



GOVERNANCE AND PERSONNEL COMMITTEE

Thursday, May 11, 2017

6:00pm

**3040 Williams Drive, Suite 200
Fairfax, VA 22031**

MEETING SUMMARY

I. Call to Order

Chair Hynes

- Chair Hynes called the meeting to order at 6:13pm.
- Attendees:
 - ✓ Members: Chair Hynes; Supervisor Nohe; Mayor Meyer; Council Member Snyder; Delegate Minchew (arrived 6:28pm).
 - ✓ Staff: Monica Backmon (Executive Director); Michael Longhi (CFO); Carl Hampton (Investment & Debt Manager).
 - ✓ Other Attendees: Ellen Posner (Fairfax County); Noelle Dominguez (Fairfax County); Bob Schneider (PRTC).

II. Approval of Meeting Summary of the December 15, 2016 meeting

- Supervisor Nohe moved approval of the December 15, 2016 meeting summary; seconded by Council Member Snyder. Motion carried with three (3) yeas and one (1) abstention [with Mayor Meyer abstaining as he was not at the December 15, 2016 meeting].

Action

III. Policy 28 – Responses to Information Requests from Candidates for Political Office

Chair Hynes

- Chair Hynes introduced draft Policy 28 – Responses to Information Requests from Candidates for Political Office, noting that this policy had previously been recommended to the Authority for approval. She added that questions had been raised at the Authority meeting and that NVTA staff had been requested to make clarifying revisions.
- Mr. Longhi stated that two changes were requested at the January Authority meeting.
 1. There was a request for a definition of candidate.

2. There was a consensus opinion to use the NVTA website to distribute information provided in responses to information requests.
 - Mr. Longhi stated that a candidate definition had been added, noting a candidate is anyone who has filed with their local Board of Elections and is inclusive of candidates' representatives, associations and political organizations. He stated that wording had also been added regarding the dissemination of information that is provided to a candidate, so that everyone has access to the information. He noted this will be done by posting all information requests and responses to the NVTA website.
 - Mr. Longhi stated that, due to subsequent conversation, an additional change had been. He noted that a statement had been added clarifying that an Authority member's legal questions of the Council of Counsels are exempt from the policy, in order to preserve the attorney client privilege.
 - Supervisor Nohe moved the Governance and Personnel Committee recommend Authority approval of draft Policy 28 – Responses to Information Requests from Candidates for Political Office; seconded by Chair Hynes.
 - A question was raised as to whether these updates to the policy address the concerns that were raised at the January Authority meeting. Ms. Backmon responded that the Authority meeting minutes had been reviewed in an effort to address all concerns.
 - It was asked how substantial inquiries from political candidates have been. Ms. Backmon responded they are not very substantial, adding that to date there have been more questions from Authority members than other candidates.
 - It was noted that an Authority member asking questions regarding the due course of business of the Authority does not trigger this policy. Ms. Backmon responded affirmatively, adding that generally all questions from Authority members are about Authority business.
 - It was stated that transportation may be a key issue in upcoming elections, therefore there may be more requests in the future.
 - Chair Hynes added that the main purpose of Policy 28 is to establish guidance as to how NVTA staff will handle information requests from political candidates to prevent accusations of favoritism. She noted the policy is not intended to create extra work for NVTA staff, but to drive people to the NVTA website for information.
 - It was noted that NVTA staff is just answering questions that could be subject to Freedom of Information Act Requests (FOIA).
 - Chair Hynes added that if a meeting was requested by a candidate, all candidates would be notified and invited to attend that meeting. She stated that this policy is about protecting the NVTA staff.

- Motion carried unanimously.

IV. Policy 29 – Project Activation and Progress

Chair Hynes

- Mr. Longhi briefed the Committee on draft Policy 29 – Project Activation and Progress. He stated that this policy is a combination of the two prior policies, Policies 24 and 25, designed to ensure that the Standard Project Agreements, project reimbursements and notification of project progress move forward smoothly. He noted that the prior policies were only effective for projects approved through FY2017. Mr. Longhi stated that for FY2018 and future programming, NVTA staff incorporated the two previous policies into Policy 29. He noted that this draft policy has been reviewed by the Regional Jurisdiction and Agency Coordinating Committee (RJACC). Mr. Longhi stated that there is one difference in this policy that adds a fiscal impact section. He noted that currently there are \$118 million of spending schedule items that have not occurred in the time they were originally projected to occur. He noted this is causing the NVTA to hold more money from our investment program in a highly liquid state, because without updates to projected reimbursements (Appendix B) we do not know when the money will be needed. Mr. Longhi stated that NVTA staff has made the process to update Appendix B's as simple as possible to encourage jurisdictions to update them regularly. He noted that the policy now allows the NVTA to add 45 days to the reimbursement cycle for projects for which project sponsors have not provided up-to-date Appendix B's. Mr. Longhi stated that if the \$118 million in unreimbursed expenses currently being held could be moved from liquid to even a 90 day investment, the Authority could be receiving \$150,000 more per quarter or \$600,000 per year in interest earnings.
- Ms. Backmon noted that these interest earnings would be added to the Regional Revenue Fund.
- Mr. Longhi stated that reimbursements are made as quickly as possible and this is a long-term policy issue. He added that the purpose of these policies is to encourage a dialogue between project sponsors and the NVTA Executive Director as to project status.
- It was clarified that currently there is a 20 day reimbursement cycle. It was also noted that the Authority will remain in a highly liquid investment state for a while. The purpose of adding 45 days to the reimbursement cycle allows the NVTA to keep more money in investments and allows extra time to gain liquidity if it is not available when an unexpected reimbursement is requested. The goal is to prevent the need to liquidate an investment prior to maturity.
- Chair Hynes clarified that the purpose of the Appendix B's is for the project sponsors to let NVTA know when they anticipate submitting project reimbursements. She noted that NVTA finance staff make investment decisions based on the information contained in the

Appendix B's. Mr. Longhi added that the Appendix B's are used to determine investment maturation dates.

- Ms. Hynes noted that requests made based on accurate Appendix B's will take priority over reimbursement requests made by project sponsors with out-of-date Appendix B's. Mr. Longhi added that the Appendix B updates are critical to the Executive Director's report and project monitoring.
- It was clarified that the existing Policies 24 and 25 are still active, as the projects they pertain to are still active. Policy 29 will be an additional policy.
- It was noted that all interest on investments made with 70% Regional Revenues is applied to the Regional Revenue Fund.
- There was a brief discussion regarding the requirement that submittal of the first drawdown request for projects under Policy 29 must be made within two years of initial appropriation. It was noted that this is similar to previous policy guidance.

(Delegate Minchew arrived.)

- A brief recap of the Policy 29 discussion was provided for Delegate Minchew's benefit.
- Delegate Minchew moved the Governance and Personnel Committee recommend Authority approval of draft Policy 29 – Project Activation, Progress and Monitoring; seconded by Council Member Snyder.
Motion carried unanimously.

V. Draft Revisions to Employee Handbook

Chair Hynes

- Mr. Longhi briefed the Committee on the draft revisions to the NVT A Employee Handbook. He noted this is the first update since the handbook was adopted in December 2014. Mr. Longhi stated that the purpose of the handbook is to provide information regarding how the NVT A is managed and to provide a reference for NVT A staff as to how to conduct business both inside and outside the organization. Mr. Longhi reviewed the draft changes:
 - ✓ Employee benefits (eligibility and benefit) established after December 2014, such as:
 - Pre-Tax Benefit Plan
 - Healthcare (Dental, Vision, Behavioral Health and Wellness Services)
 - Retirement (referencing all available Virginia Retirement System Plans)
 - Health Insurance Credit
 - 457 Deferred Compensation
 - Short and Long Term Disability
 - Flexible Spending for Medical and Dependent Care

- ✓ Employee Performance Review with further development of the processes, responsibilities, action plans and appeals.
- ✓ Employee Leave and Holidays with clarifications and provision for permanent part time employees.
- ✓ Establishment of an administrative hierarchy under the general direction and guidance of the Executive Director, placing the day to day administration on the Chief Financial Officer.
- ✓ Editorial corrections, updates and clarifications.
- It was noted that the NVTA Council of Counsels has reviewed the draft revisions.
- In response to an inquiry, it was stated that there are annual carry-over limits to annual leave and sick leave. It was noted that annual leave balances are paid out upon employee termination, but not sick leave.
- A brief discussion followed noting the Executive Director has the ability to make staffing adjustments, as long as they remain within the realm of the approved operating budget.
- Supervisor Nohe moved the Governance and Personnel Committee recommend Authority approval of the draft revisions to the NVTA Employee Handbook; seconded by Delegate Minchew. Motion carried unanimously.
- Upon a brief review of the Policy 28 - Responses to Information Requests from Candidates for Political Office – action item discussion, Delegate Minchew stated he supported Policy 28.

Discussion/Information

VI. Potential Legislative Topics (No Written Report)

Ms. Backmon, Executive Director

- Ms. Backmon reviewed the requirements of HB 599, adding that the HB 599 process has been incorporated into the TransAction update. She noted that HB 599 requires that the Virginia Department of Transportation (VDOT) certify the HB 599 findings.
- Ms. Backmon stated that the NVTA would like to have more autonomy over the HB 599 process. She noted that during the programming of the last Authority funding program, it was confusing to have an HB 599 score, an NVTA quantitative score and the congestion reduction relative to cost score. She added that questions were raised as to why we did not focus on a specific score. Ms. Backmon stated that there is a desire to streamline this process, adding that, to date, VDOT is responsible for the HB 599 process, but it is an unfunded mandate. She noted that in this incorporation of HB 599 into TransAction, residual funds from the original VDOT grant were used to fund this round of analysis. She stated that VDOT has expressed concern that there is not a source of revenue to fund future HB 599 processes, adding that the

process is currently required to be done every four years when TransAction is updated every five years. Ms. Backmon suggested that if the HB 599 process remains incorporated in TransAction, we would like it to synchronize with the TransAction process. She added that the Authority does not want to pay for additional HB 599 analysis outside of TransAction. She suggested changes could be made to the HB 599 legislation and asked the Committee members for their thoughts.

- It was noted that HB 599 was enacted a year prior to HB 2313, therefore the Authority is working to implement HB 2313 with one of the primary guiding rules having been written prior to the enactment of HB 2313. It was suggested that there has not been a review of these pieces of legislation to ensure they can work together. It was noted that the Authority has made them work together.
- A discussion regarding changes to the HB 599 legislation followed with the following points being made.
 - ✓ It was stated that with the Authority's first Six Year Program, it makes sense to make these two pieces of legislation work more closely together. It was suggested that Delegate LeMunyon would be acceptable to this change in legislation and has indicated previously that he is pleased with the current process and the integration of HB 599 into TransAction.
 - ✓ It was suggested that a technical adjustment should be made to the HB 599 legislation and that a budget enhancement should be pursued, adding that Secretary Layne should include this in his budget proposal to the Governor. It was stated that text and/or funding should be included in the Governor's proposed budget and it was suggested that Delegate LeMunyon be the patron of the legislation.
 - ✓ Ms. Backmon added that there is also the issue of VDOT needing to certify the HB 599 results. She stated that the NFTA has enough experience regarding the project evaluation process to do this, adding that VDOT is involved in the NFTA process at a staff committee level. She suggested that VDOT certification is no longer necessary.
 - ✓ Chair Hynes suggested this oversight was established based on the NFTA being a new entity and was intended to provide a check and balance as the NFTA began receiving \$300 million a year. She further suggested this oversight may no longer be necessary. Chair Hynes stated that the NFTA produces an annual report to the General Assembly, so there is a chance for members to have oversight on the NFTA.
 - ✓ It was noted that when HB 599 and HB 2313 were enacted, the Authority had no staff so it was unknown who would be performing this work, resulting in VDOT being given this oversight.
 - ✓ It was added that HB 599 also predates HB 2. It was suggested that HB 599 is no longer necessary.
 - ✓ It was noted that the Authority is made up of elected officials who review the NFTA process, and VDOT is not.
 - ✓ Chair Hynes stated that the landscape of transportation has changed greatly in the last several years.

- ✓ Concern was expressed that including all three of these changes in the same legislative process may present an impression that the NVTA is attempting to get too independent of the General Assembly.
- ✓ It was stated that the NVTA is highly respected in both the Senate and House Transportation Committees, adding that transportation progress is being made, there is good accountability and the Authority is functioning smoothly as a group.
- There was consensus that this would be a good year to pursue legislative changes and that Ms. Baynard should be engaged in this effort.
- A question was raised as to whether this would change the evaluation criteria. Ms. Backmon responded that the biggest and most expensive criteria difference is the computer simulated model run required by HB 599, adding that this is not required for Smart Scale. She stated that the HB 599 process is run by TransSims and suggested the Authority might want to change this evaluation method, but added that if so we need to be sure it does not look like we moved from a very robust process to a less robust process. Ms. Backmon stated that there is flexibility regarding the performance measures and other elements.
- Chair Hynes stated that her understanding is that VDOT owns the HB 599 process and it would be within the purview of NVTA or VDOT to procure a new vendor for future HB 599 analysis. She suggested having the capability to run the analysis in-house would also be beneficial.
- In response to a question regarding whether a change in process would change the project evaluation outcomes, Ms. Backmon clarified that prior to recommending any process changes NVTA staff would run internal testing to ensure outcomes are comparable for both highway and transit projects. She stated this had been done previously for the FY2017 Program.
- It was noted that by running the HB 599 analysis as part of TransAction, projects scores will remain the same until the next TransAction update, unlike previous funding cycles where projects were evaluated for each funding cycle.
- It was clarified that the cost benefit analysis will continue to be part of the evaluation criteria for TransAction and the congestion reduction relative to cost will be part of the Six Year Program evaluation.

Next Meeting

- There was Committee agreement to hold the next meeting of the Governance and Personnel Committee on September 14, 2017, at 6pm.

Adjournment

VII. Adjournment

- Meeting adjourned at 7:00pm.