



**Northern Virginia Transportation Authority**  
*The Authority for Transportation in Northern Virginia*

**FINANCE COMMITTEE**  
**Friday, October 3, 2014 12:00 pm**  
**3060 Williams Drive, Suite 510**  
**Fairfax, VA 22031**

**SUMMARY NOTES**

**I. Call to Order/Welcome**

Chairman York

- Chairman York called the meeting to order at 11:58am.
- Attendees:
  - ✓ Members: Chairman York; Board Member Hynes; Chairman Bulova; Mayor Parrish; Council Member Rishell.
  - ✓ Staff: Monica Backmon (Executive Director); Michael Longhi (CFO); Peggy Teal (Assistant Finance Officer), Camela Speer (Clerk).
  - ✓ Council of Counsel: Ellen Posner (Fairfax County); Steve MacIsaac (Arlington County).
  - ✓ Other Staff: Tom Biesiadny (Fairfax County); Jason Friess (Arlington County); Falayi Adu (Loudoun County); Ricardo Canizales (Prince William County); Noelle Dominguez (Fairfax County); Martina Williams (Loudoun County); Arthur Anderson (McGuireWoods); JoAnne Carter (PFM); Kristy Choi (PFM);
- There was a brief discussion about the necessity of informing the public about how the HB 2313 money is being spent and the desire for online NVTA project mapping. It was suggested that NVTA maps might link to jurisdictional maps. Ms. Backmon responded that public notification is part of the NVTA Communications Plan and that NVTA online project maps are being created.
- Mayor Parrish noted that he presented on behalf of the Authority at the NVTA Alliance meeting this past week. He thanked the staff for their support and assistance with this presentation.

**II. Summary Minutes of the September 5, 2014 Meeting**

- Board Member Hynes moved to approve the minutes of September 5, 2014; seconded by Chairman Bulova. Motion carried with four (4) yeas and one (1) abstention [with Mayor Parrish abstaining as he was not at the September meeting].

## Action Items

### **III. Agreement Between the Northern Virginia Transportation Authority and the Arlington County Treasurer's Office** Mr. Longhi, CFO

- Mr. Longhi briefed the Committee on the proposal to create an agreement between the Northern Virginia Transportation Authority and the Arlington County Treasurer's Office.
- He noted that due to changes at LGIP, it is difficult for NVTA to move regional revenue funds to recipients that are not members. He stated that creating this agreement with Arlington will ensure no disruption in payments. Arlington will only be used for transfers that are of significant size and cannot be completed through LGIP. He added that a similar agreement was in place with Arlington since 2007. The current version of the agreement does not include NVTC as the accounting services are not required.
- Chairman Bulova moved that the Finance Committee recommend to the Authority approval of the Agreement Between the Northern Virginia Transportation Authority and the Arlington County Treasurer's Office related to Funds Transfer Assistance; seconded by Board Member Hynes. Motion carried unanimously.

### ~~IV. Establish Organizational and Financial Policies~~ ~~Mr. Longhi, CFO~~ ~~Recommended action: Recommend NVTA Approval of Policies~~

### ~~V. Establish Employee Handbook~~ ~~Mr. Longhi, CFO~~ ~~Recommended action: Recommend NVTA Approval of Handbook~~

## Information/Discussion Items

### **VI. PayGo and Financing Cycle Planning and Coordination** Mr. Longhi, CFO

- Mr. Longhi briefed the Committee on the need to start the PayGo and Financing Cycle Planning and Coordination. He noted this is the beginning of the conversation and that we are moving toward a Capital Improvement Program.
- Ms. Backmon noted that it is the responsibility of the Finance Committee to make recommendations on which funding mechanism to use for projects.
- Brief discussion followed. Key points:
  - ✓ Will develop principals of financial management.
  - ✓ Suggested researching financial management plans of other organizations.
  - ✓ Interest expressed in comparing the long term costs of bond versus pay-go funding.
  - ✓ Discussion followed as to how the NVTA will develop over time. How the NVTA is best served by the transportation funding available now and the need to look at transportation regionally, not jurisdictionally.

- ✓ The NVTAs debt management policy sets the debt service coverage to be a minimum of 2x. This was established to achieve at least an AA rating objective.
- ✓ The conversation about the financial management policy will begin at the long-term benefits work session and will need to be geographically and modally balanced.
- ✓ Need to discuss regional projects of importance as we update our plan.
- Next step is for staff to develop discussion papers. It is expected that these will be presented to the Finance Committee in November.

## VII. Update on 2014 Bond Issuance and Sale Activities (Verbal Report)

Mr. Longhi, CFO/JoAnne Carter PFM

- Mr. Longhi updated the Committee on the 2014 Bond issuance and sales activities. It was noted that:
  - ✓ Jurisdictional staff was involved in the selection of the underwriters.
  - ✓ PFM did an excellent job in their preparation of the Authority 'picture' and in personally preparing the NVTAs team for the Bond presentations.
  - ✓ Presentations went very well, due in significant part to the strength of the nine jurisdictions.
  - ✓ Ratings will not be public until after staff has analyzed them.
  - ✓ It is expected that we will receive an AA rating.
  - ✓ The General Assembly question was raised and the "kill switch" wording was explained. It was added that the analysts are familiar with legislative processes in Virginia.
- Mr. Longhi stated that a supplemental bond resolution will need to be approved at the October 24 meeting of the Authority.
  - ✓ Mr. Anderson briefed the Committee on the process that requires this supplemental Bond resolution.
  - ✓ It was noted that there are no policy changes from the original bond resolution.
  - ✓ The supplement merely fills in information that was not available when resolution was drafted and passed.
  - ✓ There are two major changes:
    - Reduction of the size of the bond issuance.
    - Bond name change to Transportation Special Tax Revenue Bonds for clarification to the potential purchasers.
    - Extend the final authorized maturity date to the year which is 21 years after the dated date of the bonds.
- Mayor Parrish moved that the Finance Committee authorize Chairman York as Chair of the Committee to recommend to the Authority approval of the Supplemental Bond Resolution; seconded by Board Member Hynes. Motion carried unanimously.

### **VIII. NVTA Receipts Report**

Mr. Longhi, CFO

- Mr. Longhi briefed the Finance Committee on the NVTA receipts report. He noted that:
  - ✓ There was a 2% negative variance at the close of FY2014.
  - ✓ All jurisdictions have received FY2014 30% funds.
  - ✓ Currently four (4) jurisdictions are receiving FY2015 30% funds. It is expected that by December we will be close to 100%.
  - ✓ Revenues to date are positive, but are not indicative of the entire year.

### **IX. NVTA Operating Budget Report**

Mr. Longhi, CFO

- Mr. Longhi reported that the NVTA operating budget is moving forward and that there is nothing of note to report.
- Chairman York noted that next Finance Committee meeting projected for November 7 may not be necessary, but that we will wait to see if it is needed before cancelling it.
- Ms. Backmon distributed a draft copy of the VDOT SPA to the Finance Committee members. It was noted that:
  - ✓ The VDOT SPA will go to the Authority for approval at the October 9 meeting.
  - ✓ The SPA will be used for VDOT projects that are receiving NVTA funding, regardless of the project sponsor.
- Discussion followed as to whether VDOT or the jurisdiction were responsible for controlling the project, coordinating public information and protecting locality construction requirements on VDOT projects.
- Ms. Backmon added that the NVTA is looking into signage that would indicate a project is funded by NVTA.

### **Adjournment**

#### **X. Adjournment**

- Meeting adjourned at 1:06pm.
- Consensus was that if the November 7 meeting was necessary it would be at noon.