

NVTA
Organizational Working Group
May 30, 2013

Background: May 16, 2013 – Organizational Working Group

At the May 16, 2013 Organizational Working Group Meeting, the attendees identified the following action steps:

1. The Organizational Working Group forwarded to the Financial Working Group a request to poll each jurisdiction as to their ability to carry debt through bonding.
2. The Organizational Working Group requested that NVRC report back with a proposal for larger meeting space/office space.
3. Established that the May 30, 2013 meeting will include:
 - a. Determine a recommendation for interim or permanent central staffing (Executive Director, Consulting/Management Firm, etc.).
 - b. Determine a recommendation for managing funds (existing NVTC account, other account, etc.).
 - c. Determine a recommendation for office/meeting space (NVRC, etc.)
 - d. Prepared a draft schedule for subsequent NVTA meetings and established 5/30/13 and 6/13/13 as subsequent meeting dates for the Organizational Working Group.

May 23, 2013 - NVTA Meeting

At the full NVTA meeting on May 23, 2013 the Authority received updates from the individual working groups, and:

1. Established 6/20/13 as the date for an open house and distributed the proposed 2014 project list and the six year project list, and authorized a public hearing in July. The open house will be held at 5:30 PM at Fairfax City Hall Council Chambers at 10455 Armstrong St. in Fairfax.
2. Acknowledged Chairman York's request that the Financial Working Group address the matters contained in the Davenport, LLC memorandum that was distributed to NVTA members on 5/22/13.
3. Adopted the proposed meeting schedule recommended by the Organizational Working Group for the remainder of the calendar year.
4. Acknowledged that individual jurisdictions may be conducting their own open house type meetings to allow for presentation of current NVTA matters and for public input. The Authority requested that these meetings be posted on the NVTA meeting calendar. Loudoun will conduct a meeting on 6/10/13 at 6:00 PM in the Board Room, at 1 Harrison St. in Leesburg.
5. Discussed other matters pertaining to the other working groups.

Proposals for Action by the Organizational Working Group on 5/30/13

1. The following recommendation is offered for the Organizational Working Groups' review and action:

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 Interim Executive Director position 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
- b. Providing general coordination efforts on the proceedings of the NVTA for the next year
- c. Handling schedules and dissemination of meeting materials
- d. Procuring contractual services

The recruitment timeframe for the prior Executive Director took approximately six months allowing for vacancy announcements, interviewing, and final offer for the position. If accelerated this timeframe might be reduced to three or four months, which would allow a position to be filled in the October/November timeframe. In order to potentially shorten the hiring timeframe, consideration should be given to utilizing the services of an executive recruitment firm and potentially riding recruitment contracts of member jurisdictions. Hiring a devoted recruitment firm would lessen the burden on member jurisdiction staff who are also performing primary functions in their jurisdiction, and would most likely shorten the recruitment timeline. (See Attachment 1 for prior Executive Director position announcement).

The Interim position, which could last up to two years, once hired would also manage various contracts for professional services such as, accounting, legal, other financial services, etc. This position would also manage an evaluation effort regarding the use of a management consulting firm to provide scope-specific services to the NVTA on an on-going as needed basis, versus the use of a permanent Executive Director and administrative staff. This approach could allow for a short term coordination role and the development of a long term staffing plan. Although a relatively new concept, the use of contracted management and administrative staff provides a level of flexibility for the NVTA that does not exist in our jurisdictions and would also limit employment liabilities, both legal and financial that our jurisdictions face, thereby maximizing the amount of funding that is available for transportation uses.

The use of consultants will require a procurement effort and the first step will be to identify if any jurisdictions have contracts already in place that NVTA could join. This will take several weeks to determine and the full Authority would need to approve a scope and negotiations with a specific contractor. If the staff recruitment effort and the procurement steps were initiated as soon as possible and simultaneously, then the Interim Executive Director position and the contracts for additional services may be ready to commence in the same timeframe.

Notwithstanding, it is recommended that the hiring and procurement priorities be as follows:

1. Hire an Interim Executive Director.
2. Procure Retainer/Contract for general legal services with a legal firm.
3. Procure Accounting and general financial services from an accounting firm.
4. Procure a Financial Advisor.
5. Pursue long term strategy for staffing and management of the Authority.

It is further acknowledged that it is a priority of NVTA to put into place its funding priorities for the region in time for FY 2014 projects to be awarded and this needs to take place in close

proximity to July 2013, which is the beginning of the fiscal year. Therefore, as noted above, it may make sense for items 1 through 4 above to take place concurrently, in order to provide for the capacity within NVTA itself to make appropriate decisions on behalf of the region.

A model for this could be for NVTA to ride existing agreements that member jurisdictions currently have in place and limit the duration of the rideable contracts to one year or less. The services would then be re-evaluated by the Interim Executive Director once on board.

Considered highly critical by the Organizational Committee at this point in time is getting legal and financial advisor services into place.

There have been suggestions by member jurisdictions that a bond issuance needs to be put together in order to advance a bond validation case. Other member jurisdictions have suggested not utilizing bond financing just yet and to proceed in FY 14 with cash funded projects. In either case, it is critical that NVTA have legal counsel and financial advisors who are devoted to the NVTA Corporate Board and who are directly responsible to the NVTA Board. Through these advisors, the NVTA Corporate Board should proceed through a deliberate decision-making process in coming to final conclusions on these matters for FY 2014 project awards.

As an Interim Executive Director comes on Board, further discussions and refinement of future actions, and appropriate staffing levels may be entered into as the preplanning for NVTA FY 2015 round of funding begins in November/December of this year.

2. Management of accounts (to be discussed). Accounts are currently in a trust position with NVTC. NVTC has indicated its acceptance of carrying on this obligation indefinitely. Custody of these accounts may be transferred once an accounting/financial services firm has been hired. A decision should be made as to whether this change in custody occurs prior to or after the hire of an Interim Executive Director.
3. Office space recommendations (update to be provided by NVRC at 5/30/13 meeting. See Attachment 2 for 2007 memo on office space leasing issues for background.)
4. Budget discussions (See attachment 3 for draft budget from 2007). It is recommended that decisions be made on Item 1 and Item 3 above in order for jurisdictional staff to estimate a budget to carry through the initial fiscal year.