

**Northern Virginia Transportation Authority  
Organizational Working Group  
Agenda**

**June 17, 2013 ~ 1:00 p.m.**

**Loudoun County Board of Supervisors Conference Room  
21641 Ridgetop Circle, Sterling, VA 20166**

**1. Discussion on Recommendations for Office/Meeting Space & Interim Administrative Support**

NVRC Proposal – Mark Gibb

**2. Discussion on Recommendation for Hiring Interim Director & Funding Formula for Administrative Costs**

CAO Update – Tim Hemstreet

**3. Discussion on Recommendations for Permanent Executive Director**

**4. Discuss Additional Recommendations**

**5. Upcoming Meetings:**

- Second Public Hearing and Future Meeting Schedule

**6. Adjourn**

## **PROPOSAL OUTLINE FOR NVRC'S INITIAL PROVISION OF ADMINISTRATIVE AND MANAGEMENT SUPPORT for NVTA**

### **Assumptions:**

1. NVTA will assume new and significantly enlarged responsibilities on July 1, 2013, including allocation of millions of dollars in new tax revenue specifically for Northern Virginia transportation projects.
2. NVTA lacks a robust administrative and management infrastructure.
3. The new funding cannot be used for NVTA's management and administration.
4. NVTA has been operating with a committee-driven structure that relies heavily on Authority members along with legal, financial, and transportation staff from Northern Virginia's local governments and regional transportation organizations.
5. NVTA's optimum operation nonetheless requires a centralized focal point and nexus for member and committee communications, and NVTA's enabling legislation expects appointment of a chief executive officer and such staff as it shall determine to be necessary.
6. Inasmuch as the administrative expenses of the Authority are primarily the responsibility of the NVTA component localities, continued reliance on local staff for specific functions is appropriate.
7. NVRC, whose Board of Commissioners is composed entirely of elected officials from the region's County Boards and City/Town Councils with the same geographic coverage as NVTA, is a logical regional partner for NVTA to engage for immediate administrative and management support as NVTA assumes its new responsibilities.
8. Like NVTA, NVRC is a political subdivision of the Commonwealth, and so NVTA is not obligated to follow competitive procurement procedures under the Virginia Public Procurement Act to engage NVRC for this assistance.

### **Proposal:**

With existing facilities and an established framework of operating policies, a similar legal status (political subdivision of the Commonwealth), and overlapping membership, NVRC is prepared to enter a service agreement with NVTA for an initial period of 6 months, subject to renewal, and including the following:

#### Facilities

- NVRC will provide office space for NVTA, and access to amenities such as copiers, fax machine, printers, scanners, postage meter, internet and email access, phones, free parking, etc.
- NVTA will be able to schedule meetings in the main conference area or smaller meeting rooms, in coordination with an existing calendar of meetings.

## Staffing

- NVRC will engage, as a temporary employee (immediate hire possible), an individual with public sector executive management experience and such other qualifications as desired by NVTA, to serve as interim NVTA Director. Selection will be subject to NVTA approval, but NVRC's personnel policies will apply.
- NVRC will supply (shared, not exclusive) administrative secretarial and receptionist support for the interim Director.
- The interim director, working at the will of the NVTA Board, will be responsible for
  - managing day-to-day operations of NVTA.
  - ensuring that NVTA functions are performed efficiently and in compliance with laws, regulations, and NVTA direction (with advice as needed from the Council of Counsels).
  - performing the role of lead staff for the NVTA Board, including
    - agenda development;
    - carrying out or delegating work required or requested by the NVTA Board;
    - servicing as the prime staff point of contact for NVTA Board members;
    - representing the NVTA Board with other entities, as appropriate.
  - coordinating communications among the NVTA Board and its working groups, JACC, PCAC and TAC;
  - formulating recommendations for longer-term operational and policy development requirements of NVTA, including budgets and operating plans.
  - overseeing execution of financial requirements of NVTA.
  - managing procurement and resulting contracts with third-party vendors on behalf of the NVTA.
- NVRC will supply accounting staff support for the financial management system.
- Staffing of NVTA Working Groups, JACC, PCAC and TAC will continue to be performed by local agency staff, who will receive management oversight in these duties from the NVTA interim Director.

## Financial

- NVRC will serve as the financial agent for receipt and disbursement of NVTA's funds, in accordance with policies and procedures acceptable to NVTA.
- NVRC will set up an appropriate chart of accounts and financial management/reporting system, with input from its consulting CPA and NVTA's Financial Working Group, and in accordance with generally accepted accounting standards and practices, for approval by the NVTA Board.
- NVRC will purchase an additional license for GMS software for NVTA's financial management and reporting. This software is designed specifically for entity-wide accounting and grants management, and has a proven record of use by hundreds of both large and small organizations – including transportation agencies – for over 30 years.

GMS integrates accounting for multiple fiscal periods, funding sources, and costing of services and functions. GMS supports entity-wide financial management over restricted and unrestricted funds. GMS meets requirements of GAAP, IRS 990 reporting, Health and Welfare standards, grant and contract administration, and Federal Cost Principles. GMS enhances reporting under FASB Statements 116 and 117 and builds integrity into grant, contract, and functional accounting.

- NVRC will assist NVTA, as needed, in engaging an independent auditor for annual examination of the NVTA financial statements

## Legal

- NVRC will not supply legal services for NVTA at this time, as this currently is being handled by NVTA's designated Council of Counsels.

## Public Outreach

- NVRC will not be responsible for maintenance of NVTA's website at this time, or for NVTA's other public outreach activities.

## Other

- To facilitate immediate requirements of the interim Director, NVTA will compile a briefing book that includes
  - NVTA enabling and related legislation governing the Authority's operations
  - NVTA Bylaws
  - Copies of formal agreements, leases, legal opinions
  - Inventory of assets; schedule of liabilities
  - Summaries (minutes) from all meetings of the Authority, its working groups, the JACC, the PCAC and the TAC
  - Copies of NVTA Board correspondence
  - Rosters with affiliation and contact information, appointing body, and term, for members of the Authority, its working groups, the JACC, the PCAC and the TAC

**Preliminary cost estimate for  
interim operation at NVRC  
6/10/13**

		<u>6 months</u>
Interim Director		70,590
Shared secretarial/recep		10,540
Other NVRC Support	16,622	General & personnel admin, general supplies, employee lia insurance
Financial	50,449	Full-time accounting assistant, with dedicated computer & printer, software license & training, CPA support
Rent	4,050	\$30/sf * 1 10'x10' office and 1 17'x10' office = 270 sf (interim director and acctg asst)
Office equipment	1,800	PC with MS Office Suite for interim director
Vehicle/transportation	1,800	\$300/month allowance for interim director
Other direct costs specific to NVTA	1,500	postage, repro, business cards, stationery, check stock (\$250/mo)
Insurance		Employee liability included: Board coverage is not
<u>Committees</u>		
Legal		-
Public Outreach		-
Project Implementation		-
<b>Subtotal:</b>		<b>157,352</b>
Contingency 20%		31,470
<b>TOTAL</b>		<b>188,822</b>

Additional expenses for phones, email, internet, furnishings dependent on NVTA requirements..

**NVTA start-up budget  
7/3/07**

<u>12 months</u>	<u>1/2 of 12-month estimate</u>	
<b>212,500</b>	106,250	<b>Exec Director &amp; temp support staff 10 months</b>
*	*	
-	-	
<b>162,500</b>	81,250	<b>9 months contractual; 3 months employees (2)</b>
<b>159,750</b>	79,875	<b>\$35* 3,000 sf, plus build-out &amp; systems furniture</b>
<b>18,000</b>	9,000	<b>computers, fax, etc.</b>
<b>35,560</b>	17,780	<b>Includes vehicle purchase, depreciation, transit allowances</b>
<b>30,000</b>	15,000	<b>Est \$10K/yr/employee (supplies, telecomm, etc.)</b>
<b>7,500</b>	3,750	<b>Board coverage &amp; liability</b>
<b>125,000</b>	62,500	<b>Per working group recommendation</b>
<b>25,000</b>	12,500	<b>Per working group recommendation</b>
<b>120,000</b>	60,000	<b>Project management staff 6 months (2)</b>
<b>895,810</b>	447,905	
<b>179,162</b>	89,581	
<b>1,074,972</b>	537,486	

FY 2014 NVRTA Administrative Budget Costs by Jurisdiction  
 Organization Working Group Meeting, June 17, 2013

Jurisdiction	2010 Census		Min. Admin. Efforts	Option #1	Option #2	Option #3
	Population	Population %	Annual Budget	Annual Budget	Annual Budget	Annual Budget
Arlington County	207,627	9%	\$55,848	\$102,388	\$148,928	\$204,777
Fairfax County	1,081,726	48%	\$290,966	\$533,438	\$775,910	\$1,066,876
Loudoun County	312,311	14%	\$84,006	\$154,012	\$224,017	\$308,023
Prince William County	402,002	18%	\$108,132	\$198,242	\$288,351	\$396,483
Alexandria City	139,966	6%	\$37,648	\$69,022	\$100,396	\$138,044
Fairfax City	22,565	1%	\$6,070	\$11,128	\$16,186	\$22,255
Falls Church City	12,332	1%	\$3,317	\$6,081	\$8,846	\$12,163
Manassas City	37,821	2%	\$10,173	\$18,651	\$27,129	\$37,302
Manassas Park City	14,273	1%	\$3,839	\$7,039	\$10,238	\$14,077
<b>Totals</b>	<b>2,230,623</b>	<b>100%</b>	<b>\$600,000</b>	<b>\$1,100,000</b>	<b>\$1,600,000</b>	<b>\$2,200,000</b>

Note: 2010 Census population is being used by the Financial Working Group for calculating the distribution of revenue to jurisdictions.

**Staff Resource Option Assumptions**

**Minimum Administrative Efforts**- Includes an Executive Director; contracted financial and accounting services; contracted general legal services; and NVRC co-location space including a shared reception, basic support services, etc.

**Option #1**- Minimum Administrative Efforts with an additional Full time Assistant Director; Two full time Project Managers and associated costs; and a certain level of bond related legal costs that are not recoverable through issuance

**Option #2**- Option #1 resources without \$100,000 for NVRC Support, and includes an additional Project Manager (3 total); Two Support Staff; and leased space with associated costs including IT.

**Option #3**- Option #2 resources without \$100,000 for NVRC Support, and includes an additional Project Manager (4 total), Field Observers, an Office Manager, Two Contract Managers and costs associated with larger space lease and the associated costs.

Northern Virginia Transportation Authority  
Organizational Structure Recommendations  
June 17, 2013

## Background

In order to carry out the functions assigned to the NVTA by HB 2313, a staff organization needs to be created and defined to support the needs and efforts of the NVTA Corporate Board. Given the anticipated volume of logistical coordination, scheduling, meeting notification, meeting documents and summaries, etc, and potential contractual issues consideration should be given to hiring an Executive Director for the purposes of:

- a. Relieving the burden on current jurisdictional staff, as well as being solely devoted to the NVTA Corporate Board and the Corporate Board's initiatives, including carrying out the obligations of HB 2313
- b. Providing general coordination efforts on the proceedings of the NVTA
- c. Handling schedules and dissemination of meeting materials
- d. Procuring contractual services

Although NVTA is the key organization for the implementation of HB 2313, as well as a political subdivision of the Commonwealth, NVTA has a defined and narrow mission – to serve as the primary transportation planning agency for Planning District Eight and to also serve as the decision-making body to allocate Commonwealth transportation funds dedicated to Planning District Eight transportation and transit projects. Additionally, section 15.2-4835 of the implementing legislation for the NVTA states in part, “The administrative expenses of the Authority, as provided in an annual budget adopted by the Authority, to the extent funds for such expenses are not provided from other sources, shall be allocated among the component counties and cities on the basis of the relative population, as determined pursuant to § [15.2-4834](#)...”

## Draft Recommendation

In order to carry out this function, and in consideration that the member localities are responsible for funding the Administrative Costs of the NVTA, a simple and straight-forward structure should be created to support the NVTA Corporate Board. Over the past few years, NVTA has carried out the Planning related obligations contained in the implementing legislation largely by using jurisdictional staff on a part time basis, and because this was possible, NVTA has no employees, whether direct or contractual, at this time. If NVTA were to process its obligations under HB 2313 in a manner that provides the localities with the greatest flexibility and the lowest cost, and were to remain committed to what is necessary, then the staffing model can be accomplished with only one employee with contractual support.

An Executive Director is needed in order to provide the appropriate level of support to the NVTA Corporate Board. It is also imperative that this gets established as the Executive Director would be bound to NVTA and bound to act in NVTA's interest as defined by the NVTA Board. While jurisdictional staffs have done well in supporting NVTA over the past few years, it is apparent that the first loyalty of jurisdictional staff is to the position of their individual jurisdiction, which is to be expected. Since a main function of NVTA is now to determine which jurisdictional projects to fund, and which not to fund, it is important for the NVTA Board to have staff that reports and is responsible to the NVTA Corporate Board.

This can be accomplished through the hiring of an Executive Director who has the requisite skills and abilities to carry out the function. Our recommendation is for NVTA to start with the previous job description for the position.

Beyond the Executive Director, there is a need to hire an accounting firm to manage the financial aspects of the NVTA. Finally, there is a need for a legal firm to be retained to provide direct legal advice to the NVTA Corporate Board. While it is recognized that the NVTA Corporate Board has directed the utilization of the Council of Counsels for legal assistance, further consideration should be given to a separate contractual arrangement for legal services due to the concerns and recognition by the public that jurisdictional staff members are employed by individual localities and not the NVTA Corporate Board.

It is anticipated that the Executive Director would contract for both the Accounting and Legal services. The services can be procured either through a standard bid process in the Commonwealth, or through riding available contracts that the region may have that are presently in place and have the MWCOG contractual rider as part of the contract conditions.

In emphasizing the concept of a limited amount of staff, and the use of staff that reports directly to the NVTA, it is also important to note that jurisdictional staff can be utilized to manage projects in their own localities without the need to develop another layer of project management staff at the NVTA level. VDOT personnel can also continue to manage projects. A key strategy for NVTA to recognize and employ would be the potential use of combined funds within jurisdictions such as the 70% regional funds, the 30% locality source, and VDOT six year funds to complete a project. In this manner funds can be distributed quickly for priority projects so that design and construction activities can commence earlier.

During the hiring process, it is recommended that NVTA contract with NVRC to provide interim services, including an Interim Executive Director, for the four to six months that it will take NVTA to hire the permanent Executive Director. Mark Gibb, Executive Director for NVRC is expected to provide a proposal for these services, as well as for office space, at the next meeting of the Organizational Working Group. Under this proposal, the hiring of the Interim Executive Director, as well as any termination of the Interim Executive Director, would be completely at the discretion of the NVTA Board, consistent with statute.

In bulleted form, the structure would appear like this:

1. Executive Director
2. Contracted Accounting and Financial Services
3. Contracted general legal services
4. NVRC to provide co-located office space, including shared reception and basic support services, copier, telephone/internet, computer, basic office supplies, etc.

General budget target for these services for Year 1 should be in the \$600,000 range. Subsequent budgets should be developed by the Executive Director in conjunction with the NVTA Board and based upon the defined obligations and responsibilities determined by the NVTA Board.