

**NORTHERN VIRGINIA TRANSPORTATION
AUTHORITY**

MEMORANDUM

FOR: Chair Phyllis J. Randall and Members,
Northern Virginia Transportation Authority

FROM: Mayor Rishell, Chair - Finance Committee

DATE: July 1, 2021

SUBJECT: Finance Committee Report

1. **Purpose:** To provide the Northern Virginia Transportation Authority (NVTa) with a report of Finance Committee (Committee) activities.
2. **Background:** The Finance Committee last met on June 17, 2021. The next scheduled meeting is Thursday, July 15, 2021 at 1:00 PM. The following summarizes the June 17th meeting.
3. **Discussion Items:**
 - a. **Update of Reimbursement Parameter Study** – The Committee received a briefing and provided guidance on this continuing study.
 - i. The purposes of the project were reviewed and discussed. Those purposes are Transparency, Equity, Consistency, and Accountability of the public funds entrusted to the Authority to complete projects.
 - ii. NVTa staff noted significant progress with many areas of agreement on major (Direct) project cost items. Efforts continue to develop consensus on smaller cost categories, typically referred to as indirect costs.
 - iii. Discussions with individual jurisdictions and the Regional Jurisdiction and Agency Coordinating Committee are expected to continue over several months.
 - b. **Duplicate Payment Audit Service** – The Committee received a briefing on duplicate reimbursement payments that have occurred and that have been prevented. The Committee recognized that a risk of underdetermined scope was present. Upon Committee direction NVTa staff in conjunction with the Authority's independent auditor has developed an audit proposal which was presented to the Authority at this evening's meeting.
 - c. **Investment Portfolio Report** - The Finance Committee reviewed and discussed the Authority's Investment Portfolio performance. The Portfolio continues to perform well compared to its benchmarks and the overall market, noting that performance has declined, although at a slower pace than the overall fixed income market.

- d. Monthly Revenue Report** - The Finance Committee reviewed and discussed the monthly revenue reports. Staff reported that \$78.9 million has been distributed in 30% funds to member jurisdictions for use on their locally determined public transportation purposes.
- e. Monthly Operating Budget** - The Finance Committee received reports and discussed the FY2021 Operating Budget. Through 83% of the fiscal year the Authority has utilized 73% of the operating budget.
- f. Financial Activities Report** – The Committee received a verbal update on the progress of the annual independent financial audit. The process is moving forward on schedule and will enter the financial statement preparation and audit stage after the June 30th close of the fiscal year.

The Committee was also advised on the initiative by the Governance and Personnel Committee (GPC) to potentially recommend a professional consulting service related to the Chief Executive Officer's position description and compensation. The Committee was apprised of the potential use of the Operating Budget Reserve as a payment source. The CFO noted that the combined GPC initiative and the potential Finance Committee duplicate payment audit initiative will not unduly strain the Authority's reserves.