



Northern Virginia Transportation Authority

The Authority for Transportation in Northern Virginia

FINANCE COMMITTEE
Wednesday, June 6, 2018 9:30AM
3040 Williams Drive, Suite 200
Fairfax, VA 22031

MEETING SUMMARY

I. Call to Order/Welcome

Mayor Rishell

- Mayor Rishell called the meeting to order at 9:38AM.
- Attendees:
 - ✓ Members: Mayor Rishell; Chairman Parrish (arrived 9:41AM); Chairman Bulova; Chair Randall; Mayor Silberberg
 - ✓ Authority Members: Chairman Nohe; Chair Cristol; Ms. Hynes
 - ✓ Other Elected Officials: Councilmember Smedberg (Alexandria); Mayor Vance (Hillsboro); Vice Mayor Marasco (Hillsboro)
 - ✓ Staff: Monica Backmon (Executive Director); Michael Longhi (CFO); Carl Hampton (Investment & Debt Manager); Peggy Teal (Assistant Finance Officer); Yolanda Thomas-Jones (Clerk); Sarah Camille Godfrey (Communications and Public Affairs Manager); Keith Jasper (Principal, Transportation Planning and Programming); Sree Nampoothiri (Transportation Planner) .
 - ✓ Council of Counsels: Ellen Posner (Fairfax County)
 - ✓ Other Attendees: Bob Brown (Loudoun County); Meseret Argaw (Loudoun County); Tarrence Moorer (Alexandria); Paolo Belita (Prince William); Yon Lambert (Alexandria); Mark Schofield (VRE); Christine Hoeffner (VRE); Dan Iglhaut (NVRPA); Paul Gilbert (NVRPA), Sarah Crawford (Arlington); Noelle Dominguez (Fairfax County)

II. Summary Minutes of the January 18, 2018 Meeting

- Chairman Bulova moved approval of the minutes of the May 2, 2018 meeting; seconded by Mayor Silberberg. Motion carried unanimously.

Action Items

III. Six Year Program Funding Recommendation

Mr. Longhi, CFO

- Mr. Longhi recapped the Finance Committee work undertaken since May 2017 to develop the PayGo level recommendation for use by the Planning and Programming Committee (PPC) in the Six Year Program (SYP).
- Mr. Longhi continued, noting the Finance Committee has received reports, analyses and provided feedback on numerous matters critical to determining the level of PayGo available for the SYP. These include:

- ✓ Regional Revenue Projections
- ✓ Investment Portfolio Interest Earnings
- ✓ Debt Service Commitments
- ✓ Future Technical Support Expenses for TransAction Updates, Long Term Benefits and Congestion Reduction Relative to Cost Analyses
- ✓ Out Year Taper
- ✓ Cash Flow Analysis
- ✓ Appropriation Schedule
- Mr. Longhi noted through the discussions and reviews the numbers have stayed consistent with the exception of the 2018 General Assembly action.
- Mr. Longhi noted the Finance Committee funding recommendation will be used that morning by the PPC which will meet immediately following the Finance Committee at 10:00 AM. The next steps are:
 - ✓ The Planning and Programming Committee will meet at 10:00AM on June 6, 2018 to review NVTa staff recommendations for the SYP.
 - ✓ The Authority is scheduled to meet on June 14, 2018 to adopt the FY2018-2023 Six Year Program.
 - ✓ The Authority is scheduled to make budget appropriation decisions for the adopted SYP projects on September 13, 2018.
- Mr. Longhi described the technical steps required once the Authority determines the slate of projects. After the adoption of the SYP, NVTa staff will work with jurisdictions and agencies over the summer of 2018, to develop an appropriations schedule.
- Mayor Silberberg noted the effort that went into the proposed recommendation and work to come with the two year update. She also expressed hope for progression on current projects like Alexandria's West End Transit Way.
- Chair Bulova moved the Finance Committee recommend to the NVTa Planning and Programming Committee, a PayGo amount for the inaugural Six Year Program of \$1.285 billion as detailed in Attachment 1. Mayor Silberberg seconded. Motion carried unanimously.

Information/Discussion Items

IV. Draft Policy 29- Project Activation, Monitoring and De-Appropriation

Mr. Longhi, CFO

- Mr. Longhi requested the Finance Committee's guidance on proceeding with the development of a policy regarding project activation, monitoring and de-appropriation, noting an earlier version of draft Policy 29 was reviewed by the Finance Committee in May of 2017.
- Mr. Longhi noted the May 2017 draft had a clause which addressed cash flow issues. That clause was determined to be unnecessary and is removed from the current draft.
- Mr. Longhi pointed to substantial changes from the prior draft related to the expectation that the Authority is no longer doing one year funding and instead will adopt a Six Year Program with updates approximately every two years.
- Mr. Longhi noted, otherwise the current draft Policy 29 was modelled after, and combines elements of, two previously adopted policies: Policy 24 - Standard Project Agreement (SPA)

Activation and Policy 25 - FY2017 Program First Drawdown Commitment. The proposed draft policy will supersede and replace both Policy 24 and Policy 25.

- ✓ Mr. Longhi discussed how draft Policy 29 relates to the new funding program, since the Authority is no longer approving one year programs.
- ✓ Policy 29 recognizes, with exception of projects that receive funding in FY2019, every SYP project will see its appropriation coming in the next one to five years.
- ✓ Policy 29 reflects that projects should be ready for a Standard Project Agreement within three months of an appropriation.
- ✓ The adoption of the FY2019 projects will be nine months before the SPA deadline in the draft policy.
- Mr. Longhi further noted that many members have asked for a policy addressing project advancement.
- Mr. Longhi noted the next step is to solicit input from member jurisdictions and agencies, then bring draft Policy 29 back to the Finance Committee hopefully in early fall of 2018.
- Mayor Parrish mentioned he had spoken to NVTa and city staff about a city project that would be impacted by the draft policy and despite that situation, he thinks appropriated monies need to be spent timely and he supports moving forward in developing the draft.
- Chairman Bulova commented it appears the draft refines and builds upon prior policies, which do what the Authority has agreed is needed, in terms of ensuring projects are moving forward while providing a mechanism for staff and elected officials to be alerted if things appear to be slipping.
- Mr. Longhi responded affirmatively noting that to that end it relies very heavily on the project status updates from project sponsors included in the monthly Executive Director's report.
- Ms. Backmon added that with the SYP updates, if a project lost funding there may be an opportunity to reapply in the future.
- Ms. Backmon noted there are projects from the FY2014 Program that have not drawn down funds. She noted NVTa staff know the lack of monetary drawdowns alone does not provide the full picture of project status, necessitating additional communication.
- Ms. Backmon further noted the \$2.5 billion in funding requests for the SYP, and the Authority has lost two revenue sources. Thus, necessitating clear parameters on communicating project progress and expectations.
- Mr. Longhi referenced the second page of the staff report that reflects unspent funds from the three funding programs:
 - ✓ 30% or \$57.2 million for the FY2014 program.
 - ✓ 67% or \$224.5 million from the FY15/16 program
 - ✓ 99% or \$164.8 million from the FY2017 program.
- Mr. Longhi also noted NVTa staff has undertaken a review of current projects which will probably request additional NVTa funding in the future. That analysis showed the total funding request could equal the potential revenue available for the first two year update to the SYP. Hence a prior funded project which is not moving could impact the ability of other projects to move forward in the next two year update.
- Mayor Silberberg mentioned draft Policy 29 supports the Authority's intent to track projects monies and progress. Mr. Longhi affirmed that draft Policy 29 is designed to monitor projects to completion.

- Mayor Silberberg questioned the term ‘substantive draw down’. Mr. Longhi responded that prior policy required a draw down by a date and hence we have received draws requests with little direct relevance to project movement, but which met the date requirement.
- Chairman Nohe commented that Prince William County has projects which will need funding in the two year update to the SYP, so this is not a hypothetical situation.
- Chairman Bulova inquired that as the policy development continues will there be outreach to local jurisdictions? Mr. Longhi replied affirmatively noting the draft policy development focuses on communication and understanding that drawdowns alone do not fully reflect project progress.
- Related to Chairman Bulova’s question, Mr. Longhi added that over the summer as the draft policy is developed, sponsors of projects adopted on June 14th will have an opportunity to revise their spend plans while knowing the draft is in development, prior to Authority appropriation action in September.
- Ms. Hynes noted she found the prior program spend down table on page two of the staff report to be very helpful and asked if such a summary could be developed on a routine basis. Mr. Longhi replied stating her request is a feature of the Project Monitoring and Management System (PMMS) that the Authority approved the initial funding for in FY2019. He further noted staff will look to develop and interim presentment, since the project dashboard will be a FY2020 phase.
- Mayor Rishell asked and received consensus of the Committee that work on the draft policy development continue.

V. Non-Agenda Item: Mayor Parrish reminded the members that the Finance Committee also serves as the Authority’s Audit Committee. He noted that the Audit Partner from PBMares, Mr. Garber, wants to ensure there is a clear, direct and independent chain of communication between the committee and the auditors. Mayor Parrish noted he is in communication with Mr. Garber and if any member had any items they wished to accomplish, say or request please let him know and he will facilitate.

VI. Investment Portfolio Report

Mr. Longhi, CFO

- No verbal report given.

VII. Monthly Revenue Report

Mr. Longhi, CFO

- No verbal report given.

VIII. Operating Budget Report

Mr. Longhi, CFO

- No verbal report given.

Meeting adjourned: 9:56AM

Next Meeting September 20, 2018