

Northern Virginia Transportation Authority Financial Working Group
February 5, 2014

Minutes from January 6, 2014, meeting were approved unanimously.

Loudoun County requested to be part of the revenue estimate committee that was formed at the 1/6 meeting. The committee has not yet met, so the group will meet after this meeting to set up a date/time.

Bond Validation Suit - No new information.

Preparation for Sale of Bonds –

Joanne Carter briefed the FWG on the timeline. Powerpoint in the materials will be part of the bond sale presentation. Mike Longhi said that Potential underwriters are interested in the history of revenues, especially estimated vs. actual. Many jurisdictions maintain this information. He asked that jurisdictions to provide this information, is it is available to increase credibility to underwriters. Mr. Longhi anticipates selling bonds at the end of FY2014 or the beginning of FY2015.

Materials to NVT A -

- Alexandria has returned the MOA between NVT A and Jurisdictions. Other jurisdictions are in process of governing body approval and execution. Falls Church governing body approval is pushed out to 2/24. PWC has sent executed MOA to NVT A.
- All jurisdictions are outstanding on demonstration of C&I tax and/or equivalent, banking information, and contact information. Mike said that if there are any questions as to how to show the revenue, how to set up the accounts, or what information to provide please contact him.
- There was a misunderstanding among some that all jurisdictions have to execute and return the MOA's before any locality that had met all the conditions precedent to receive their share. Ellen Posner clarified that each jurisdiction should be viewed independently. For towns, however, the county must execute their MOA for the town to be in a position to receive their distribution. On the other hand, the county can still receive distribution if the towns have not executed their MOA.

Discussion of Agreement between NVT A and the Local Jurisdictions

The MOA subcommittee met on January 28. NVT A approved MOA between cities and counties. Tom Biesiadny asked each jurisdiction when they would take the MOA's to governing body for approval. Each would be soon. Some, the very next public meeting. After governing body action, will be appropriately executed.

Discussion of Standard Project Agreement -

Ms. Posner reviewed several aspects of the Standard Project Agreement for regionally funded projects. Topics discussed included:

- NVTA is in the process of hiring the program coordinators referred to in the agreement. These are the first point of contact for the recipient.
- If a recipient has a cost overrun, additional funds may be requested through the process; however, these funds are not guaranteed.
- The funds are on a reimbursement basis. A template will be used. Cash flow needs will be outlined in the appendices.
- Discussion on what is incurred vs. paid. Scott Kalkwarf from NVTC will provide some language.
- Some jurisdictions use retainage. If you are holding the retainage you haven't made final payment. Project closure = final payment.
- Section on NVTA resolution is nonnegotiable and is required language. (#10 on page 5).
- Regarding multiple phases, it is understood that some phases of a project may be substantially completed, while another project is ready to go. It is the intent that overlapping phases will be allowed. The recipient will need to work with NVTA on this and be clear in outlining project in the appendices. Recipients define the phases when they submit their projects. Will add language to refer to appendices. Ms. Posner will update the draft to reflect reimbursement basis instead of advances.
- NVTA termination for cause is covered in the agreement. Bond Counsel questioned why NVTA would terminate without cause. There was significant group discussion on this point. Bond Counsel will find language, and FWG members were also asked to provide any language of this nature that they have.

Matching funds. It has now been determined that both the 30 percent and the 70 percent are eligible to match VDOT and DRPT funds. On a conference call, VDOT staff emphasized that state revenue sharing fund for projects likely won't grow.

MOA Subcommittee will be meeting on Wed 2/12 10:30 am. FWG members were encouraged to provide comments in advance of the meeting.

Distributed current draft of VDOT-DRPT-NVTA MOA. Steve McIsaac prepared comments on the draft agreement. Mr. Biesiadny reviewed the proposed changes.

There is a reference to gas tax funds flowing through DMV. Perhaps it is a mistake in the draft as it was pulled from Hampton Roads agreement. It has been discussed that funds flow through VDOT.

There is a question about whether the money should flow through VDOT or directly to NVTA. The FWG would like to see engagement between NVTA and the Commonwealth in the development of the Six Year Improvement Program. It is important for NVTA to be at the table when VDOT develops six year plan.

Agreement will be discussed again at MOA subcommittee next Wednesday. Please provide any comments to Mr. Biesiadny to take to NVTA's March meeting.

The group was reminded to communicate with Mr. Longhi, if any jurisdiction is updating their revenue estimates or can offer any updated information on tracking estimates and actuals. Mr. Longhi mentioned the reporting matrix. So far he hasn't received any comments, and will circulate again.

Revenue estimate subcommittee will schedule a meeting after this meeting:

Jason Friess – Arlington

Carl Hampton - PWC

Marsha Wilds – Fairfax

Joe LaHait -Fairfax

Penny Newquist – Loudoun

Fairfax City Discussion – David Hodgkins would like the option of changing the annual certification mid-year regarding equivalent C&I tax as the real estate tax could change subsequent to certification. There was discussion about NVTA need to have certifications made at the beginning of the year, because the law requires redistribution of unclaimed funds. It was suggested that unclaimed funds could be held in escrow until reconciliation occurs. This might have an impact on NVTA's budget adoption, and seems to disagree with HB2313. The Council of Counsels will review. The issue was referred to the Council of Counsels for further review.

No change in status of Bond Validation suit.

Next Meeting of FWG - Thursday March 6, 1pm.