

CEO REPORT

NOVEMBER 2020



OUR MISSION

The Virginia Railway Express, a joint project of the Northern Virginia Transportation Commission and the Potomac Rappahannock Transportation Commission, will provide safe, cost-effective, accessible, reliable, convenient, and customer responsive commuter-oriented rail passenger service. VRE contributes to the economic vitality of its member jurisdictions as an integral part of a balanced, intermodal regional transportation system.



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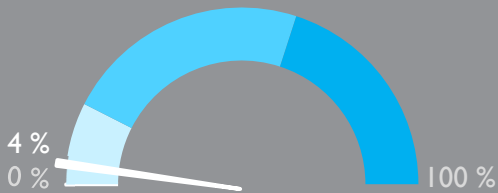
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A better way. A better life.

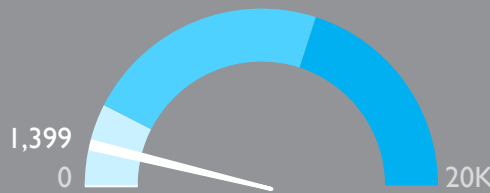


SUCCESS AT A GLANCE



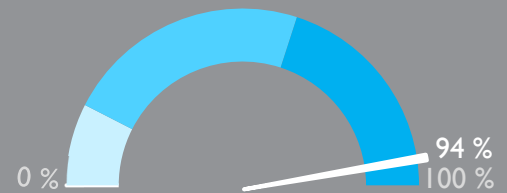
PARKING UTILIZATION

The total number of parking spaces used in the VRE system during the month, divided by the total number of parking spaces available.



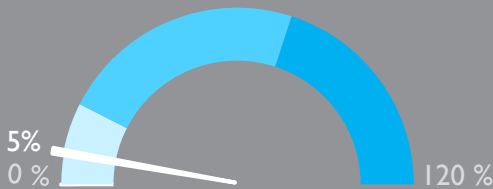
AVERAGE DAILY RIDERSHIP

The average number of boardings each operating day inclusive of Amtrak Step-Up boardings and reduced, "S" schedule, service.
Same month, previous year: 19,593



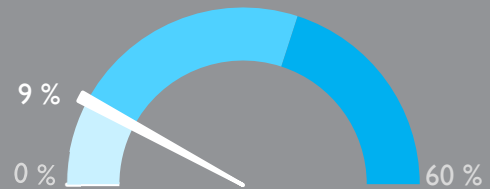
ON-TIME PERFORMANCE

Percent of trains arriving at their destination within five minutes of the schedule.
Same month, previous year: 79%



SYSTEM CAPACITY

The percent of peak hour train seats occupied. The calculation excludes reverse flow and non-peak hour trains.



OPERATING RATIO

Through September 2020

Year-to-date operating revenues divided by year-to-date operating expenses, which represents the share of operating costs paid by the riders.
Board-approved goal: 52%

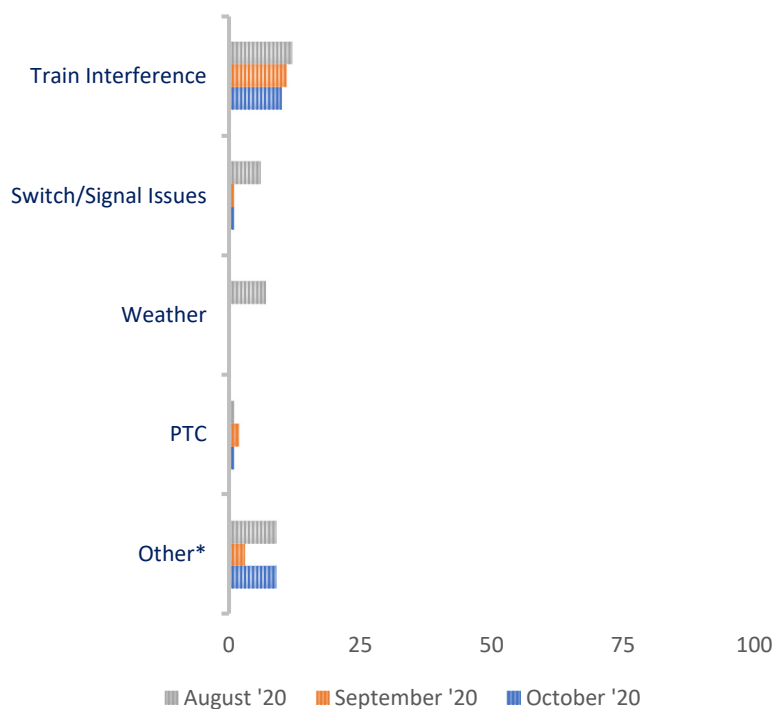
October 2020

ON-TIME PERFORMANCE

OUR RECORD

	October 2020	September 2020	October 2019
Manassas Line	95%	96%	77%
Fredericksburg Line	94%	95%	81%
Systemwide	94%	96%	79%

PRIMARY REASON FOR DELAY



VRE operated 378 trains in October. Our on-time rate for October was 94 percent.

Twenty-one trains arrived more than 5 minutes late to their final destinations. Of those late trains, nine were on the Manassas Line (43 percent), and 12 were on the Fredericksburg Line (57 percent).

Overall, on-time performance for the month was 94%. Congestions remains the biggest driver of delays.

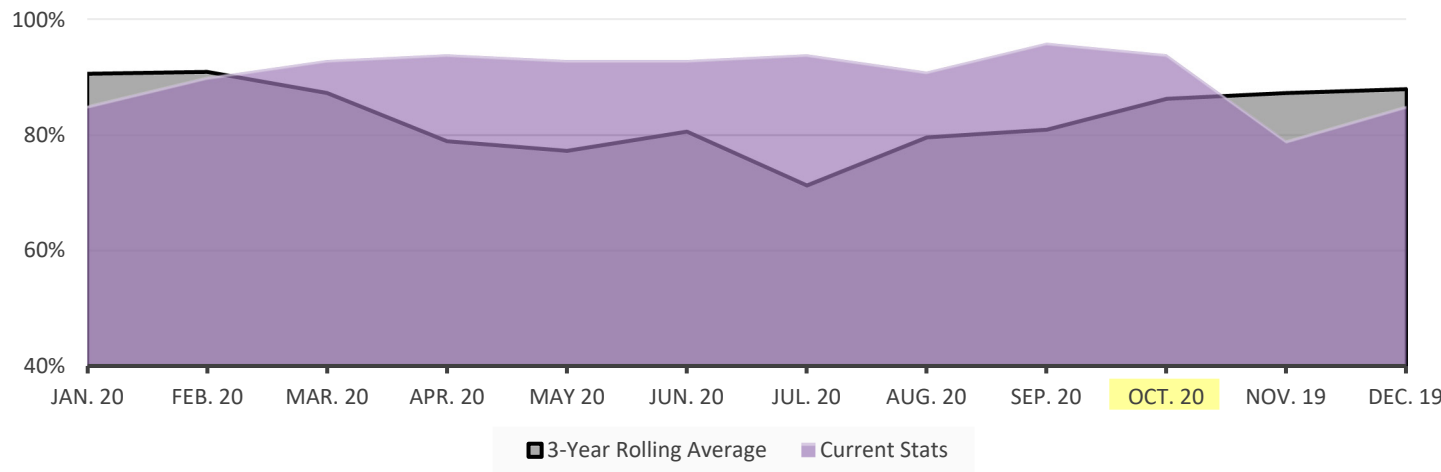
*Includes trains that were delayed due to operational testing and passenger handling.

LATE TRAINS

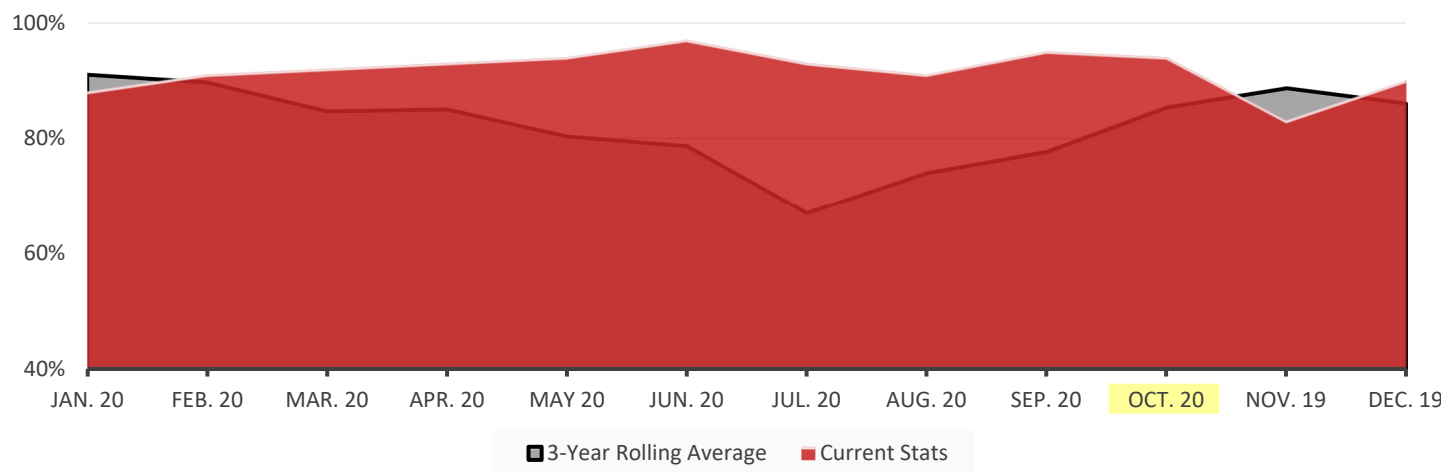
	System Wide			Fredericksburg Line			Manassas Line		
	Aug	Sept	Oct	Aug	Sept	Oct	Aug	Sept	Oct
Total late trains	37	17	21	20	11	12	17	6	9
Average minutes late	26	13	12	17	13	13	36	14	11
Number over 30 minutes	8	0	0	3	0	0	5	0	0
Heat restrictions	8	2	0	8	2	0	0	0	0

ON-TIME PERFORMANCE

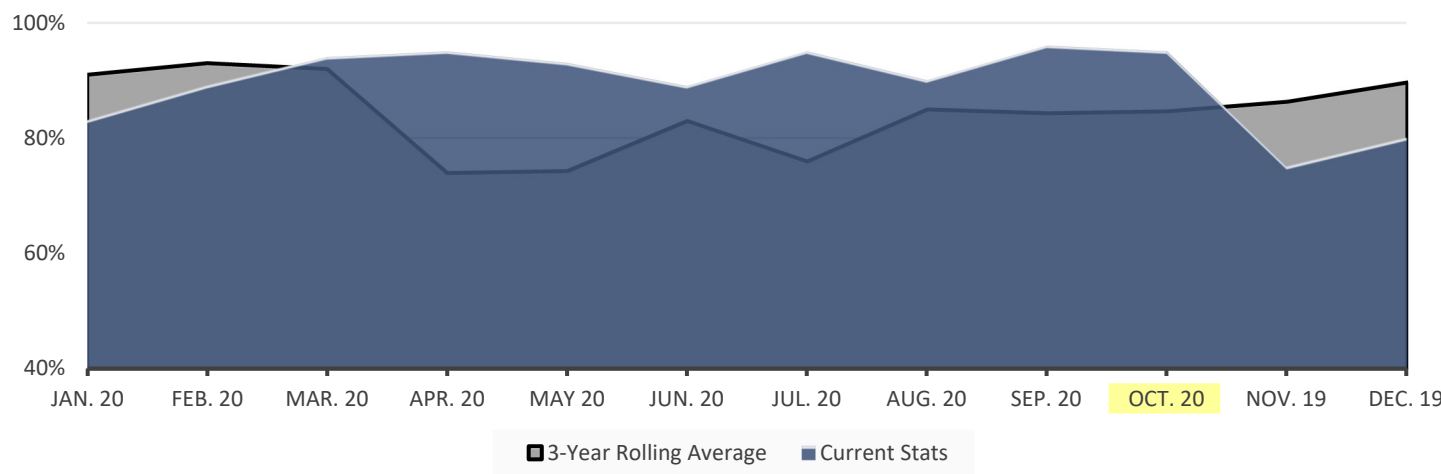
VRE SYSTEM



FREDERICKSBURG LINE

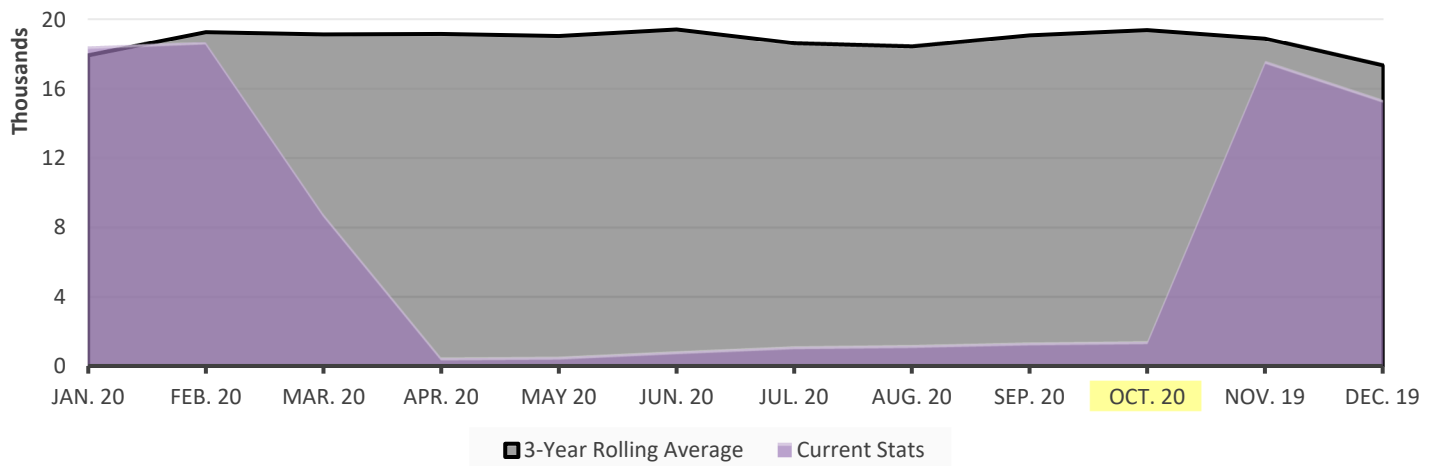


MANASSAS LINE

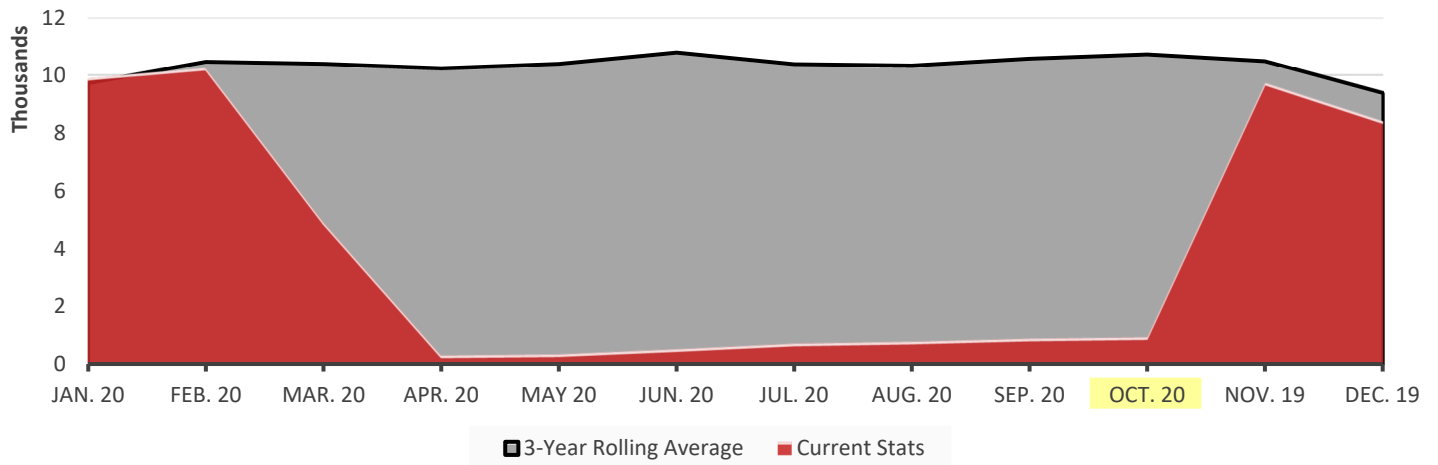


AVERAGE DAILY RIDERSHIP

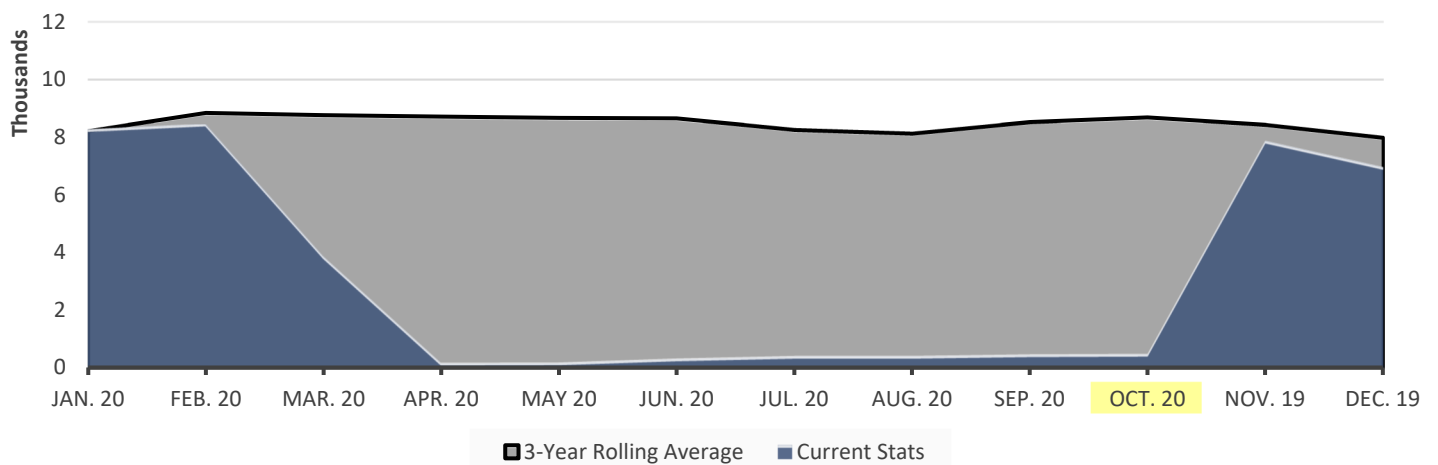
VRE SYSTEM



FREDERICKSBURG LINE



MANASSAS LINE



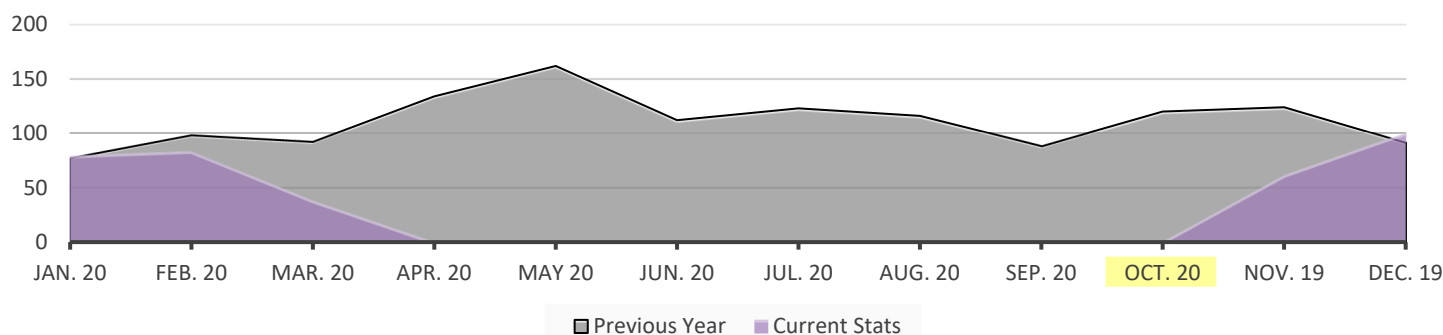
RIDERSHIP UPDATES

Average daily ridership (ADR) in October was 1,399. ADR continues to trend upward month over month. We continue to operate an “S” Schedule Plus (which includes trains 300 and 307), as necessitated by the COVID-19 pandemic.

	October 2020	September 2020	October 2019
Monthly Ridership	29,383	27,987	431,045
Average Daily Ridership	1,399	1,333	19,593
Full Service Days	0	0	22
“S” Service Days	21	21	0

SUMMONSES ISSUED

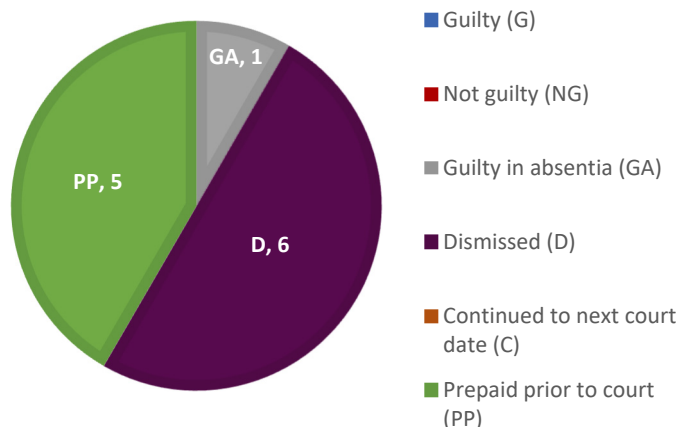
VRE SYSTEM



SUMMONSES WAIVED OUTSIDE OF COURT

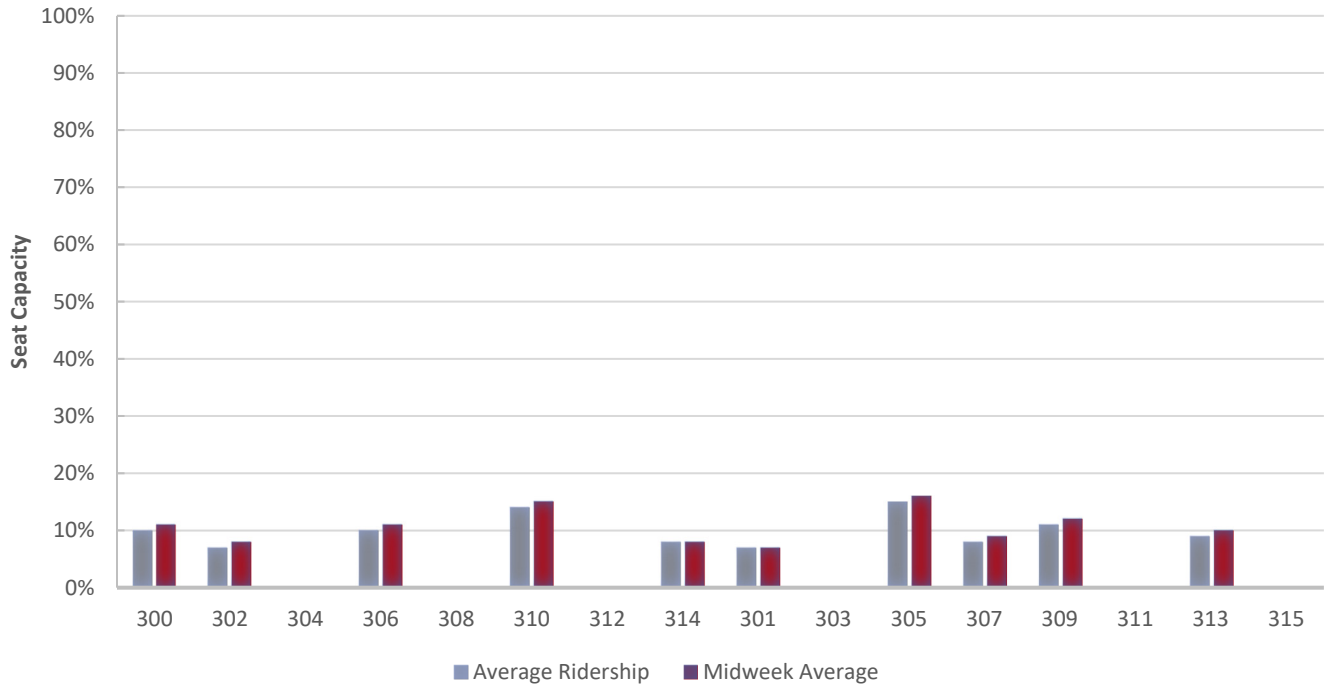
Reason for Dismissal	Occurrences
Passenger showed proof of a monthly ticket	0
One-time courtesy	0
Per the request of the conductor	0
Defective ticket	0
Per ops manager	0
Unique circumstances	0
Insufficient information	0
Lost and found ticket	0
Other	0
Total Waived	0

MONTHLY SUMMONSES COURT ACTION

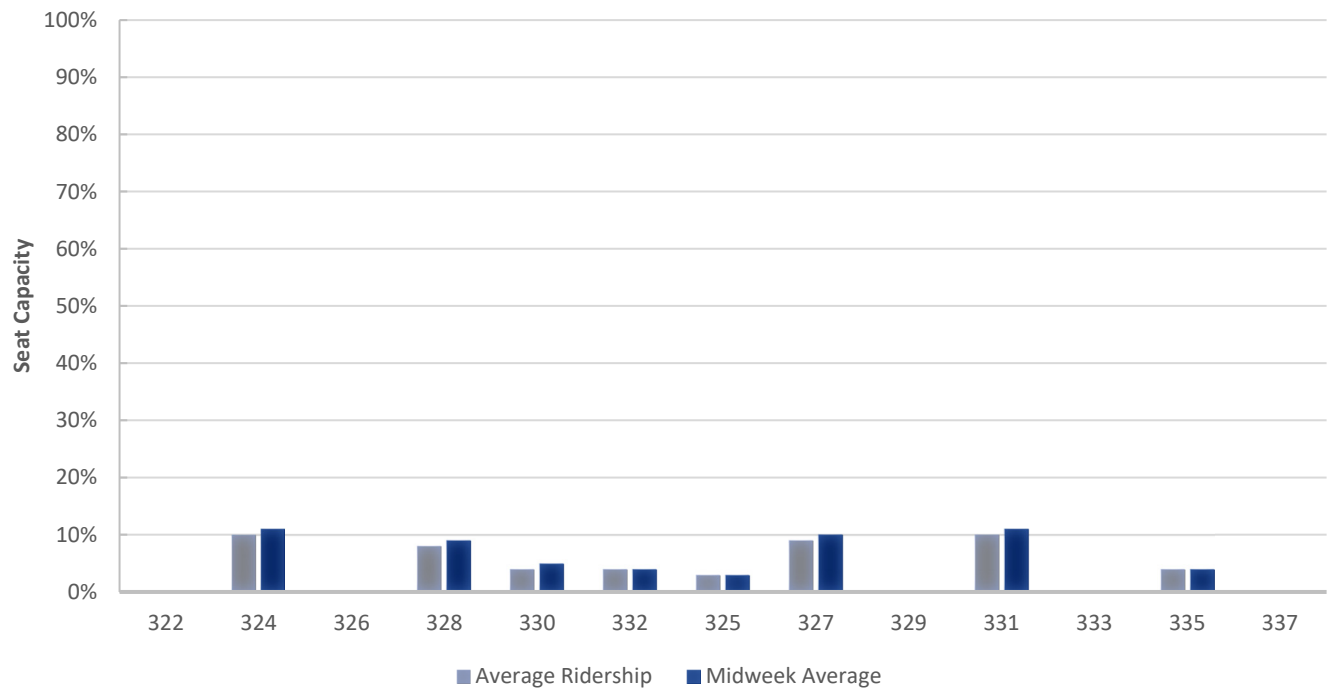


TRAIN UTILIZATION

FREDERICKSBURG LINE

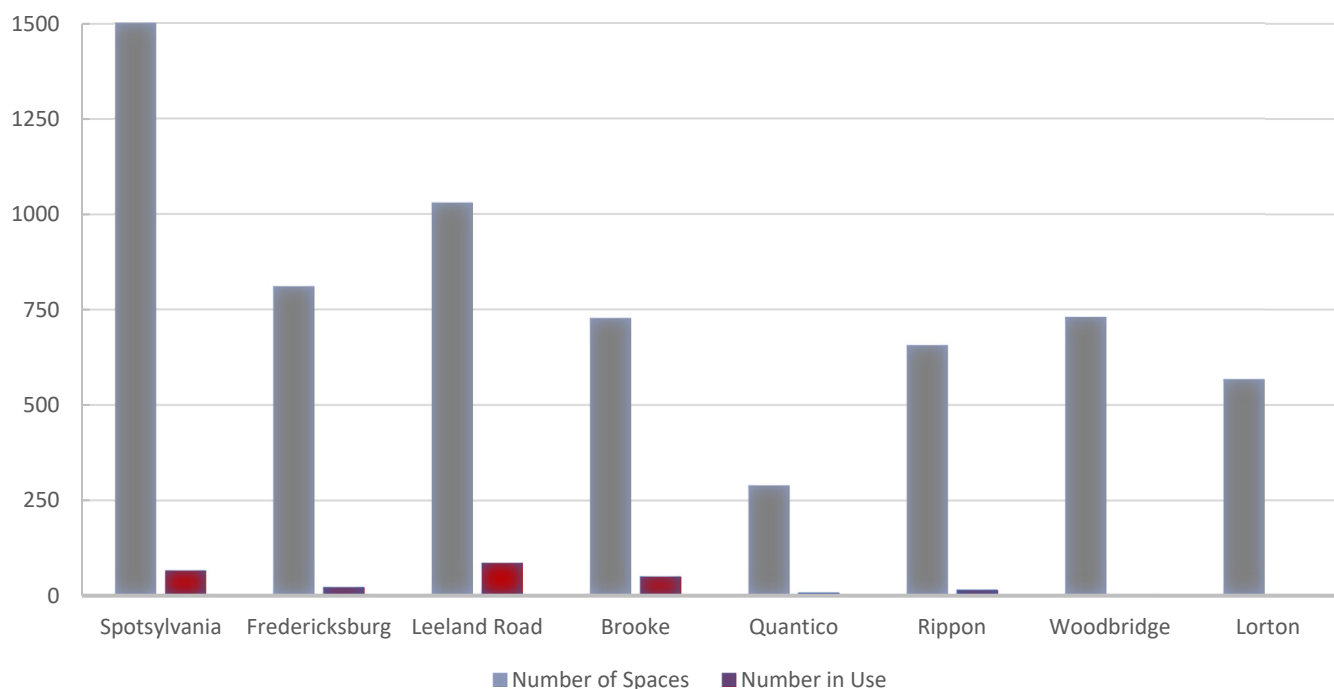


MANASSAS LINE

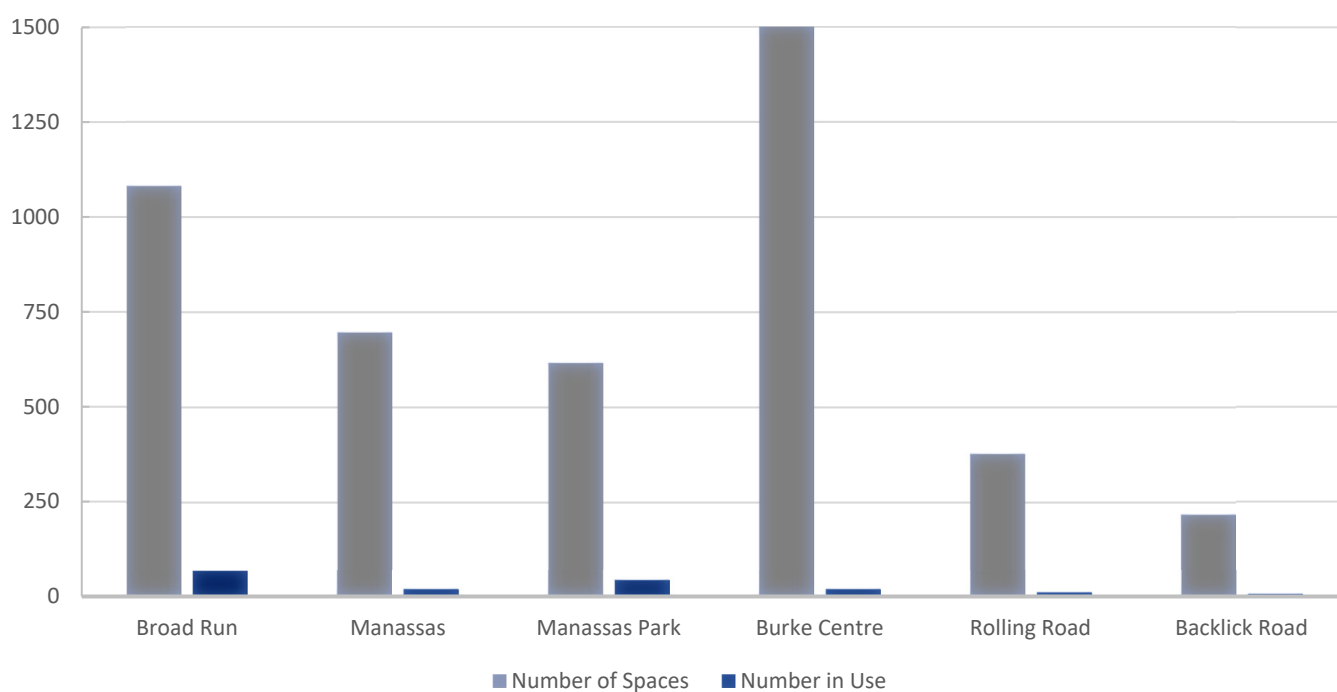


PARKING UTILIZATION

FREDERICKSBURG LINE



MANASSAS LINE



FINANCIAL REPORT FOR SEPTEMBER 2020

Fare revenue through the first quarter (July-September) of FY 2021 is approximately \$9.1 million below budget (an unfavorable variance of -81%) and is also 81% below the same period in FY 2020.

The coronavirus (COVID-19) pandemic continues to have a material negative impact on VRE ridership. Average daily ridership has been slowly increasing during the quarter, with ridership in September at 1,333 trips per day, as compared to 1,177 for August and 1,109 for July. Ridership remains well below pre-pandemic levels – average daily ridership was 18,692 in February 2020 (the last full month not affected by the pandemic). We expect to report significant impacts related to the pandemic throughout FY 2021.

The operating ratio through the first quarter of FY 2021 is 9%, which is below VRE's budgeted operating ratio of 52% for the full twelve months of the fiscal year. VRE is required to budget a minimum operating ratio of 50%. The final operating ratio for the year will depend on whether and when ridership rebounds, but it is unlikely that the 50% threshold will be reached.

A summary of the FY 2021 financial results through September follows, including information on major revenue and expense categories. Please note that these figures are preliminary and unaudited.

FY 2020 Operating Budget Report Month Ended September 30, 2020							
	CURR. MO. ACTUAL	CURR. MO. BUDGET	YTD ACTUAL	YTD BUDGET	YTD \$ VARIANCE	YTD % VARIANCE	TOTAL FY19 BUDGET
Operating Revenue							
Passenger Ticket Revenue	639,044	3,688,805	2,147,673	11,242,072	(9,094,398)	-80.9%	44,090,000
Other Operating Revenue	-	25,100	42,208	76,494	(34,286)	-44.8%	300,000
Subtotal Operating Revenue	639,044	3,713,904	2,189,882	11,318,566	(9,128,684)	-80.7%	44,390,000
Jurisdictional Subsidy (1)	-	-	9,334,076	9,334,075	1	0.0%	13,817,632
Federal/State/Other Jurisdictional Subsidy	2,610,251	2,680,153	7,845,907	8,040,450	(194,543)	-2.4%	31,879,656
Appropriation from Reserve/Other Income	-	-	-	-	-	0.0%	-
Interest Income	15,966	108,765	46,080	331,474	(285,394)	-86.1%	1,300,000
Total Operating Revenue	3,265,261	6,502,822	19,415,944	29,024,565	(9,608,621)	-33.1%	91,387,287
Operating Expenses							
Departmental Operating Expenses	5,808,259	6,614,136	23,491,429	24,267,049	775,620	3.2%	85,137,449
Debt Service	518,403	518,403	1,555,210	1,555,210	-	0.0%	6,220,838
Other Non-Departmental Expenses	-	2,426	-	7,394	7,394	0.0%	29,000
Total Operating Expenses	6,326,663	7,134,965	25,046,639	25,829,653	783,015	3.0%	91,387,287
Net income (loss) from Operations	(3,061,401)	(632,143)	(5,630,694)	3,194,911	(8,825,606)		-
Operating Ratio			9%	47%		Budgeted Goal	52% 50%

(1) Total jurisdictional subsidy is \$18,300,780. Portion shown as budgeted is attributed to Operating Fund only.

COMMUTER RAIL OPERATING AND CAPITAL (C-ROC) FUND QUARTERLY REPORT

Background

Dedicated C-ROC funding for VRE began on July 1, 2018. The C-ROC Fund receives \$15 million annually (\$1.25 million monthly) from fuel taxes collected in the NVTC and PRTC regions. C-ROC funds are received from the Department of Motor Vehicles (DMV) and are held by NVTC/VRE in a separate account, in accordance with §33.2-1525.A of the Code of Virginia. The VRE Operations Board and Commissions approve the projects that are to be funded in whole or in part by the C-ROC, and VRE provides a quarterly report on the C-ROC Fund, including disbursements received, amounts expended, the purpose of the expenditures, and investment and interest earnings.

C-ROC Fund as of September 30, 2020

A summary of the C-ROC Fund through the first quarter of FY 2021 is presented below. Due to lags in the determination of total fuel tax revenue by DMV and the transfer of funds from DMV to NVTC/VRE, total C-ROC funds received may be less than total funds earned. As of September 30, 2020, no FY 2021 C-ROC funding has yet been received by NVTC/VRE.

C-ROC Fund as of September 30, 2020

Period	Funds Earned	Funds Received	Interest Earned	Expenditures	C-ROC Account Balance
FY 2021 (Jul-Sep)	\$3,750,000	\$0	\$19,373	\$0	
Life to Date	\$33,750,000	\$30,000,000	\$430,625	\$0	\$30,430,625

The VRE Operations Board and the Commissions have approved the commitment of \$45 million in C-ROC funding to key capital projects – \$30 million for the L’Enfant Station and Fourth Track project and \$15 million for the Crystal City Station Improvements project. This commitment reflects three years of projected C-ROC funding (FY 2019 through FY 2021), and expenditures will be reflected above when construction commences on these projects.

FACILITIES UPDATE

The following is a status update of VRE facilities projects.

Completed projects:

1. Minor steel repairs to stairs at Rippon Station
2. Repairs to damaged pedestrian crossing at Quantico Station
3. Repairs to damaged tactile warning strip at Fredericksburg Station



Freshly painted stairs at Rippon.

Projects scheduled to be completed this quarter:

1. Submission of IFB package for canopy roof replacement at Backlick Road Station
2. Caulking and painting of stairs at Rippon Station
3. Submission of IFB package for replacement of tactile warning strips at various stations



Repairs to pedestrian crossing at Quantico

Projects scheduled to be initiated this quarter:

1. Issuance of GEC Task Orders for design of minor structural repairs at Franconia-Springfield, Woodbridge, Rippon, Brooke and Manassas Stations
2. Repair of minor cracks in west platform at Woodbridge Station
3. Repair of platform sealer delamination at Spotsylvania Station
4. Issuance of general signage services Request for Quotes

Ongoing projects:

1. Design of waiting area at L'Enfant Station
2. Replacement of signage at Franconia-Springfield, Woodbridge and Leeland Road stations
3. Replacement of waste and recycling receptacles at various stations
4. Design of renovations to Alexandria headquarters

UPCOMING PROCUREMENTS

- Program management services
- Canopy roof replacement at the Backlick Road Station
- Modernization of VRE Woodbridge Station east elevator
- Passenger car wheelchair lift assemblies
- Purchase of LED light fixtures
- Construction of L'Enfant south storage track wayside power
- Variable Messaging System replacement
- Tactile strip replacements
- Pavement repairs and striping at the Rippon and Leeland Road stations and Fredericksburg Lot G
- Franconia-Springfield Station painting services
- Final design services for VRE Broad Run expansion
- Renewal of locomotive head end power engine systems
- Overhaul of emergency generators
- Headquarters renovations
- Website management services

CAPITAL PROJECTS UPDATE

The following is a status update of VRE capital projects.

Completed projects or major project milestones:

1. Long Bridge Project (*study by others*) – Virginia and the District of Columbia have concluded the environmental planning process. DRPT is evaluating responses to its RFP for architectural/engineering consulting services.
2. The Franconia-Springfield Station Improvements draft 90% complete plans and draft specifications were submitted by the consultant team. The documents are being evaluated internally by VRE prior to submittal to CSXT for review and comment.

Projects or project phases scheduled to be completed this quarter:

3. Franconia-Springfield Station Improvements final 90% complete plans
4. Rippon Station Improvements draft 30% complete plans
5. Brooke Station Improvements draft 30% complete plans
6. Leeland Road Station Improvements draft 30% complete plans
7. Broad Run Expansion (BRX) Section 106 Consultation
8. Construction of Benchmark Road Slope Stabilization Complete (Hamilton to Crossroads overall project/funding closeout and stakeholder concurrence anticipated this quarter)

Projects or project phases scheduled to be initiated this quarter:

9. Execution of Contract for Construction of Quantico Station Improvements and Pre-NTP activities - NTP forthcoming
10. Execution of Contract for Construction of Lifecycle Overhaul & Upgrade Facility (LOU) and Pre-NTP activities - NTP forthcoming
11. Board Authorization, Execution of Contract for Construction of Rolling Road Station Improvements and Pre-NTP activities – NTP forthcoming
12. Execution of Contract and NTP for CM for Construction of Quantico Station Improvements

Ongoing projects:


13. Broad Run Expansion (BRX)
14. Manassas Park Parking Improvements
15. Rolling Road Station Improvements
16. Crossroads Maintenance and Storage Facility (MSF) – land acquisition completed
17. Lifecycle Overhaul & Upgrade Facility (LOU)
18. Leeland Road Station Improvements
19. Brooke Station Improvements
20. Quantico Station Improvements
21. Rippon Station Improvements
22. Franconia-Springfield Station Improvements
23. Alexandria Station Improvements
24. Alexandria Station Track I Access (Slaters Lane)
25. Crystal City Station Improvements
26. L'Enfant Train Storage Track - South
27. L'Enfant Station Improvements
28. New York Avenue Midday Storage Facility
29. Potomac Shores VRE Station – *design by others*
30. Washington Union Station Improvements Environmental Impact Statement – *study by others*
31. DC2RVA Environmental Impact Statement – *study by others*
32. Long Bridge Project – *study by others*

Projects Progress Report Follows

PASSENGER

PROJECT	DESCRIPTION	PHASE						
		CD	PE	EC	RW	FD	CN	
Alexandria Station Improvements	Eliminate at-grade track crossing, add elevators, modify platforms.	◆	◆	◆	N/A	●		
Franconia-Springfield Station Improvements	Extend both platforms and widen East Platform for future third track. 	◆	◆	◆	N/A	●		
Rippon Station Improvements	Extend existing platform, construct new second platform with pedestrian overpass. ^À	◆	●	●	N/A			
Potomac Shores Station Improvements	New VRE station and parking in Prince William County provided by private developer.	◆	●	◆	N/A			
Quantico Station Improvements	Extend existing platform, construct new second platform with pedestrian overpass.	◆	◆	◆	N/A	●		
Brooke Station Improvements	Extend existing platform, construct new second platform with pedestrian overpass. ^À	◆	●	●	N/A			
Leeland Road Station Improvements	Extend existing platform, construct new second platform with pedestrian overpass. ^À	◆	●	●	N/A			
Manassas Park Parking Improvements	Parking garage to increase parking capacity to 1,100 spaces.	◆	◆	●	N/A			
Rolling Road Station Improvements	Extend existing platform and rehabilitate existing station	◆	◆	◆	N/A	●	●	
Crystal City Station Improvements	Replace existing side platform with new, longer island platform.	◆	●	●	N/A			
L'Enfant Station Improvements	Replace existing platform with wider, longer island platform. Add fourth track (VA-LE)	◆			N/A			

PHASE: CD - Conceptual Design PE - Preliminary Engineering EC - Environment Clearance RW - Right of Way Acquisition FD - Final Design CN - Construction

STATUS:  Completed  Underway  On Hold  part of the "Penta-Platform" program

¹ Total project cost estimate in adopted FY2020 CIP Budget; percentage complete based on VRE Operations Board authorization

² Does not include minor (< \$50,000) operating expenditures

* \$2,181,630 authorization divided across five "Penta-Platform" program stations

ESTIMATED COSTS (\$)						STATUS	
Total ¹	Funded	Unfunded	Authorized	Expended ²	Percent Complete ¹	Project Completion Date	
31,875,014	31,875,014	-	2382759	2193257	90%	2nd QTR 2023	● Design underway. CSX and City of Alexandria review progressing.
13,000,000	13,000,000	-	*	708,564	35%	4th QTR 2023	● FD underway with anticipated completion 4th QTR 2020. Ongoing coordination with DRPT projects.
16,634,793	16,634,793	-	*	406,008	20%	4th QTR 2030	● PE design/EC anticipated completion 4th QTR 2020. Ongoing coordination with DRPT projects.
No costs for VRE. Private developer providing station.					20%	TBD	● Potomac Shores VRE Station design underway to include parking structure. 60% Re-Design Submittal received and under review by CSX and VRE.
18,372,949	18,372,949	0	830,833	683,892	60%	TBD	● Final Funding Agreements forthcoming. Execution of Construction and CM contracts forthcoming, and pre-NTP activities anticipated 3rd Quarter 2020. NTP to follow.
23,391,019	23,391,019	-	*	397,501	20%	4th QTR 2030	● DRPT LONP received; REF grant pending. PE design/EC anticipated completion 4th QTR 2020. Ongoing coordination with DRPT projects.
15,527,090	15,527,090	-	*	390,285	20%	4th QTR 2026	● DRPT LONP received; REF grant pending. PE design/EC anticipated completion 4th QTR 2020. Ongoing coordination with DRPT projects.
25,983,000	25,983,000	0	2,238,144	670,225	30%	4th QTR 2022	● Design due to site relocation to start in December 2020.
5,000,000	2,000,000	3,000,000	640,503	418,887	70%	4th QTR 2021	● Contractor has been selected. Construction to begin 1st QTR 2021.
49,940,000	19,098,463	30,841,537	1,584,619	397,848	30%	2nd QTR 2024	● PE & EC initiated in Oct 2019 and anticipated completion 3rd QTR 2020.
70,650,000	62,465,721	8,184,279	130,501	65,150	50%	2nd QTR 2023	● DRPT LONP received. Real estate research in progress under LONP.

TRACK AND INFRASTRUCTURE

PHASE

PROJECT	DESCRIPTION	CD	PE	EC	RW	FD	CN
Hamilton-to-Crossroads Third Track	2¼-miles of new third track with CSXT design and construction of signal and track tie-ins.	◆	◆	◆	N/A	◆	◆

MAINTENANCE AND STORAGE FACILITIES

L'Enfant Train Storage Track - South	Conversion of CSXT Temporary Track to VRE Storage Track (1,350 feet) and Associated Signal Work	◆	◆	◆	N/A	●	●
Lifecycle Overhaul & Upgrade Facility	New LOU facility to be added to the Crossroads MSF.	◆	◆	◆	N/A	◆	■
Crossroads Maintenance and Storage Facility - Land Acquisition	Acquisition of 19.5 acres of land, construction of two storage tracks and related site improvements.	◆	N/A	N/A	●	N/A	N/A
New York Avenue Midday Storage Replacement Facility	Midday storage facility replacement for Ivy City storage facility.	◆	●	●	●		

ROLLING STOCK

Passenger Railcar Procurement	Acquisition of 29 new railcars.	◆	N/A	N/A	N/A	◆	◆
Positive Train Control	Implement Positive Train Control for all VRE locomotives and control cars.	◆	N/A	N/A	N/A	◆	●

PLANNING, COMMUNICATIONS AND IT










Broad Run Expansion (was Gainesville-Haymarket Extension)	NEPA and PE for expanding commuter rail service capacity in Western Prince William County	◆	●	●	-	-	-
Mobile Ticketing	Implementation of a new mobile ticketing system.	◆	N/A	N/A	N/A	◆	●

PHASE: CD - Conceptual Design PE - Preliminary Engineering EC - Environment Clearance
RW - Right of Way Acquisition FD - Final Design CN - Construction

STATUS: ◆ Completed ● Underway ■ On Hold

¹ Total project cost estimate in adopted FY2020 CIP Budget; percentage complete based on VRE Operations Board authorization

² Does not include minor (< \$50,000) operating expenditures

ESTIMATED COSTS (\$)						STATUS	
Total ¹	Funded	Unfunded	Authorized	Expended ²	Percent Complete ¹	Project Completion Date	
32,500,000	32,500,000	-	33,285,519	30,578,003	100%	3rd QTR 2018	 Overall Project and Stakeholder Concurrence Close-out forthcoming. Benchmark Slope project complete.
3,965,000	3,965,000	-	2,937,323	1,699,610	60%	4th QTR 2019	 CSXT Construction Agreement received. CM underway.
38,183,632	38,183,632	-	3,176,039	2,143,583	70%	TBD	 FD completion pending Final Electrical Design Coordination with REC. IFB anticipated 2nd Quarter 2020, upon
2,950,000	2,950,000	-	2,950,000	163,565	100%	1st QTR 2020	 Land acquisition has been completed.
89,666,508	89,666,508	-	3,588,305	2,257,455	90%	4th QTR 2021	 Preliminary design has been completed and continuing to collaborate with Amtrak on agreements.
75,264,693	75,264,693	-	69,457,809	47,915,644	99%	4th QTR 2020	 All cars received. Completion date reflects end of warranty period.
14,191,833	14,191,833	-	10,294,079	7,984,451	95%	4th QTR 2018	 Implementation Completed. Final stabilization and familiarization phase in process.
110,700,000	82,526,398	28,173,602	5,855,650	4,539,446	80%	4th QTR 2024	 PE design and EC underway. Property acquisition due diligence underway.
3,510,307	3,510,307	-	3,510,627	2,282,853	70%	4th QTR 2020	 American Eagle working on redesign with uplift to new platform projected for fall 2020.

NOTES

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