgeted Expenses</b>	72,109,066		
Budgeted Expenses YTD	49,370,094		
Operating Expenses YTD	47,791,108		
Cumulative Variance	1,578,986		1,578,986
Percent Collected FY 07 YTD		68.47%	66.28%
<b>Net Income (Loss) from Operations</b>			3,068,011

These figures are preliminary and unaudited.

**VIRGINIA RAILWAY EXPRESS**  
**FY 2010 Operating Budget Report**  
 March 31, 2010

	CURR. MO. ACTUAL	CURR. MO. BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE \$	YTD VARIANCE %	AMENDED TOTAL FY10 BUDGET
<b>OPERATING REVENUE</b>							
Passenger Ticket Revenue	2,684,910	2,466,561	22,297,525	20,054,210	2,243,315	11.2%	26,917,683
Equipment Rental and Other	6,007	13,882	204,249	112,871	91,378	81.0%	151,500
<b>Subtotal Operating Revenue</b>	<b>2,690,917</b>	<b>2,480,443</b>	<b>22,501,774</b>	<b>20,167,081</b>	<b>2,334,693</b>	<b>11.6%</b>	<b>27,069,183</b>
Jurisdictional Subsidy (1)	-	-	15,955,559	15,955,559	-	0.0%	15,955,559
Federal/State/Other Jurisdictional Subsidy	2,301,595	2,303,014	18,782,711	19,475,342	(692,631)	-3.6%	28,854,324
Appropriation from Reserve	-	-	-	-	-	0.0%	-
Interest Income	1,657	21,076	18,317	171,355	(153,038)	-89.3%	230,000
<b>Total Operating Revenue</b>	<b>4,994,169</b>	<b>4,804,533</b>	<b>57,258,361</b>	<b>55,769,336</b>	<b>1,489,025</b>	<b>2.7%</b>	<b>72,109,066</b>
<b>OPERATING EXPENSES</b>							
Departmental Operating Expenses	4,251,195	4,402,514	34,489,122	36,210,382	1,721,260	4.8%	48,678,777
Debt Service	965,107	970,727	8,504,795	8,546,899	42,104	0.5%	13,582,380
Insurance	270	-	4,613,083	4,612,813	(270)	0.0%	6,005,000
Other Non-Departmental Expenses	148,699	-	184,108	-	(184,108)	-	3,842,909
<b>Total Operating Expenses</b>	<b>5,365,271</b>	<b>5,373,240</b>	<b>47,791,108</b>	<b>49,370,094</b>	<b>1,578,986</b>	<b>3.2%</b>	<b>72,109,066</b>
<b>NET INCOME (LOSS) FROM OPERATIONS</b>	<b>(371,102)</b>	<b>(568,707)</b>	<b>9,467,253</b>	<b>6,399,243</b>	<b>3,068,010</b>		<b>0</b>
<b>CALCULATED OPERATING RATIO</b>							
			82%				

(1) Total jurisdictional subsidy is \$16,376,967. Portion shown is attributed to Operating Fund only.

## FY 2010 YEAR-END FINANCIAL PROJECTION

Each month, the VRE Operations Board receives financial information in summary form which shows year-to-date actual to budgeted fare revenue, grant revenue, and operating expenses. In December of each year, a revised budget for the year is prepared, based on the most current information as of that date. In December 2009, the Amended FY 2010 Budget was presented to the Board.

### YEAR-END PROJECTION

The information below is a projection of year-end revenue and expenses for FY 2010. The results of operations at year-end are anticipated to be a surplus of \$2.5M above the budgeted amount. Major points are as follows:

- Fare revenue estimated to be over \$2.7M above the budgeted amount, assuming ridership remains stable.
- The level of actual fare revenue may impact the state operating grant reimbursement at year end, which is based in part on operating funds less fare revenue.
- Diesel fuel costs are estimated to be \$0.9M below the adopted budget. This is due to lower than budgeted fuel prices and a decrease to the consumption of fuel, resulting in a combination of:
  - Utilizing the F40 locomotives (the least fuel effective) as protect locomotives only and not used in daily service
  - Implementing a strategy of immediately placing the locomotives on wayside power as soon as they are out of service at the two outlying yards
  - With increased maintenance and reliability of the locomotives, there is less running of protect locomotives on the train sets
- Debt service estimated to be \$700K under budget, due to the timing of the borrowing for the 50 and 10 railcar purchases. As a result, the related grant revenue for June is also under budget.
- Grant Revenues are lower by \$2.0M due to reductions in state operating funds and lower than anticipated costs for capital cost of contracting, access fees, and debt service, as noted above.
- Projections also include the planned \$1.0M contribution to the capital reserve and \$0.7M contribution to the operating reserve.
- As previously discussed, staff will provide recommendations in regard to any surplus after completion of the FY 2010 audit at the September meeting

The chart below summarizes actual to budget data by major category:

<b>FY10 Year End Operating Budget Projection (in millions)</b>				
<b>Description</b>	<b>Revised Budget</b>	<b>Current Estimate</b>	<b>Variance</b>	<b>%</b>
Fare Revenue	26.9	29.6	2.7	9.1%
Local Subsidy*	16.0	16.0	-	0.0%
Grant Revenue	28.9	26.9	(2.0)	-7.4%
Other Revenue	0.3	0.2	(0.1)	-50.0%
<b>Total Revenue</b>	<b>72.1</b>	<b>72.7</b>	<b>0.6</b>	<b>0.8%</b>
Operating Expenses	56.8	55.6	1.2	2.2%
Debt Service	13.6	12.9	0.7	5.4%
Contr to Reserve	1.7	1.7	-	0.0%
<b>Total Expenses</b>	<b>72.1</b>	<b>70.2</b>	<b>1.9</b>	<b>2.6%</b>
<b>Net Income (Loss)</b>	<b>-</b>	<b>2.5</b>	<b>2.5</b>	

\*The local subsidy amount shown here is the amount needed for operations; total subsidy is \$16.4M.

## VRE Investment Portfolio

As of March 31, 2010

Investment Type	Institution	Amount	Comments	Rate
Money market fund - overnight sweep	Suntrust Bank	638,000	Disbursement account	0.01% (1)
LGIP (Local Government Investment Pool)	LGIP	7,672,939	Operating and capital reserve and general funds (2)	0.23% (1)
<i>Project Funds</i>				
LGIP (Local Government Investment Pool)	LGIP	34,599	Sale of Kawasaki Rail Cars Proceeds	0.23% (1)
LGIP (Local Government Investment Pool)	LGIP	52,649	Revolving account for small liability claims	0.23% (1)
Money market fund	U.S. Bank	4,289,042	Funds held by bond trustee until next payment date	0.00%
Insurance trust fund	DRM	<u>9,154,514</u>	Amount as of 12/31/2009	N/A
Total portfolio		21,841,743		

(1) Monthly average.

(2) Includes retroactive wage payment owed to Amtrak

### Percentage of portfolio:

LGIP	36%
Money market fund	23%
Insurance trust fund	42%