

NVTA Financial Working Group

Fairfax Department of Transportation

4050 Legato Road, Suite 400

Fairfax, Virginia 22033

Monday, July 15, 2013

1:00 p.m.

- I. Introductions
- II. Approval of Summary of June 25, 2013, Meeting
- III. Review of Overarching Questions
 - A. Finalize Tax and Fee Revenue Estimates
 - a. Status of Verification of Imposition of Commercial & Industrial Property Tax or Equivalent and Calculation of Maintenance of Effort
 - B. Discussion of Selling Bonds
 - a. Financial Advisor Contract Status
 - b. Status Report from Financial Advisor
 - c. Progress Preparing for an Initial Bond Issue
 - d. Status Report on Bond Counsel
 - e. Letter to Treasury Board (waiting for Legal Working Group)
 - f. Electronic Funds Agreement
 - g. Documents for NVTA Consideration on July 24, 2013
 - C. Discussion of Estimated Revenues Generated in Towns
 - a. Status of Discussions between Counties and Towns
 - b. Difference in Calculating Sales Tax Distributions
- IV. Other Topics for Discussion
 - a. Payment of Short Term Bills
 - i. Status of Signatures for MOUs between NVTA, NVTC and Arlington
 - b. Discussion of:
 - i. Projects Agreements between NVTA and Implementing Agencies
 - 1. Transferring Funding to Local Governments and/or Implementing Agencies
 - 2. Cash Flow for Expenditures
 - 3. Documentation
 - c. Development of Annual Budget
 - i. Review of Input Received from Other Working Groups
 - ii. Requirement for Financial Working Group Related Activities
 - iii. Review of Initial Draft

- d. Review of Procurement Procedures
 - e. Discussion of Position Description for Chief Financial Officer or Equivalent
 - f. Identification of Additional Items for Discussion
- V. Items Referred from Other Working Groups
- VI. Items to Refer to Other Working Groups
- VII. Other Business
- Status of WMATA and VRE Subcommittees
- VIII. Summarize Recommendations Made by Working Group for the July 24, 2013, NVTA Meeting; Additional Information Requirements; Persons Responsible for Securing Information; and Direction to Staff Coordinators
- IX. Next Meeting
- X. Adjourn

Northern Virginia Transportation Authority - Financial Working Group (FWG)

Meeting # 5 / June 25, 2013

Notes:

- Minutes from the June 13, 2013 FWG meeting were approved
- NVTA 6/20/13 meeting summary and actions taken were provided:
 - Approximately 20 speakers were present as part of the public hearing
 - NVTA approved hiring PFM as the Financial Advisor
 - NVTA approved an MOU with Arlington County for short term financial transactions
- JoAnne Carter of PFM will provide a draft presentation Financial Analysis (e.g. paygo vs. bonding) for FWG review as part of the 7/15/13 meeting and a final presentation to the NVTA at their 7/24/13 meeting
- Jennifer Fioretti, Arlington County, updated the group on the Six Year Program
- Letters to Northern Virginia Chief Administrative Officers are being prepared on behalf of NVTA Chairman Nohe to verify the C & I Property tax rate or equivalent, and calculation of maintenance of effort
- Discussions on the appropriate amount of an initial NVTA bond issue were tabled until the July 15, 2013 FWG meeting
- Brief discussion on Bond Counsel (McGuire Woods) who will prepare and draft all necessary documents as part of the bond validation process. FWG staff was encouraged to provide feedback on all resolutions from 2007/2008
- John Lawson, CFO VDOT, confirmed that NVTA (bond/policies) will likely be exempt from State Treasury Board. By comparison, Hampton Roads is not as they will sell any potential bonds via the Commonwealth Transportation Board (CTB).
- Discussion then moved to NVTA revenues generated in the Towns. Fairfax was meeting with its Towns on 6/27/13, and Prince William was scheduling meetings and Loudoun was waiting on legal direction.
 - Question then arose whether there was required to be a uniform approach on the formula to provide Town revenues.
 - Steve MacIssac, Arlington County Attorney, noted that there is no requirement for a unified formula. Ellen Posner, FCDOT, also responded that NVTA could adopt as a policy a formula for revenues to the Towns, but not as a matter of law.
- Payment of Short Term Bills will be handled in the same manner as in 2008. Chairman Nohe will sign two original copies, and Monica Backmon will distribute them to NVTC for processing.
- Project Agreements between NVTA and Implementing Agencies were discussed seeking a unified and simplified approach
 - Review the existing model from VDOT
 - Form to allow use between NVTA, local authorities, VRE, and WMATA

- Group spoke on the need to provide a cash flow for expenditures of projects funded with the 70% Revenue stream
 - Develop in conjunction with the 6 year program for NVTA
 - FWG Sub-committee will develop template models for the group to consider that will assist with NVTA approved projects in the form of a Capital Project Description along with a cashflow sheet
- Following NVTA project approval, quarterly project reporting (as opposed to monthly) from implementing agencies was deemed the best approach
- FWG motion passed unanimously that “NVTA not spend 70% revenue stream until the bond validation process is completed and the local jurisdictions not spend their respective 30% as well until the bond validation process is complete”
- The following jurisdictions confirmed no interest in selling bonds with 70% Revenue generated to NVTA: City of Manassas, City of Fairfax, and Arlington County. FWG needs to confirm with only one outstanding jurisdiction on this issue – Manassas Park.
- Confirmed there are no audit requirements from the Audit of Public Accounts.
- Updates to Procurement procedures are still pending review
- Job description for the CFO of NVTA will be discussed further at the next meeting. NVTA ultimately could select an individual for this role or utilize a consulting services firm.
- Next FWG meeting is scheduled for July 15, 2013 @ 1pm.

Actions Taken and Follow Up Items

- Meeting summary from June 13, 2013 was approved.
- FWG is asked to review all 2007 documents / resolutions and provide comments.
- City of Fairfax, City of Manassas, and Arlington County confirmed they do not wish to pursue bond financing regional (70%) project. This is consistent with all other jurisdictions who have responded.
- The Legal Working Group will be discussing the Electronic Funds Transfer agreement with the Attorney General’s office.
- Discussion will continue on the Project Agreements for NVTA and Implementing Agencies, along with a request for clarification from DRPT.
- FWG approved unanimously to recommend that NVTA not spend any of the 70% revenue streams until bond validation process is complete, and the localities not spend their respective 30% revenue streams until bond validation is complete.
- FWG SubCommittee will meet with PFM to discuss task order and deliverables.