

NVTA Financial Working Group

Fairfax Department of Transportation

4050 Legato Road, Suite 400

Fairfax, Virginia 22033

Wednesday, August 21, 2013

1:00 p.m.

- I. Introductions
- II. Approval of Summary of August 1, 2013, Meeting
- III. Review of Overarching Questions
 - A. Finalize Tax and Fee Revenue Estimates
 - a. Status of Jurisdictional Responses: Verification of Imposition of Commercial & Industrial Property Tax or Equivalent and Calculation of Maintenance of Effort
 - B. Discussion of Bond Validation and Other Documents
 - a. Status of NVTA Bond Validation Proceedings
 - b. Status of Letter to Treasury Board
 - c. Status of Electronic Funds Agreement
 - C. Discussion of Revenue Distribution to Towns
 - a. Review Draft Document on Distribution of Revenues to Towns
 - b. Preparation of Recommendations for September 26, 2013
- IV. Other Topics for Discussion
 - A. Projects Agreements between NVTA and Jurisdictions/Implementing Agencies
 - i. MOA for Transferring Funding to Local Governments and/or Implementing Agencies
 - ii. Cash Flow for Expenditures
 - iii. Documentation
 - B. Development of Annual Budget
 - i. Status of Coordination with Organizational Working Group and Interim Executive Director
 - ii. Preparation of Recommendations for September 26, 2013, Meeting
 - C. Status of Review of Liability and Insurance Requirements
 - D. Status of Preparation of Revised Debt and Financial Policies
 - E. Status of Review of Procurement Procedures
 - F. Identification of Additional Items for Discussion
- V. Other Business

- VI. Items Referred from Other Working Groups
- VII. Items to Refer to Other Working Groups
- VIII. Summarize Recommendations Made by Working Group for the September 26, 2013, NVT A 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
Meeting #7, August 1, 2013

Notes

- Mayor Euille led introductions
- The minutes of July 15 were approved with one abstention due to absence
- Tom Biesiadny reminded the group the jurisdictions' maintenance of effort and special tax letter are due August 16.
- Monica Backmon recapped the actions of the July 24 NVTA meeting
- Ellen Posner provided an update on the bond validation process
- The letter to the Virginia Treasury Board was unanimously approved
- Colethia Quarles agreed to follow up with the Scott Kalkwarf on the electronic funds agreement with the Commonwealth approved by the NVTA
- Tom Biesiadny reported that meetings between the counties and towns continue
- The Financial Working Group (FWG) is to develop a recommendation on the distribution of sales tax revenues to the towns. There was general consensus that school age population should be used, just as it is for the regular sales tax distribution.
- A subcommittee was formed to develop an Memorandum of Agreement for transferring funds to the localities/implementing agencies
- Loudoun County and Arlington County provided examples of cash flow reports and a subcommittee was formed to develop a recommendation on cash flow reporting and documentation
- Staff coordinators from the FWG and Organizational Working Group (OWG) agreed to meet with the interim Executive Director on the operating budget and bring back a recommendation to the next FWG meeting
- The 2008 chief financial officer job description was distributed and jurisdictions requested to provide input by August 9th to provide to the interim Executive Director
- The 2008 procurement policy was distributed for review and a subcommittee was established to update it.
- Development of the new debt policy was referred to the debt subcommittee
- Representatives were asked to contact their risk managers about contributing to the liability and insurance policy
- Tom Biesiadny provided an update on the WMATA and VRE subcommittees
- The next meeting was scheduled for August 21 at 1:00 pm

Actions Taken and Follow-up Items

- Jurisdictions' special tax and maintenance of effort letters are due August 16
- Any jurisdiction wishing to submit an amicus brief related to the bond validation should contact the Council of Counsels
- The bond authority letter to the State Treasury Board was approved
- NVTC is to follow up with the State on the electronic funds agreement
- The counties and towns are to develop recommendation for the distribution of sales tax revenues to the towns

- A subcommittee is to develop a recommendation on cash flow reporting and documentation
- Staff coordinators of the FWG and OWG are to work with the interim Executive Director on the operating budget and bring back a proposal to the next FWG meeting for consideration by the NVTAs on September 26
- Jurisdictions are to provide feedback on the CFO job description by August 9
- A subcommittee is to develop a recommendation on the procurement policy
- The debt subcommittee is to develop a recommendation for the debt policy
- Prince William, Arlington and Alexandria agreed to contact their risk managers about contributing to the liability and insurance policy development
- The next meeting is August 21 at 1:00 pm

DRAFT FY 2014 Administrative Budget
July 18, 2013

		<u>FY 2008</u>	Proposed FY 2014	Draft <u>FY 2015</u>
Legal	1	\$125,000	\$125,000	\$0 Bond Counsel expenses (to be reimbursed by bond issue) + Other costs associated with validation
Public Outreach	2	\$25,000	\$30,000	\$75,000 Includes part time PIO in FY 2015
Organizational	3	\$212,500	\$156,000	\$179,227 Executive Director and administrative support; ED hired 8/15/13; administrative support 9/1/13
Financial	4	\$162,500	\$178,333	\$230,000 CFO + Accountant (9/1/13, 11/1/13)
Project Implementation	5	\$144,000	\$90,000	\$144,000 Two Program Coordinators; Start dates (10/1/13 and 1/1/14)
Fringe Benefits	6		\$127,300	\$183,968 Budgeted at 30% of personnel costs
Office Space Lease	7	\$78,750	\$2,550	\$5,100 Waived for first six months
Office Space Build Out	8	\$81,000	\$36,000	\$6,000 Furniture, computers for six people (FY 2014) + PIO (FY 2015)
Telecommunications Equip.	9	\$18,000	\$10,000	\$12,000 Cell phones for five people (FY 2014); six people (FY 2015)
Vehicle/Transportation	10	\$35,560	\$6,000	\$14,000 Mileage allowance
Financial Services	11		\$80,000	\$60,000 PFM contract (FY 2014); Other financial services (FY 2015)
Operating Expenses	12	\$30,000	\$10,000	\$10,000 Copies, Postage
Insurance	13	<u>\$7,500</u>	<u>\$3,000</u>	<u>\$3,000</u> Continue existing directors and officers coverage. Additional coverage: General Liability
Subtotal		\$919,810	\$854,183	\$922,295
Contingency (20%)		<u>\$183,962</u>	<u>\$170,818</u>	<u>\$184,459</u>
Total		\$1,103,772	\$1,025,000	\$1,106,754

1. Costs are expected to be similar as the bond validation in 2007.

2. FY 2014: rebuild website (\$20,000) + public notifications/outreach (\$10,000). FY 2015: Part time public information officer (\$60,000) + public notifications/outreach (\$10,000) + website maintenance (\$5,000)

3. Assumes ED hired 8/15/13. Annual Salary: \$155, 227 (\$130,000 + inflation); 10.5 months = \$135,823. Admin. Assistant starting 9/1/13. Annual = \$24,000. 10 month = \$20,000

4. CFO = \$150,000. Start 9/1/13. 10 months = \$125,000. Accountant = \$80,000 Starting 11/1/13. 8 months = \$53,333.

5. Two Staff Coordinators. Annual Salary: \$72,000 each. One hiring on 10/1/13 and one on 1/1/14

8. \$6,000 per employee including work station and computer.

10. Mileage allowance: \$2,000 per employees (half year - FY 2014)

11. PFM Phase I work = \$80,000. FY 2015 include \$60,000 for financial support.

12. Copies and Postage. Internet and phone covered by NVRC

13. \$500 for directors and officers coverage. \$2,500 for General liability coverage

FY 2014 Projected Revenue for Administrative Expenses
 July 18, 2013

Existing Cash On Hand	\$212,117	
Interest on Transportation Revenues	\$100,000	
Billed to Local Governments (see below)	<u>\$712,883</u>	
 Total	 \$1,025,000	 \$1,025,000

	2010	
	Population	
Alexandria	6.30%	\$44,912
Arlington	9.40%	\$67,011
Fairfax City	1.00%	\$7,129
Fairfax County	48.00%	\$342,184
Falls Church	0.60%	\$4,277
Loudoun	14.20%	\$101,229
Manassas	1.70%	\$12,119
Manassas Park	0.60%	\$4,277
Prince William	18.20%	<u>\$129,745</u>
	100.00%	\$712,883