

Northern Virginia Transportation Authority Financial Working Group
Meeting #8, August 21, 2013

Notes with Follow-up Items

- Mayor Euille led introductions.
- The minutes of August 1 were approved.
- Tom Biesiadny (Fairfax County) lead the discussion of the summary of the jurisdiction responses to the request of information regarding the maintenance of effort in transportation for 2011-2013 and intentions regarding the collection of a \$0.125 per \$100 Commercial and Industrial (C&I) property tax or equivalent, and an estimate of how much such a C&I tax would generate.
- Not all jurisdictions are proposing to levy the \$0.125 C&I property tax. Rather, some jurisdictions propose to fund on equivalent amount by some other source, as stated in their responses.
- In cases where a jurisdiction does not raise the equivalent of a \$0.125 per \$100 C&I tax, the revenue distributed to the jurisdiction will be reduced by the difference between the amount of revenue that would be received under the tax and/or other sources. At this time such gaps exist for the following jurisdictions:
 - Fairfax City
 - Falls Church
- Outstanding information is needed from:
 - Arlington County will adopt, but response and estimates are forthcoming.
 - Prince William County response – to be provided shortly.
 - Manassas and Manassas Park responses.
- Monica Backmon (Prince William County) raised the question regarding the gas tax collected by PRTC and its relationship to maintenance of effort (MOE) calculation.
- PRTC and NVTC do not have the same legal and fiscal relationship to the jurisdictions.
- Fairfax County shows the funds from NVTC in its books, while Prince William does not regard PRTC gas tax the same way.
- Scott Kalkwarf (NVTC) said that the Consolidated Annual Financial Report (CAFR) shows NVTC as a joint venture and there is a financial relationship regarding capital projects.
- The Legal Working Group was asked to clarify whether gas tax revenues should be included in the MOEs.
- The Legal Working Group will also confirm if debt service and debt proceeds issued/received after 7/1/2013 can or should be used for MOE and C&I calculations.
- Ellen Posner (Fairfax County) provided status of bond validation suit. There were three actions by third parties. Fairfax and Falls Church became plaintiffs and Delegate Bob Marshall filed an answer.
- The NVTA's Letter to the Treasury Board will be considered before NVTA's September meeting.
- The Electronic Funds Transfer (EFT) agreement has been accepted by the Commonwealth and will be used to transfer funds to NVTA.

Northern Virginia Transportation Authority Financial Working Group
Meeting #8, August 21, 2013

- Tom Biesiadny drafted a one page summary regarding distribution of revenue to the towns as the basis for a form document NVTA will design in September. Several comments were provided.
- Ellen Posner and Scott Kalkwarf to have a discussion with Kevin Greenlief (Fairfax County) after this meeting regarding the specificity of revenue sources for the Town of Vienna, since the town only has one hotel.
- The Memorandum of Agreement (MOA) for Transferring Funds to localities was discussed.
- Jason Friess (Arlington) and the subgroup met on cash flows and other ways to look at expenditures in relation to the overall cash flow projects from project managers and will present at the next meeting.
- The staff coordinators from the Financial, Legal and Organizational Working Group met with John Mason to discuss the NVTA's annual budget that also includes positions. The administration costs will be reviewed with the budget.
- Further discussion will take place regarding the administrative costs invoicing.
- Scott Kalkwarf brought up check signing requirements for NVTA above \$5,000. The consensus was that checks should be counter signed by the Vice Chair for the time being.

Additional Follow-up Items

- Legal Working Group will review how proffers should be handled.
- Conference call regarding liability and insurance on August 27 and recommendations will be brought to this group at the next meeting.
- John Mason will follow up with NVTA for the details that are outstanding to finalize the budget. Will be presented at the next meeting.
- Debt subcommittee will bring debt and financial policies to next meeting.
- Procurement procedures are scheduled for a conference call and will be brought to the next meeting.
- NVTA needs to put into place a procedure for how the transfer of 30% share will occur.
- CFO job description is with John Mason for adding the recommended changes.
- Discussion on what can be used for the local match for other projects. The draft MOA from the Commonwealth says only the 30% can be used as local match . Need to discuss further in legal working group.
- The issue of how to reflect the Gas tax in the MOEs was also referred to legal working group.
- On 9/16, additional discussion about the distribution of revenue to towns will be important..
- Next meeting on September 16 at 2pm.