



Northern Virginia Transportation Authority

The Authority for Transportation in Northern Virginia

Thursday, November 8, 2018

7:00 PM

3040 Williams Drive, Suite 200

Fairfax, VA 22031

Meeting Minutes

I. Call to Order

Chairman Nohe

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

II. Roll Call

Ms. Thomas-Jones, Clerk

- Voting Members: Chairman Nohe; Chairman Bulova; Chair Cristol; Mayor Silberberg; Mayor Meyer; Mayor Parrish; Mayor Rishell; Ms. Hynes; Mr. Kolb; Mr. Minchew; Supervisor Umstattd; Councilmember Duncan.
- Non-Voting Members: Ms. Cuervo; Mr. Horsley.
- Staff: Monica Backmon (Executive Director); Michael Longhi (CFO); Keith Jasper (Principal, Transportation Planning and Programming); Harun Rashid (Transportation Planner); Peggy Teal (Assistant Finance Officer); Erica Hawksworth (Communications & Public Affairs Manager); Richard Stavros (Investment and Debt Manager); Sree Nampoothiri (Transportation Planner); various jurisdictional and agency staff.

III. Minutes of the October 11, 2018 Meeting

Chairman Bulova moved approval of the October 11, 2018 minutes; seconded by Mayor Parrish. Two abstentions. Motion carried unanimously.

Presentation

IV. FY 2018 Audit Presentation

Mr. Michael Garber, PBMAres, LLP

- Mr. Garber presented the FY2018 audit results.
 - ✓ Mr. Garber referred to NVTA Financial and Compliance Report for FY2018 included in Agenda Item VIII. The Auditor's opinion indicated the Authority's Financial Statements for FY2018 present fairly, in all material respect the financial position of the Authority.
 - ✓ Mr. Garber referred to the Balance Sheet on page 16 of the Financial Statements. Noting that the Regional Revenue Fund is where most capital projects are funded. Next, Mr. Garber highlighted the restricted fund balances:
 - The fund balance labeled 'Restricted' is \$371,570,916.
 - The 'Restricted- for appropriated project funding' is \$429,342,549. Mr.

- Garber added the funds have been appropriated for specific projects.
- Mr. Garber mentioned the NVTa has \$930,526,048 in balances with \$371 million yet to be allocated to projects, the remaining balances have been allocated.
 - Mr. Longhi added the appropriation action taken on October 11, 2018 allocated that balance to projects in the Six Year Program.
- ✓ Mr. Garber reflected on page 68 and 69 of the Financial Statements noting the list of projects with total amounts appropriated, amounts reimbursed and balance.
- Mr. Longhi complimented PBMAres for working with Authority staff to customize the statements/tables for better detail and transparency. He noted the NVTa has a large balance sheet, however, the funds have already been allocated for transportation projects.
- ✓ Mr. Garber referred to pages 70 and 71, Independent Auditor's Report on Internal Control Over Financial Reporting, noting there were no findings and the opinion is unmodified (clean).
- ✓ Chairman Nohe asked if there was an internal coversheet that acknowledges the \$371,570,916 in the 'Restricted Fund' and \$429,342,549 in the 'Restricted -for appropriate project funding' is allocated to projects at the end of the fiscal year, and now 100% of funds are restricted. Ms. Teal responded, that this is documented in the Management's Discussion and Analysis Section of the Financial Statements.
- ✓ Mr. Garber referred to the Management Letter included in Agenda Item VIII noting the comment on credit rating reviews for investments and new GASB pronouncements. He added the staff was already working on enhanced credit rating monitoring to ensure compliance with the Authority's Investment Policy.
- ✓ Mr. Garber referred to the Auditor's Report to the Board in Agenda Item VIII, noting this is a yearly audit communication letter. He added the document discusses the auditing process and guidelines Auditors have to adhere to. Mr. Garber highlighted that page 2 notes there were no audit adjustments or disagreements with management.
- ✓ Ms. Umstadt asked Mr. Garber what made the Auditors think the NVTa had foreign investments. Mr. Garber responded the document used from the investment trust and custody service provider incorrectly indicated they were foreign investments, and the statements have now been corrected. Ms. Umstadt asked Mr. Garber had he encountered this mistake before. Mr. Garber responded that he did not recall, but there are only a few entities in Virginia with this large amount of investments making sure the portfolio is diversified. He added the rating were fine on those investments. Mr. Garber noted it was how it was identified to the Auditors that gave cause as to whether or not it was within guidelines.
- ✓ Mr. Longhi noted his extensive experience managing investment portfolios in both Prince William and Arlington counties. He added, he had seen this type of mistake before and NVTa will propose new procedures to the trust and custody service provider to prevent this mistake from happening again.

Consent

V. Approval of Standard Project Agreement for the City of Fairfax—Regional Funding 2018—46-1 (Jermantown Road Corridor Improvements)

- Mayor Parrish moved Authority approval of the proposed Standard Project Agreement 2018-46-1 City of Fairfax (Jermantown Road Corridor Improvements), in accordance with NVTAs 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.

VI. Approval of Standard Project Agreement for the City of Fairfax—Regional Funding 2018-049-1 (Northfax West Roadway Network)

- Mayor Parrish moved Authority approval of the proposed Standard Project Agreement 2018-49-1 City of Fairfax (Northfax West Roadway Network), in accordance with NVTAs 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.

VII. Approval of Standard Project Agreement for Prince William County—Regional Funding 2018-036-1 (Summit School Rd Ext and Telegraph Rd Widening)

- Mayor Parrish moved Authority approval of the proposed Standard Project Agreement 2018-36-1 Prince William County (Summit School Rd Ext and Telegraph Rd Widening), in accordance with NVTAs 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.

Action

VIII. Acceptance of the FY2018 Financial and Compliance Reports

Mayor Rishell, Vice Chair, FC

- Mayor Rishell sought the acceptance of the Northern Virginia Transportation Authority acceptance of the FY2018 Financial and Compliance Reports as recommended by the Finance Committee.
- Mayor Rishell moved the Authority Acceptance of the Northern Virginia Transportation Authority Financial and Compliance Audit Reports for the fiscal year ended June 30, 2018, seconded by Mr. Minchew. Motion carried unanimously.

IX. Approval of Project Monitoring and Management System Contract Award

Mr. Longhi, CFO

- Mr. Longhi sought NVTAs approval of conditional contract award for the Project Monitoring and Management System (PMMS) noting:
 - ✓ This is the software application that will automate the project application process for the upcoming two-year update of the Six Year Program (SYP).
 - ✓ The project received a \$60,000 appropriation in FY2019 and has a proposed commitment of \$140,000 for FY2020. Mr. Longhi explained the proposed commitment will be split between two fiscal years.

- ✓ The PMMS request for proposals was due October 5th. Ten proposals were received and short-listed on technical merit and then technical merit with cost. This reduced the proposals to five.
 - ✓ Best and final presentations and offers were reviewed and ranked from the five shortlisted firms.
 - ✓ The Finance Committee received a closed session briefing on October 18th to provide staff guidance on the final contract award. The Finance Committee briefing covered:
 - Top three ranked firms in order of technical score and cost.
 - Discussion of cost, contract items and ongoing negotiation strategy.
 - Discussion of timing of contract award.
 - ✓ Mr. Longhi noted the Finance Committee met in closed session to bring this item to the Authority for approval. He added there is a 60-day delay due to late adoption of the operating budget due to uncertainty of funding from the 2018 General Assembly session.
 - ✓ Mr. Longhi mentioned a modification to the recommended motion to add 'subject to modifications approved by the Council of Counsels.
- Supervisor Umstattd moved Authority approval of contract for award for NVT A RFP 2019-01, Project Monitoring and Management System to HDR Engineering, Inc. And, authorize the Executive Director to sign the attached award notice, subject to modifications approved by the Council of Counsels, seconded by Chairman Bulova. Motion carried unanimously.

X. Approval of Investment Monitoring and Management Subscription and Related Budget Adjustments

Mr. Longhi, CFO

- Mr. Longhi sought NVT A approval of a budget transfer to enable the FY2019 implementation of Investment Management and Monitoring Services, noting:
 - ✓ The subscription service is consistent with the Auditor's recommendation as part of the FY2018 Financial Statement and Compliance Audit, that processes be implemented to ensure an ongoing review of the credit ratings of purchased investments.
 - ✓ The Authority has 84 securities that make up the \$900 million portfolio.
 - ✓ In calendar year 2019, the Authority will have \$350 million of maturities, triggering over 120 additional security purchases.
 - ✓ The subscription service will alert of any changes related to downgrades or negative activity.
 - ✓ NVT A staff presented and reviewed three subscription services at the Finance Committee's September 2018 meeting. The recommendation was presented to Finance Committee in October 2018.
 - ✓ This action approves use of the service and allows for implementation in FY2019 with the transfer of \$35,781.31 from the Operating Reserve.
- Chair Cristol moved Authority approval of the \$35,781.31 transfer from the NVT A Operating Reserve for FY2019 to obtain the Investment Management and Monitoring Services detailed in Table 1 attached. And, authorize Authority's Chief Financial Officer to sign related subscription service agreements, seconded by Supervisor Umstattd. Motion carried unanimously.

XI. Authorize the Executive Director to Submit Comments to the Commonwealth Transportation Board on Transportation Projects and Priorities

Ms. Backmon, Executive Director

- Ms. Backmon sought the authorization to submit comments to the Commonwealth Transportation Board (CTB) on transportation projects and priorities, noting:
 - ✓ The Commonwealth Transportation Board public meeting date has changed from November 29th to November 28th.
 - ✓ Due to receiving the meeting notice after the October Authority meeting, Ms. Backmon requested the opportunity to work with RJACC to develop the comments to send to the Authority members for approval prior to submission.
 - ✓ Ms. Backmon added the format of the meeting is consistent with previous years, noting that the regional agencies will be allowed to participate and speak to the regional coordination in Northern Virginia.
- Supervisor Umstattd moved authorization of the Executive Director to submit comments on behalf of the Authority, to the Commonwealth Transportation Board on Transportation Projects and Priorities at the Fall 2018 Northern Virginia District meeting, seconded by Mayor Rishell. One abstention, Ms. Hynes. Motion carried.

XII. Approval of Calendar Year 2019 Meeting Schedule

Ms. Backmon, Executive Director

- Chairman Nohe made two observations:
 - ✓ February meeting is on Valentines Day
 - ✓ June 13th meeting is 2 days after the primary election.
- Chairman Nohe noted due to there being no program adoption and no updated TransAction, some 2019 Authority meetings could possibly be canceled.
- Mayor Parrish moved approval of the Calendar Year 2019 Meeting Schedule as noted, seconded by Supervisor Umstattd. Motion carried unanimously.

XIII. Appointment of the Nominating Committee

Chairman Nohe

- Chairman Nohe appointed Chairman Bulova and Mayor Parrish as the Nominating Committee for the 2019 Authority Chair and Vice Chair positions.

Discussion/Information

XIV. FY2018-2023 Six Year Program Report

Ms. Backmon, Executive Director

- Ms. Backmon informed the NVTa of the FY2018-2023 Six Year Program (SYP) Report, noting:
 - ✓ NVTa staff compiled and published a SYP Report that is transparent, as it outlines, processes and methodology that led to its adoption.
 - ✓ The Report meets legislative criteria that require documentation of the project selection process.
 - ✓ This will be an ongoing document with more updates as the SYP is updated.
 - ✓ Ms. Backmon thanked NVTa staff for their great work, noting Keith Jasper, Principal, Transportation Planning and Programming, did a particularly outstanding job. She added the SYP was completed in only 8 months.

XV. 2018 Joint Commission on Transportation Accountability Annual Report

Mr. Nampoothiri, Transportation Planner

- Ms. Backmon informed the NVTa of the FY2018 Annual Report developed for the Joint Commission on Transportation Accountability (JCTA), noting:
 - ✓ The Authority is required to submit an annual report to the JCTA addressing the use of funding generated pursuant to the provisions of HB2313. This report is due November 15th of each year.
 - ✓ The report includes all funds programmed as part of the FY2018-2023 Six Year Program.
 - ✓ Information on the Authority's Local Distribution Fund (30%) is also included in the report.
 - ✓ Chair Cristol complimented the graphics noting how clearly they showed the impact of the 2018 General Assembly action.

XVI. Finance Committee

Mayor Rishell, Vice-Chair, FC

- No verbal report given.

XVII. Governance and Personnel Committee

Councilmember Snyder, Vice-Chair, GPC

- No verbal report given.

XVIII. Investment Portfolio Report

Mr. Longhi, CFO

- No verbal report given.

XIX. Monthly Revenue Report

Mr. Longhi, CFO

- No verbal report given.

XX. Operating Budget Report

Mr. Longhi, CFO

- No verbal report given.

XXI. Executive Director's Report

Ms. Backmon, Executive Director

- No verbal report given.

XXII. Chairman's Comments

- No verbal report given.

XXIII. Adjournment at 7:41 PM

Next Meeting: December 13, 2018 at 7:00pm.