



# NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

*The Authority for Transportation in Northern Virginia*

Thursday, May 8, 2014

7:00 pm

3060 Williams Drive (Ste 510), Fairfax, VA 22031

## MEETING MINUTES

### **I. Call to Order**

Chairman Nohe

- Chairman Nohe called the meeting to order at 7:06pm.

### **II. Roll Call**

Ms. Speer, Clerk

- Voting Members: Chairman Nohe; Board Member Hynes; Chairman York; Chairman Bulova; Mayor Parrish; Mayor Silverthorne (arrived 7:08pm); Council Member Rishell; Council Member Snyder; Delegate Minchew; Ms. Bushue; Mr. Garczynski.
- Non-Voting Members: Mrs. Cuervo; Mr. Page, Mayor Umstattd.
- Staff: John Mason (Interim Executive Director); Denise Harris (Program Coordinator); Keith Jasper (Program Coordinator); Michael Longhi (CFO); Camela Speer (Clerk); Peggy Teal (Accountant); various jurisdictional staff.
- Chairman Nohe welcomed Delegate Minchew to the Authority. Delegate Minchew commented that it was an honor to be appointed to be a member of the Authority.

*(Mayor Silverthorne arrived.)*

- Chairman Nohe congratulated Mayor Silverthorne for winning re-election in the City of Fairfax.
- The Authority members wished Chairman Nohe a happy birthday.

### **III. Minutes of the April 17, 2014 Meeting**

- Chairman York moved to approve the minutes of April 17, 2014; seconded by Chairman Bulova. Motion carried with nine (9) yeas and two (2) abstentions [with Mayor Parrish and Delegate Minchew abstaining as they were not at the April meeting].

## Consent Agenda

### **IV. Project Agreement for PRTC – Regional Funding Project 998-14-002-1-06 (PRTC New Gainesville Service Bus)**

- V. **Project Agreement for the Town of Herndon – Regional Funding Project 384-14-003-1-01 (Herndon Parkway Intersection Improvements at Van Buren Street)**
- VI. **Project Agreement for the Town of Herndon – Regional Funding Project 384-14-004-1-01 (Herndon Metrorail Intermodal Access Improvements)**
- VII. **Project Agreement for the Town of Herndon – Regional Funding Project 384-14-005-1-03 (Herndon Parkway Intersection Improvements at Sterling Road)**
- VIII. **Project Agreement for Prince William County – Regional Funding Project 153-14-006-1-08 (Route 1 from Featherstone Road to Marys Way)**
  - Chairman York moved approval of the consent agenda to include the specific motions in items IV - VIII; seconded by Mayor Parrish. Motion carried unanimously.

### **Additional Action Items**

- IX. **Funding of Matched Reserve**                      Chairman York, Chair, Finance Committee
  - Chairman York introduced the Funding of Matched Reserve item. He stated that it has been recommended by the staff that in order to fund the matched reserve, on a temporary basis, we temporarily transfer funds allocated to three PayGo projects:
    - ✓ \$6.2 million from Columbia Pike Multimodal.
    - ✓ \$13.5 million from Belmont Ridge Road.
    - ✓ \$13.5 million Innovation Center Metrorail Station.
  - He noted that all the jurisdictions have concurred with this proposal, assuming that we stay on our timeline and that funds are returned to the projects by September 30, 2014.
  - Chairman York moved that the Authority temporarily allocate a portion of its year end receipts of FY2014 funds not immediately needed to match the projected expenditures of certain FY2014 PayGo projects to fund the matched reserve required for the line of credit financing. The amounts used to fund the matched reserve are anticipated to be replaced by FY2014 funds and will be available for such FY2014 PayGo project expenditures by September 30, 2014. The cash flow management allocations do not in any way change the project approvals or priorities. Based on discussions with the affected member jurisdictions, the following projects [cited in staff report] are not expected to require the full amount of their FY2014 PayGo funding by September 30, 2014 and the jurisdictions have agreed to the temporary reallocation as presented; seconded by Board Member Hynes.

- Chairman Bulova added that Fairfax County concurs and that this is something that all jurisdictions do, which is to release funds when they are needed for a project. This will pace the expenditure requirements. With the understanding that this will not delay any projects, Fairfax is supportive.
- Chairman Nohe clarified that this is basically a cash flow management issue. Mr. Longhi confirmed that it is.
- Motion carried unanimously.

**X. Planned Use and Commitment of FY2014 Regional Revenue Balance**

Chairman York, Chair, Finance Committee

- Chairman York briefed the Planned Use and Commitment of FY2014 Regional Revenue Balance item. He stated that it has been recommended by staff that the Authority approve this policy to allocate the available FY2014 funds for the purposes indicated and to be sure all funds have an allocation.
- Chairman York moved that the Authority designate any available June 30, 2014 balances of the FY2014 70% Regional Revenue for the purposes of:
  - a) The debt service reserve for the Line of Credit.
  - b) Payment of any debt service due on draws on the Line of Credit.
  - c) Initial funding of the Working Capital Reserve as created by the Authority Debt Policy with a classification noting the revenues as FY2014 70% Regional Revenues
  - d) Use for projects as may be determined by the Authority.
- Seconded by Board Member Hynes. Motion carried unanimously.

**XI. FY2015 Revenue Estimates**

Chairman York, Chair, Finance Committee

- Chairman York presented the FY2015 Revenue Estimates proposed for FY2015 and projected for FY2016. He highlighted:
  - ✓ The TOT [Transient Occupancy Tax] and Grantors Tax are steadily rising.
  - ✓ For FY2015 we are forecasting a softening of the sales tax.
  - ✓ The projected 70% for FY2015 is approximately \$1 million less than what we had adopted for FY2014.
- Chairman York moved that the Authority adopt the FY2015 revenue estimates; seconded by Board Member Hynes.
- Chairman Nohe asked for clarification on when this projected revenue is coming in. Mr. Longhi replied that it is FY2015, so taxable transactions that occur starting July 1, 2014. Chairman Nohe further clarified that this is a FY2015 revenue projection that we are scaling back on, it does not affect FY2014. Chairman York confirmed that is correct.
- Mr. Garczynski stated that the FY2014 numbers were slightly off. He asked if Mr. Lawson [VDOT] had provided input for the revenue projections. Mr. Longhi replied he had not, that jurisdictional input was used. Mr. Longhi

added that Mr. Lawson had forwarded the state projections and that the [NVRTA] FY2015 and FY2016 projections were less than the state projections.

- Motion carried unanimously.

**XII. FY2015 Budget**

Mr. Mason, Interim Executive Director

- Mr. Mason presented the proposed FY2015 Budget. He noted:
  - ✓ This is the first time that there are three components to the budget presented.
  - ✓ Followed budget parameters approved previously by Authority with one exception. The 70% interest earnings of approximately \$52,500 have not been applied to the budget based on advice of Counsel.
  - ✓ Carryover from this year's budget is estimated at \$270,000.
- Mr. Longhi explained that both the 30% and 70% Funds need to have a budget on July 1, 2014.
  - ✓ 30% budget. Reflects expenditure authority for NVRTA to disperse the funds as they come in.
  - ✓ 70% budget. While a template has been provided to meet the July 1, 2014 requirement, the 70% budget will come into fruition as we accrue the next round of projects and start to assign 70% revenue. 70% budget at this point is a placeholder. Through the project selection and approval process, we will determine the reserve, the PayGo levels and any financing programs.
- Chairman York asked about the proposed cost for the office lease. Mr. Mason responded that we have just received the parameters for the lease and will be reviewing with Ms. Backmon early next week. Chairman York asked if we know what the costs will be. Mr. Mason responded that we have not yet fully analyzed the numbers. Chairman York asked why FY2015 was projected at \$50,000 and FY2016 at \$100,000. Mr. Mason responded that we will have free rent for a period of time in the new location which will affect the FY2015 cost.
- Chairman York moved approval of the proposed FY2015 Authority Budget comprised of the FY2015 Operating Budget, FY2015 30% Funds Budget and FY2015 70% Regional Revenue Budget; seconded by Chairman Bulova. Motion carried unanimously.

**Discussion/Information**

**XIII. Finance Committee Report**

Chairman York, Chair, Finance Committee

- No verbal report.

#### **XIV. Technical Advisory Committee Report**

Mr. Boice, Chair, TAC

- Chairman Nohe introduced TAC Chair Boice.
- Mr. Boice presented the TAC Committee report. He explained that there was a discussion on the definition of benefits as it applies to the legislation. Added it is not necessarily clear as to what that means, but given the spirit of the legislation it is critical to look at regional and long-range plans as benefits to the region, not just to jurisdictions. He highlighted key points from the TAC discussion.
  - ✓ Benefits cannot be equated to revenues generated or attributed to each jurisdiction.
  - ✓ Suggested utilization of models available. Estimation of benefits should take advantage of ongoing analyses and existing models.
  - ✓ Minimum time period for the estimation of benefit accruing to each jurisdiction should be at least six years. Anything shorter than that is hard to quantify.
  - ✓ Benefits may have a positive impact over multiple jurisdictions.
- Mr. Boice concluded that future conversations will:
  - ✓ Review the findings of VDOT's HB599 study.
  - ✓ Review current practices for monitoring traffic congestion.
  - ✓ Support the development of the scope of work for the update of the TransAction 2040 long range plan.
- Mr. Garczynski asked about the TAC recommendation that methodology should embrace both highway and transit. He noted that transit was not rated in this year's VDOT process and asked if the TAC is recommending that this be done in the future. Mr. Boice responded affirmatively.
- Board Member Hynes commented that the definition of benefit is of great concern to the members of the Authority as well as staff and TAC. She asked how the Authority envisions working through this really complicated regional conversation and developing key principals. Suggested staff may need to come back to Authority with a recommendation.
- Mr. Biesiadny stated that the definition of benefit was included in the scope of work for the FWG. FWG and Council of Counsels are discussing this. Some of the issues raised by Mr. Boice about the timeframe that benefit is measured and how benefit is measured are being discussed at the staff level, both technical staff and attorneys. HB2313 has many specific requirements and the FWG wants to be sure to honor those requirements as the recommendation is being prepared. FWG will present a formal recommendation to the Authority in a few months. Will take into account the input from the TAC.
- Board Member Hynes added that this is one of the really important questions and that the Authority should engage in the intellectual work on this, not just staff or TAC.
- Mayor Parrish agreed and added that we need to figure out the definition of benefits and what it means to the individual jurisdictions and within the context of the legislation. Agreed members of the Authority need to be involved in that conversation. Suggested there be a strategic planning

process/meeting. NVTA can and should be a difference maker in Northern Virginia.

- Chairman Bulova concurred and added that this is also a legal question and gets to the heart of the legislation. It is important that the Authority have a chance to get engaged in this discussion, and not just at the staff level.
- Council Member Rishell asked if there would be any benefit to NVTA members attending the TAC meetings. Mayor Parrish stated we can all learn from everybody, but certainly the input of the TAC is a piece of what we should be listening to.
- Council Member Rishell expressed concerned that this is being shaped in the TAC and that members need to be part of that shaping. Mr. Boice responded that TAC meetings are open and welcomed members to attend.
- Mr. Biesiadny suggested that as staff works through this they expect to come back to the Authority with various options and to explain the positives and negatives of various ways of measuring benefit. This could be presented in such a way that the Authority could have a work session and get into the issue. Staff can provide support for that.
- Board Member Hynes asked Ms. Backmon to bring a plan for this to the Authority. Need to engage in this issue before the end of the calendar year. Need a way to balance both our participation and getting good advice from our advisors. She expressed concern about going to an advisory group meeting, as this sometimes changes the conversation and does not get the advice sought.
- Mr. Garczynski added that this is a sensitive area. We want to raise the profile of TAC, but we have to be sure it does not get too influenced by a group of Authority members attending. Ms. Backmon agreed.
- Chairman Nohe stated that this needs be resolved sooner than the end of the calendar year. This is going to be critical to the development of the Six-Year Plan. The TAC is recommending that benefit be defined over a minimum of six years, so need to have an understanding of how this definition is going to work as plan is developed. This will impact the expectations that jurisdictions should have for receiving benefit in the out years. For example, if a project is clearly to the benefit of Loudoun County and it absorbs a large amount of their long term benefit, it will affect the out years of the plan.
- Chairman Nohe asked Ms. Backmon to draft a work plan for this summer that incorporates the recommendations of the Long Term Benefit Subcommittee, the JACC and the TAC to present options for consideration so that the Authority can incorporate a policy decision into the adoption of the Six-Year Plan. Ms. Backmon agreed.
- Mayor Umstatt asked if the TAC is proposing to superimpose over VDOT's weighting criteria another super criteria, trying to redefine what VDOT's criteria says would qualify a project for funding. Mr. Boice responded no, that we will take what VDOT provides and incorporate it into the benefits for the region. VDOT has jurisdiction over the Commonwealth while the NVTA is looking at the region. TAC will not countermand what VDOT proposes for a Six-Year Plan, but rather incorporate it into our plan.

- Mayor Umstatt noted that the legislation directs the counties to look out for the towns. She asked if TAC's defining of benefits in a certain way could undermine or countermand what the Authority has generously agreed to when interpreting that legislative mandate and way of looking at point of sales for sales tax revenues and grantors tax. Mr. Boice responded it would not.
- Mayor Parrish stated that there are many pieces to this undertaking and there are a lot of people watching, including the legislature. Within this process we need to accomplish the work we need to do. He noted that while benefit is important, the Authority needs to have a specific focus on identifying projects of the greatest regional significance. This is a challenge as each member represents their jurisdiction, but as a body must look at things from a regional perspective.
- Chairman Nohe affirmed that these two requirements sometimes seem at odds with one another. We need to choose the projects with the most regional significance, and we need to allocate resources based on benefit to jurisdictions.
- Chairman York added that this is going to be a challenge. There is an expectation that the 70% is going to be 70% going back to each jurisdiction. That is not necessarily the case. A project in one jurisdiction can totally benefit another jurisdiction and this is where the regional planning comes from. The Authority needs to be able to explain that.
- Delegate Minchew noted the HB 2313 did not contain a precise definition of how the Authority should determine the proportional "long-term benefits" due to each locality and encouraged the Authority make these determinations with a strong eye toward regionally-significant rather than locally-serving projects. He referenced a General Assembly discussion at that time as to whether or not the statute provided enough guidance on this "benefits" question and encouraged the Authority to apply a rule of reason such that General Assembly would not have to enact more-definitive statutory language that might take away flexibility. Chairman Nohe concurred and added that this body has a long history of making decisions by consensus. The good news is that once the Authority comes to a consensus about what these definitions are, they become highly defensible definitions because the entire region agrees.
- Mr. Garczynski stated that when considering the regional umbrella, prioritization will be paramount. Most MPOs come before the CTB with only a few projects - perhaps four or five - identified as regionally significant. With so many [NVTAs] jurisdictions represented, the regional priorities become greater, with perhaps 10 - 12 projects.
- Council Member Snyder suggested that we are different than other MPOs. The Authority has a way of figuring things out and coming to a mutually agreeable approach.

**XV. JACC Approval of Reallocation of RSTP/CMAQ Funds for Town of Vienna**

Ms. Backmon, Chair, JACC

- No verbal report.

**XVI. Status of MOAs** Mr. Mason, Interim Executive Director

- Mr. Mason stated that there are currently six jurisdictions receiving 30% funding.

**XVII. NVTAs Revenue Receipts Report** Mr. Longhi, CFO

- No verbal report.

**XVIII. NVTAs Operating Budget Report** Mr. Longhi, CFO

- No verbal report.

**XIX. General Ledger Accounting System** Mr. Longhi, CFO

- No verbal report.

**XX. Financial Working Group** Chair Euille

- No verbal report.

**XXI. Project Implementation Working Group** Chair Nohe

- No verbal report.

**XXII. Executive Director's Report** Mr. Mason, Interim Executive Director

- Mr. Mason stated it has been a great pleasure to work with the Authority.
- Mr. Mason added that this report is to share with the Authority and Ms. Backmon what has been accomplished over the last several months. He noted that much that has been accomplished has been a result of the collaboration between the staff and the working groups.

**XXIII. Chairman's Comments**

- Chairman Nohe asked Ms. Backmon to look at the possibility of moving the monthly Authority meetings back to NVRC meeting nights. Ms. Backmon replied affirmatively. Chairman York added that Mr. Gibbs is amenable to working with the NVRC members to consider having the NVRC meetings first, followed by the NVTAs meeting. Board Member Hynes added that this would be helpful as METRO meetings are held on the same Thursday.
- Chairman Nohe thanked Mr. Mason for his service. He recalled that seven years ago the NVTAs went from being a tiny, little known planning body to a well-funded transportation and construction agency. We were in need of wise leadership and counsel to guide us through the process of proving that we



deserved to control that funding. The man who stepped up to the plate to help us at that time was our own John Mason, someone that many of us knew at the time and had his own history with this organization at its earliest days. He served us well. Sadly, a few months later on February 29 he notified Chairman Zimmerman that he was recommending that the NVTA terminate his employment [as the Virginia Supreme Court had ruled that funding mechanism was unconstitutional so there would be no funding]. He then stayed long enough to return the monies collected. Chairman Nohe continued noting that six years then passed and the Authority found itself with déjà vu all over again and in looking for administrative and management leadership went to the same wise counsel, John Mason. The Authority had a discussion [about hiring Mr. Mason] and Chairman Nohe called John and said “I need a favor” and he said “yes” before he [Nohe] even got the question all the way out. Chairman Nohe stated that he speaks for many here, “Working with you now, John, the second time, has been a great pleasure for me. I personally appreciated your leadership, your recommendations, your counsel, your wisdom, your friendship. And, I’d like to think that I have learned a great deal from you over the last several months about how to lead an organization like this.” Chairman Nohe added, “If you like some of the things I have done as Chairman over the last eight months, you have in large part John Mason to thank for helping me stay on the right path.”

- Chairman Nohe presented Mr. Mason with a certificate of appreciation from the Authority. He added, “I know you have a box of these, but this is the right token as nothing we could give you would be sufficient to thank you for the service you have provided us. I mean that from the bottom of my heart.”
- Mayor Parrish added “thank you”.
- Chairman Bulova added her thanks and that John had been heroic stepping into a complicated and weighty organization, starting from its infancy and helped make that happen. It came back again from the ashes and once again, he brought it up on its feet. We have a lot to thank you for. Thank you for being willing to do that.
- Mr. Mason said that he was pleased when the Chairman called to ask him to do this again. He noted it was discouraging to turn out the lights and refund the money. He added that he looked at this as a second opportunity to get this thing right and hang onto the money. Mr. Mason stated he was very pleased to be given the opportunity and appreciated it.
- Council Member Snyder added that he worked with John in the TCC days and John is the only person that he has encountered who is a manager, a public official and a visionary, all three and that he pulls it off extremely well. We are here because of Mr. Mason.

## Adjournment

### **XXIV. Adjournment**

- Meeting adjourned at 7:51pm.