



Northern Virginia Transportation Authority
The Authority for Transportation in Northern Virginia

FINANCE COMMITTEE
Thursday, February 16, 2017 1:00PM
3040 Williams Drive, Suite 200
Fairfax, VA 22031

MEETING SUMMARY

I. Call to Order/Welcome

Chairman Parrish

- Chairman Parrish called the meeting to order at 1:04pm.
- Attendees:
 - ✓ Members: Chairman Parrish; Mayor Rishell; Mayor Silberberg.
 - ✓ Staff: Monica Backmon (Executive Director); Michael Longhi (CFO); Carl Hampton (Investment & Debt Manager); Peggy Teal (Assistant Finance Officer); Camela Speer (Clerk).
 - ✓ Council of Counsels: Ellen Posner (Fairfax County).
 - ✓ Other Attendees: Paul Doku (Fairfax County); Peter Malgieri (Loudoun); JoAnne Carter (PFM); Kristie Choi (PFM).

II. Summary Minutes of the December 15, 2016 Meeting

- Mayor Silberberg moved approval of the minutes of December 15, 2016; seconded by Mayor Rishell. Motion carried unanimously.

Action Items

III. Financial Statement Audit Services

Mr. Longhi, CFO

- Mr. Longhi briefed the Committee on the need to procure Financial Statement Audit Services. He noted:
 - ✓ The Committee discussed this at its December meeting and requested moving it forward as an action item.
 - ✓ The current contract with PBMares expires this year, requiring a new agreement prior to this year's audit.
 - ✓ The approval of the selection of an audit firm is the responsibility of the Finance Committee.
 - ✓ The staff recommendation to contract with PBMares through a contract rider with the Virginia Railway Express (VRE) is based on the 2015 joint procurement for audit services conducted by the Northern Virginia Transportation Commission (NVTC), the Potomac & Rappahannock Transportation Commission (PRTC) and the Virginia Railway Express, with all three firms choosing to contract with PBMares.
 - ✓ The NVTA staff recommendation is to ride this contract through the FY2021 audit.

- ✓ This contract recommendation will put the NVTA's audit services procurement in the same sequence as NVTC, PRTC and VRE, providing the opportunity for all entities to issue a joint procurement for audit services for FY2022 forward.
- ✓ This gives the NVTA purchasing power and allows the administrative burden to be shared amongst several agencies.
- Mayor Rishell moved the Finance Committee recommend Authority approval to ride the VRE/PBMares LLP audit service agreement for FY2017 with options for two additional two-year periods through FY2021; seconded by Mayor Silberberg. Motion carried unanimously.

IV. Budget Transfer to Advance the FY2018 Planning Technology Project

Mr. Longhi, CFO

- Mr. Longhi briefed the Committee on the presented budget transfer to advance the FY2018 Planning Technology Project. Mr. Longhi stated that NVTA planning staff had indicated this project could be implemented within 1-2 months of funding availability. He noted this would allow for the production of interactive maps requested by Authority members much sooner than anticipated, thus increasing transparency for the Authority's FY2014 through FY2017 Project Programs as well as the ongoing TransAction Update activities. Mr. Longhi noted the Authority has a \$343,788 Operating Reserve. The staff recommendation is to transfer \$25,000 from the FY2017 Reserve, replacing those funds from the FY2018 Operating Budget thus replenishing the reserve. This will allow the Authority to move forward with this project about six months ahead of schedule.
- Mayor Parrish noted that several Authority members have expressed an interest in having interactive NVTA project maps available on the website.
- Mayor Silberberg moved the Finance Committee recommend Authority approval of an FY2017 transfer of \$25,000 from the NVTA Operating Reserve to Expenditure Account 320-HW/SW Peripheral Purchase GIS Costs, and an offsetting FY2018 transfer of \$25,000 from Expenditure Account 320 to the NVTA Operating Reserve; seconded by Mayor Rishell. Motion carried unanimously.

V. 2017 Finance Committee Meeting Schedule

Chairman Parrish

- Mr. Longhi proposed the 2017 Finance Committee Meeting Schedule for the third Thursday of each month at 1pm, as needed. He noted that all Committee member schedulers had been contacted to ensure these dates work for each member.
- Mayor Parrish noted that if members have a conflict with any future Committee meeting dates, they should let himself or Mr. Longhi know.
- A brief discussion followed regarding alternative meeting dates. There was consensus that this was the best meeting schedule for the Committee.

- Mayor Silberberg moved adoption of the proposed meeting schedule for the next 12 months; seconded by Mayor Rishell. Motion carried unanimously.

Information/Discussion Items

VI. Financial Advisory Services

Mr. Longhi, CFO

- Mr. Longhi reported the Authority's Financial Advisory Services contract currently provided by PFM expires in 2018. He noted that these services were procured through a contract rider on a Prince William contract.
- Prince William County is issuing a new Request for Proposals for this service. If Prince William were to issue a new contract (even with PFM) it would, invalidate the current rider.
- Prince William has agreed to allow the NVTa to participate in a joint procurement for Financial Advisory Services. Mr. Longhi noting other entities such as VRE and PRTC may join the procurement as well. He noted that the key difference between a rider and a joint procurement is that with a rider we must use the same contract that is chosen by the contract holder. With a joint procurement, we will have the flexibility to select the vendor deemed most appropriate for the Authority.
- Mr. Longhi added that PFM is aware of the situation and resulting necessity for undertaking a new procurement and expressed appreciation to the PFM representatives present for their understanding.

VII. Sole Source Purchase Declaration

Mr. Longhi, CFO

- Mr. Longhi briefed the Committee on the Sole Source Purchase Declaration related to the proposed Planning Technology Project budget transfer discussed earlier.
- He noted NVTa staff has completed research to determine the software and licenses necessary to implement the Planning Technology Project. He added that we require the NVTa databases and maps to be compatible with as many jurisdictions and agencies as feasible so that the exchange of information can be as seamless as possible.
- Mr. Longhi stated that the most compatible and suitable software package is provided by Environmental System Research Institute (ESRI), specifically ArcGIS. He noted this software is the most compatible with member jurisdictions and agencies, as well as our TransAction update contractor.
- Mr. Longhi added that NVTa staff is required to inform the Finance Committee when a sole source procurement was used and depending on the Authority action related to the budget transfer this would serve as advance notice.
- Mayor Parrish thanked NVTa staff for the disclosure.

VIII. Investment Portfolio Implementation

Mr. Longhi, CFO

- Mr. Longhi briefed the Committee on the implementation of the Investment Portfolio. He reviewed the activities to date:

- ✓ Custody Agreement executed and a new Custody Account established on January 15, 2017.
 - ✓ Started placing investment orders at the end of January.
 - ✓ Orders settled in February, so no reconciled reports to show yet.
 - ✓ Screened and approved brokers, with written acknowledgement of understanding and obligation to comply with the Authority's Investment Policy.
 - ✓ Integrated the investment activities in our general ledger accounting system.
 - ✓ Placed \$200 million in investments.
 - ✓ Anticipate an equal amount in investments in the next 30-40 days.
- Mr. Longhi stated that the investment software has already alerted us to a potential concentration of maturity durations. He explained that the software had indicated a concentration of investments maturing in the 330 day period. He noted this is a warning flag, and that it had alerted us to spread out the investment maturity dates. Mr. Longhi expressed appreciation to the Committee for supporting the purchase of this software.
 - Mayor Parrish asked when the investment portfolio reports would be available to the Committee. Mr. Longhi responded they would be available for March after the process has gone through a complete reconciliation.

IX. Monthly Revenue Report

Mr. Longhi, CFO

- Mr. Longhi recapped the Monthly Revenue Report, noting that revenue receipts are currently 2.83% above estimates and that February receipts for Sales Tax Receipts were the highest on record for the NVTA and will bring the positive variance are even higher.

X. Operating Budget Report

Mr. Longhi, CFO

- Mr. Longhi stated the Operating Budget expenditures are in line with the budget, adding we are 58% of the way through the fiscal year with 49% of the budget utilized.

XI. Financial Activities (Verbal Report)

Mr. Longhi, CFO

- Mr. Longhi briefed the Committee on three additional financial activities.
 1. NVTA annual revenue estimate process, with a six year outlook, has usually been done in the fall and presented in December. In working with our jurisdictional members, it was noted that this timeframe was inconvenient for them as it required additional effort prior to their own jurisdictional estimates. Starting this year, NVTA staff plan do our annual revenue estimations after the jurisdictions have completed theirs. This will reduce the work load and time commitment on jurisdictional staff and make the process smoother. This will also provide a fresher more current and accurate set of revenue estimates prior to funding decisions for the Six Year Program.
 2. The City of Falls Church Van Buren Street Bridge project is about to reach close out. The project was originally funded at \$300,000. The Authority has

reimbursed approximately \$195,000 on this project. In examining the reimbursements and checking project progress it became apparent some cost reimbursements submitted on the project were noted to mistakenly contain some out of scope elements. NVTA staff worked diligently with City staff to amend the project Appendix B resulting in approximately \$65,000 being refunded to the Authority. The revised project cost is approximately \$130,000, resulting in \$170,000 becoming available to the Regional Revenue Fund to be assigned to future projects. Once the required documentation is in place the project will be closed out.

3. Mr. Longhi reported that as requested by the Committee, NVTA staff is scheduling meetings with jurisdictional staff in March to discuss the defeasance options discussed at the December meeting and will report back to the Committee once those discussions are complete.

Adjournment

XII. Adjournment

- Meeting adjourned at 1:29pm.