**III.**

**Thursday, October 11, 2018**

**7:00 PM**

## 3040 Williams Drive, Suite 200

**Fairfax, VA 22031**

**Meeting Minutes**

1. **Call to Order** Chairman Nohe

## Chairman Nohe called the meeting to order at 7:10 PM.

1. **Roll Call** Ms. Thomas-Jones, Clerk
	* Voting Members: Chairman Nohe; Chairman Bulova; Chair Randall; Chair Cristol; Mayor Silberberg; Mayor Meyer; Mayor Parrish; Councilmember Snyder; Delegate Hugo; Mayor Rishell; Ms. Hynes.
	* Non-Voting Members: Ms. Cuervo; Ms. Mitchell.
	* Staff: Monica Backmon (Executive Director); Michael Longhi (CFO); Harun Rashid (Transportation Planner); Peggy Teal (Assistant Finance Officer); Erica Hawksworth (Communications & Public Affairs Manager); Richard Stavros (Investment and Debt Manager); various jurisdictional and agency staff.

## Minutes of the June 14, 2018 Meeting

Chairman Bulova moved approval of the June 14, 2018 minutes; seconded by Chair Randall. Motion carried unanimously.

# Presentation

1. **Update on Status of Concessionaire Payment Funded Projects**

 Ms. Shaw, VDOT, Mega Projects Director

* + Ms. Shaw presented the I-66 Outside the Beltway Concession Fee Projects Annual Update.
	+ Ms. Shaw reviewed the Concession Fee Project requirements:
		- Projects must benefit the toll facility user.
		- Projects have to be federally eligible.
		- Each project must meet one of the project improvement goals as given by the Authority.
	+ Ms. Shaw discussed the types of projects to be considered noting one of the following types of multimodal transportation improvements:
		- Capital projects for new or enhanced local and commuter bus service, and transit priority improvements.
		- Expansion or enhancement of transportation demand strategies, including van pool and carpool programs and assistance.
		- Capital improvements for expansion or enhancement of WMAT A rail and bus service, and for improved access to Metrorail stations and Metro bus stops.
		- New or enhanced park and ride lots and access or improved access.
		- Capital improvements for new or enhanced VRE facilities or services.
		- Roadway improvements.
		- Transportation Systems Management and operations.
		- Identified in studies and plans or projects in the region's constrained long range plan or regional transportation plans.
	+ Ms. Shaw highlighted the Concession Fee Project Selection Process.
		- NVTA issued a Call for Projects to member jurisdictions and agencies on June 8, 2017.
		- On June 28, 2017, 26 application were received, totaling $1.2 billion from 7 jurisdictions and agencies.
		- NVTA approved 14 projects totaling $496,287,000 that went on to the Commonwealth Transportation Board (CTB).
		- Ms. Shaw noted the two adjustments that were made:
			* One project had a reduced estimate.
			* Route 29 projects were added.
		- On January 10, 2018 CTB approved the projects totaling $500 million.
		- NTVA and VDOT entered into a Memorandum of Understanding (MOU) about how the projects would be selected in the future.
	+ Ms. Shaw informed the Authority that the MOU details:
		- Total project funding is $500 million.
		- Projects selected meet federal eligibility, goals of project, benefit I-66 users.
		- Project funds planned to be expended by Toll Day 1 (December 2022), without a firm requirement.
		- Projects to be administered by VDOT, DRPT, local jurisdiction, or agency, using standard agreements.
		- NVTA’s role is to select and recommend additional projects from available Concession Fee funds until $500 million has been expended.
		- The CTB reviews and approves selected projects including any adjustments. CTB also considers and approves project delivery method.
		- VDOT is responsible for providing an annual report to the NVTA on the balance of the $500 million and project progression.
	+ Ms. Shaw referred to the Approved Projects slides outlined in Item IV. She noted the bolded items are projects that made changes after the NVTA and CTB approved.
	+ Ms. Shaw discussed the Concession Fee Project categories and status that included:
		- The four projects within the Transform 66.
		- Agreements in progress with Transit Improvement Projects. DTRP is leading the efforts to put the agreements in place.
		- There are three Pedestrian Improvement Projects. Agreements are in place and work in underway.
		- Four Roadway Projects being done by VDOT and Prince William County.
	+ Ms. Shaw summarized the Concession Fee Project status.
		- All projects are established in VDOT system with UPC's and project numbers.
		- Five project agreements are complete.
		- Five project agreements in progress.
		- 4 projects to be accomplished with I 66 Outside the Beltway Project.
		- 10,157,486 balance in $500 million Concession Fee Project account.
			* Three projects in Fairfax County that have had their estimates reduced. One project reduction is a result of negotiations with the change order with the EDP team. Many of the projects are early in implementation so it is unusual to have a reduction in costs.
	+ Mayor Rishell asked is the $75 million, excluding the $500 million for VDOT, specifically for VDOT to manage the funds. Ms. Shaw replied the concession fee is $578 million, the additional is being used for project contingency and cost to deliver project to VDOT.
	+ Mayor Rishell inquired would the funds overage revert back to NVTA. Ms. Shaw replied, the agreed amount was capped at $500 million. She was not certain of what would become of the overage of funds. Ms. Shaw added the funds have to be used consistent with the code of Virginia, the project has to benefit the toll payers in the 66 Corridor.
	+ Mayor Parrish asked if the each of the projects should be done by toll day one. Ms. Shaw stated the goal date is toll day one, however there are projects that will not be ready by toll day one. The toll day date is approximate, there is no firm requirement.
	+ Mayor Parrish asked what is the exact date for Toll Day One. Ms. Shaw replied, December 20, 2022.

## State Transit Funding Reforms Ms. Mitchell, DRPT

* + Ms. Mitchell gave the State Transit Funding Reforms presentation.
	+ Ms. Mitchell highlighted the changes to Transit Capital Funding Program.
		- Effective FY2020.
		- WMATA funds are exempt from process.
		- Two types of projects
			* State of Good Repair (SGR)
			* Major Expansion
	+ Ms. Mitchell discussed the Capital Prioritzation Policy process.
		- DRPT has been working extensively with Transit Service Delivery Advisory Committee (TSDAC).
		- DRPT has done extensive outreach to MPO’s, transit agencies and local governments
		- DRPT began with the framework from the Revenue Advisory Board (RAD) report, approved by CTB in July 2017.
	+ Ms. Mitchell referenced the Transit Capital Program Structure chart in Item V of the staff report.
		- Current highest priority is vehicle replacement with 68% state funding.
		- For projects infrastructure related 34% state funding provided.
		- The RAD has also recommended that all projects receive a single match rate of 68%.
		- The systems are able to provide federal funding as part of their non-state match. It is required that they have at least 4% of local funding as part of their match.
	+ Ms. Mitchell explained the two state funded project types.
		- State of Good Repair/ Minor Enhancement (projects replacing an existing asset).
			* Recommended a minimum of 80% of yearly funding go to SGR and Minor Enhancement.
			* Will apply single match rate.
			* Should always be the states priority.
		- Major Expansion (designed to accommodate projects that cost more than $2 million).
			* No more that 20% of yearly funding will go to Major Expansion Projects.
			* Maximum match rate of 50%.
* Ms. Mitchell discussed the Capital Prioritization Status.
	+ - * A draft prioritization policy has been created. DRPT briefed the CTB in September 2018 and will request approval by the CTB at the October 2018 meeting.
			* The policy addresses program structure and prioritization methodology.
			* Draft was released for public comment on September 10, 2018. The comment period is open for 45 days and closes October 25, 2018.
* Ms. Mitchell noted the Strategic Planning Requirement of the legislation. She recognized they want to make sure transit agencies are planning and operating as cost effectively as possible. As part of that recognition, DRPT is changing an existing requirement to now require a Strategic Plan from agencies.
* She added the requirement of a Strategic Plan is more robust then what is currently required by the State of Virginia in the past. The Strategic Plan will now include long term State of Good Repair needs and how to improve performance of bus services within their current funding envelope. She added, the Strategic Plan must include opportunities to streamline and better coordinate with other systems.
* Ms. Mitchell noted a draft policy has been created and was released for public comment for 45 days. DRTP will ask CTB for approval in October 2018.
* DRTP has began a pilot with two agencies to ensure the guidelines work. Ms. Mitchell added it is a requirement of legislation to have the new guidelines in place by December 1, 2018.
	+ Hampton Roads Transit is the larger system.
	+ Greater Lynchburg is the smaller system.
* Ms. Mitchell addressed the Statewide Transit Operating Funds effective July 1, 2019.
	+ WMATA is exempt from process
	+ 100% of Statewide Operating funds are allocated on the basis of service delivery factors. Current performance factors include:
		- Passengers per revenue hour.
		- Passengers per revenue mile.
		- Net cost per passenger.
* Ms. Mitchell noted the Operating Allocation next steps include:
	+ CTB Workshop briefing on Operating Allocation Policy is December 4, 2018.
	+ The release of draft Operating Allocation Policy for public comment for 45 days on December 20, 2018.
	+ Legislator outreach on draft CTB Policy for Operating Allocation in December 2018/January 2019.
	+ Final CTB Workshop briefing on Operating Allocations Policy.
	+ Action on CTB Operating Allocation Policy.

**Action**

## Approve FY2019 Revenue Fund Appropriations Mr. Longhi, CFO

## Mr. Longhi requested budget appropriation action for projects from the FY2018 to FY2023 Six Year Program (SYP) requiring FY2019 Regional Revenue Funds.

## Mr. Longhi noted action item is appropriating $427 million for first 16 of 44 projects approved in the SYP. He referred the project list on page 1 of Item VI of the report.

## Mr. Longhi discussed the background of the appropriation:

## The NVTA Finance Committee initiated development of a funding strategy for the Authority’s inaugural FY2018 through FY2023 Six Year Program (SYP) in May of 2017.

## Over the next 13 months, the Finance Committee received reports and analyses and provided feedback on numerous matters critical to determining the level of PayGo funding 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 (Liquidity) Analysis

## Appropriation Schedule Options

## Fiscal Impact Analysis of the 2018 General Assembly action

## Mr. Longhi noted, on June 6, 2018, the Finance Committee made a funding recommendation of $1.285 billion in PayGo funding to the NVTA Planning and Programming Committee (PPC) for the SYP. He added, on June 14, 2018 the NVTA adopted its inaugural SYP of 44 projects totaling $1.285 billion.

## Mr. Longhi mentioned since the adoption of the SYP, NVTA staff has worked with individual jurisdictions and agencies in the development of the schedule of appropriations presented in Attachment 1 of Item VI of the staff report, including the presented recommendation for the FY2019 appropriation.

## Mr. Longhi referred to Attachment 1 of Item VI of the staff report and highlighted:

## Many projects wanted their money early. It is not spread out as linear as the revenue fund.

## There are 14 projects to date, with a remain 28 of 44 projects with appropriations in FY2020 thru FY2023.

## Mr. Longhi referred to the table on Page 3 of the staff report, and added the appropriations are technically advancing further than the revenue for the SYP. He added, he has developed a plan that includes the projects receiving all of its funding in the first year they need funding. This is consistent with the Authority’s goal of cementing NVTA’s reputation as a predictable long term funding partner. This also supports and is accepted best financial practice (conservative, transparent, accountable, reliable).

## Since discussed that the NVTA operates project funding on a reimbursement versus grant basis, cash related to unspent project appropriations remain with the NVTA resulting in a significant level of liquidity. A project may have an appropriation in the first year that it needs money, it will not spend all the money in that one year. It creates the cycle balance sheet for the Authority.

## Mr. Longhi emphasized, with this action every dollar the Authority has is assigned to a project. NVTA is using the cash flow to avoid going to the bond market or getting a loan. If the NVTA chose to go the bond market the cost incurred of $194 million over 20 years.

## The NVTA is using its balance sheet to advance projects faster than if traditional approach was executed. Mr. Longhi added, the balance sheet is being used to save the Authority money.

## Mr. Longhi was informed by the auditor’s, that as long as the NVTA is transparent to the board and never appropriate more than the actual revenue, he can manage the timing with tools.

## Mr. Longhi summarized, with all available PayGo from now to FY2023 is committed to a project. If there is a revenue change, there may have to be a project extension.

## Chair Cristol, min24, not sure what her exact question is.

## Mr. Longhi responded he has briefed rating agencies while this was in development. The reaction of the rating agencies was similar to the auditor’s, it’s unusual but an effective way of managing finances. The Authority has a good reputation with the rating agencies of not rushing to the bond market. He added it’s important to not borrow money for projects until it can be used.

## Mayor Parrish moved the Authority budget and appropriate $527,233,959 of FY2019 Regional Revenue Funds to sixteen of the FY2018-FY2023 Six Year Program projects, as detailed in the project appropriation table, seconded by Mayor Rishell. Motion carried unanimously.

## Approval of Standard Project Agreement for Prince William County—

**Regional Funding 2018-030-4 (Route 28 Corridor Improvements Fitzwater Dr. to Pennsylvania Ave.)** Mr. Nampoothiri, Transportation Planner

## Mayor Parrish moved Authority approval of the proposed Standard Project Agreement 2018-030-4 Prince William County (Fitzwater Dr. to Pennsylvania Ave.), in accordance with NVTA's approved Project Description Sheet as appended to the Standard Project Agreement; and authorize the Executive Director sign on behalf of the Authority, seconded by Chairman Bulova. Motion carried unanimously.

##  Approval of Standard Project Agreement for Prince William County— Regional Funding 2018-034-1 Prince William County (Construct Interchange at Route 234 and Brentsville Road) Mr. Nampoothiri, Transportation Planner

## Mayor Parrish moved approval of the proposed Standard Project Agreement 2018-034-1 Prince William County (Construct Interchange at Route 234 and Brentsville Road), in accordance with NVTA's approved Project Description Sheet as appended to the Standard Project Agreement; and authorize the Executive Director sign on behalf of the Authority, seconded by Chairman Bulova. Motion carried unanimously.

## Approval of Standard Project Agreement for Prince William County— Regional Funding 2018-035-1 Prince William County (Construct Interchange at Prince William Parkway and University Boulevard) Mr. Nampoothiri, Transportation Planner

## Mayor Parrish moved approval of the proposed Standard Project Agreement 2018-035-1 Prince William County (Construct Interchange at Prince William County Parkway and University Boulevard), in accordance with NVTA's approved Project Description Sheet as appended to the Standard Project Agreement; and authorize the Executive Director sign on behalf of the Authority, seconded by Chairman Bulova.

## Approval of Standard Project Agreement for Loudoun County –Regional Funding 2018-027-1 (Town of Hillsboro Route 9 Traffic Calming Project) Mr. Nampoothiri, Transportation Planner

## Chair Randall moved approval of the proposed Standard Project Agreement 2018-027-1 Loudoun County (Route 9 Traffic Calming), in accordance with NVTA's approved Project Description Sheet as appended to the Standard Project Agreement; and authorize the Executive Director sign on behalf of the Authority, seconded by Mr. Minchew. Motion carried unanimously.

## Congestion Mitigation Air Quality (CMAQ) and Regional Surface Transportation Program (RSTP) Transfer Request for Prince William County, the Town of Vienna and the Cities of Alexandria and Manassas Ms. Backmon, Executive Director

## Chair Randall moved Authority approval of the reallocation of Congestion Mitigation and Air Quality (CMAQ) and Regional Surface Transportation Program (RSTP) funds for Prince William County, the Town of Vienna, the City of Alexandria, and the City of Manassas, seconded by Mayor Silberberg. Ms. Hynes abstained. Motion carried.

## Approval of the Call for Projects for FY2025 CMAQ/RSTP Funding Ms. Backmon, Executive Director

## Ms. Backmon sought the approval for the issuance for the Call for Projects for the FY2025 CMAQ and RSTP Funds.

## Ms. Backmon noted after working through the recommendations of the (RJACC), the Authority recommends the programming of over $77 million annually to projects, which are subject to approval by the Commonwealth Transportation Board (CTB).

## The deadlines for the FY2025 programming cycle are:

## Application submittal, December 14, 2018.

## TEEM worksheet submittal, December 31, 2018.

## Resolution of support submittal, January 15, 2019.

## The NVTA will ask for the Authority approval of the proposed FY2025 funding recommendations is anticipated for the February or March NVTA meeting. Upon Authority approval, the recommended projects will be submitted to the CTB for funding consideration.

## Chairman Bulova moved Authority approval of the issuance of the Call for Projects for the FY 2025 CMAQ and RSTP Funds, seconded by Chair Cristol. Motion carried unanimously.

## Discussion and Information

## Finance Committee Mayor Parrish, Chair FC

## Mayor Parrish gave a review of the Finance Committee Report from the September 20, 2018 meeting:

## The Committee received a report on the procurement efforts of the Project Monitoring and Management System (PMMS).

## Reviewed of NVTA Office Lease.

## Discussed Draft Policy 29 – Project Activation, Monitoring and De-Appropriation.

## Received updates to Investment Portfolio Report, Monthly Revenue Report and Operating Budget Report.

## Min 40, comment from Hugo—doesn’t have much to do with FC update. Please advise.

## Governance and Personnel Committee Chair Randall, Chair, GPC

## Chair Randall provided a report of GPC activities that included:

## Updates to the 2018 Legislative program.

## Amending HB599, transferring responsibility for the analysis to the Authority.

## Addressing the revenue reduction resulting from the 2018 General Assembly Session.

## Communication strategies and presentations.

## GPC adopted a meeting schedule for October 2018 through April 2019. The meetings will be held 5:30PM on the same evenings as Authority meetings. GPC November 2018 meeting date has changed to November 26, 2018.

## Executive Director, Monica Backmon’s upcoming performance evaluation in January 2019.

## Investment Portfolio Report Mr. Longhi, CFO

## No report given

## Monthly Revenue Report Mr. Longhi, CFO

## No report given

## Operating Budget Report Mr. Longhi, CFO

## No report given

## Executive Director’s Report Ms. Backmon, Executive Director

## Ms. Backmon informed the Authority of the creation the Transportation Technology Committee (TTC). Council Member Snyder has graciously agreed to Chair the TTC. Transportation Technology Committee (TTC) was created to advise the NVTA Executive Director on multi-modal transportation technologies and related transportation trends that support (or endanger) the vision of the Authority as stated in its current Five-Year Strategic Plan. Goal 3 of NVTA’s Strategic Plan calls for the Authority to ‘lead the region in planning and advocating for emerging transportation technologies which address future transportation, work place and development trends.

## Ms. Backmon noted the NVTA staff is in the process of meeting with jurisdictional and agency staff on the status of projects with approved SPAs. NVTA wants to ensure it has an accurate picture of the projects and their status.

## Ms. Backmon highlighted the addition two new staff members:

## Richard Stavros, Investment & Debt Manager.

## Erica Hawksworth, Communications & Public Affairs Manager.

## Chairman’s Comments

## Chairman Nohe welcomed J. Randall Minchew back as an Authority member.

## Chairman Nohe announced committee member updates:

## Chairman Nohe removed himself from the Governance and Personnel Committee, and appointed Mr. Minchew. The GPC consists of Chair Randall (remains Chairman), Council Member Snyder (Vice Chairman), Mr. Minchew, Chair Cristol and Mayor Meyer are the current Governance and Personnel Committee members.

## Chairman Nohe removed Chair Randall from the Finance Committee and appointed himself as a member. The current Finance Committee consists of Mayor Parrish (remains Chairman), Mayor Rishell (Vice Chairman), Chairman Nohe, Chairman Bulova and Mayor Silberberg.

## Chairman Nohe noted the Planning and Programming Committee (PPC) does not meet again until 2020.

## Chairman Nohe suggested when developing 2019 Authority Meeting schedule that action items are taken into consideration. He added, in an effort to be respectful of the members busy schedules, Authority meetings should be only held if there are action items on the agenda.

1. **Adjournment at 8:01pm**

**Next Meeting: November 8, 2018 at 7:00pm.**

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