

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman Martin E. Nohe, and Members
Northern Virginia Transportation Authority

FROM: Monica Backmon, Executive Director

DATE: April 5, 2019

SUBJECT: FY2020 Operating Budget

1. **Purpose:** To seek the Northern Virginia Transportation Authority (NVTA) adoption of the Proposed FY2020 NVTA Operating Budget as recommended by the Finance Committee.
2. **Suggested Motion:** *I move Authority adoption of the proposed FY2020 Operating Budget as presented in Attachment 1.*

(ED. Note – The following report sections tie to the Notes Column on Attachment1.)

3. FY2020 Operations Base Budget Changes:

A. Personnel Expenditures:

1. Salaries-Regular Pay:

- Performance based staff compensation changes will be budgeted based on the average annual increases adopted by NVTA member jurisdiction's FY2020 budgets and those of other Authorities and Commissions in Northern Virginia.
- Member jurisdictions have not finalized their FY2020 budgets, therefore, a 4% increase is proposed to be programmed in the base budget for estimation purposes.
- Maximum average annual performance increases will be in line with member jurisdictions. An analysis will be undertaken once jurisdictions have passed their FY2020 Operating Budgets.

2. Health & Dental Benefits:

- NVTA's benefit rate increases/decreases are based on the experience (claims) of the Commonwealth's, The Local Choice, participant pool of approximately 60,000 employees, retirees and family members.
- NVTA experienced an 11.43% increase in benefit premiums during the FY2019 budget process.

- The FY2020 base budget assumes an additional 5% increase in health premiums. The actual renewal rate will not be available until May.
- For FY2020 staff members may elect NVTA coverage changes during the open enrollment period, any elections are unknown at this time and not budgeted.

3. Retirement VRS:

- Based on NVTA's most recent VRS actuarial study, the FY2019 and FY2020 contribution rate is 7.50%.
- The next VRS actuarial study will be completed and the contribution rate updated for FY2021.

4. Life & Disability Insurance:

- This insurance type is priced using salaries and age tiers, NVTA employees are moving into higher age tiers.

B. Professional Service Changes:

5. Audit & Accounting Services:

- Previously contracted rate increase of \$1,000 of audit services included in this budget line.

6. Insurance:

- NVTA's general liability, causality, cyber, officers and directors insurance renewal rates will not be available until after June 2019. The FY2020 base budget includes an estimated 5% increase above the FY2019 renewal.

7. Public Outreach & Regional Event Support:

- For FY2020, \$20,000 has been added to fund the cost of an expanded, follow-up to the recent Chmura Economics & Analytics, Economic Impact Study that will be expanded to show the impacts of Authority funded transportation project implementation and use within Northern Virginia and the Commonwealth as a whole. Previously, this was funded at \$8,810 through expense cutting in other cost areas and only covered the impact of project funding, not use.
- Budget for Public Hearings is reduced by \$2,000.
- Graphic design and printing cost for the Annual Report is expected to increase by \$1,000.

8. Legal Services/Bond Counsel:

- Bond Counsel is the only legal service obtained under this budget line. This line was previously reduced to \$25,000 based on prior cost experience with the expectation additional fees would be added to the cost of future debt issuances.
- During the FY2019 budget process, the Committee was informed of the unexpected level of consultation required with bond counsel due to the 2018

General Assembly actions. At the time, staff expected the \$25,000 budget line to be exceed by \$20,000 or more with the excess being covered by the Operating Reserve. The budget line was actually exceeded by \$28,166 in FY2018.

- The FY2019 budget was increased \$40,000 to replenish the Operating Reserve from FY2018 and to provide additional resources for FY2019.
- For FY2020, staff recommends decreasing this budget line back to \$25,000, and employing the same technique as used in FY2018 should the FY2020 General Assembly Session require additional services.

9. Financial Advisory Services:

During FY2018, a new contract was executed for Financial Advisory Services reducing the annual retainer to \$35,000 per year.

- During the FY2019 budget process, the Committee was informed of the unexpected level of consultation required for Financial Advisory Services due to the proposed 2018 General Assembly actions. At the time staff expected the \$35,000 budget line to be exceed by \$20,000 or more with the excess being covered by the Operating Reserve. The budget line was actually exceeded by \$28,750 in FY2018.
- The FY2019 budget was increased \$40,000 to replenish the Operating Reserve from FY2018 and to provide additional resources for FY2019.
- For FY2020, staff recommends decreasing this budget line back to \$35,000, and employing the same technique as used in FY2018 should the FY2020 General Assembly Session require additional services.

C. Technology/Communications:

10. General Ledger/Financial Reporting & Investment Monitoring/Management Systems:

- On November 8, 2018, the Finance Committee recommended and the Authority approved a budget adjustment to transfer \$35,781 from the Operating Reserve to obtain/implement Investment Management and Monitoring Services tools, specifically Bloomberg Anywhere with Real Time Pricing and Inter Continental Exchange (ICE) Best Ex Vantage Subscription during FY2019.
- The FY2020 budget includes \$35,781 to replenish the FY2019 Operating Reserve.
- The annual ongoing costs of \$48,210 for the Bloomberg and ICE investment monitoring and management services has been included in the FY2020 budget.
- The budget line also includes the annual costs for:
 - Black Mountain, the General Ledger/Financial Reporting System
 - Tracker, the Portfolio Management System.

11. IT Support Svc & Hosting: NVTA contracts with a third party provider to host, manage, monitor and support the email, networking and workstation needs of the office.

- This budget line includes a one-time contract increase of 7.5% effective November 1, 2019 to extend the contract for three additional years with the current service provider. The cost escalates once every three years with no further escalation during the three year period. Increases in the number and capacity of servers, computer memory capacity, workstations and processing capacity, increase fees incrementally.
- Effective with FY2020, the budget line includes the annual licensing costs of \$851 for staff use of Adobe Acrobat software. Adobe changed their licensing requirements which prevented the transfer of existing Adobe licenses to replacement workstations. The category also includes NVTA's Cox internet connection at \$185/mo.

12. GIS/Project Monitoring & Management/Modeling:

- The FY2019 Budget included \$60,000 for Phase 1 of the Project Implementation, Monitoring and Management System. Phase 1 is the development of an Online Application Form replacing an MS Excel based form.
- Phase 1 is scheduled to be fully implemented by June 2019. The automated application system will be available for the anticipated July 2019, Call for Regional Transportation Projects for the FY2024/FY2025 update to the SYP.
- As discussed during the FY2019 budgeting process, Phase 2 and Phase 3 will be implemented during the FY2020 budget cycle.
- Phase 2, Project Status Monitoring has been added to the budget with a one-time cost of \$57,500. The Project Status Monitoring component will streamline the currently manual process that uses MS Office. Phase 2 will enhance a critical programmatic responsibility to ensure that the Authority's 122 regional projects which increase every two years, deliver their intended scope, on schedule, and within budget.
- The Project Status Monitoring phase will permit project sponsors to submit more detailed and timely updates for projects which will facilitate the monitoring process and provide increased transparency consistent with NVTA's priorities.
- Phase 3, Online Dashboard has been added to the FY2020 budget with a one-time cost of \$57,500. The Online Dashboard, designed for public use, will include all programmatic oversight details including project progress, fund utilization, public meetings, and other details including GIS-based reporting.
- Other than the Authority's annual report, NVTA provides limited visualizations of project status information. The NVTA website does provide an interactive mapping tool, containing some project status information. However, most information is historic and in a non-visual format (tabular or spreadsheet), with limited interactive capabilities.
- The FY2020 budget for this line item also includes \$25,000 for the Annual Maintenance cost for all three phases of PIMMS listed above. This cost includes the hosting cost for PIMMS for the first year.

- This budget line also includes the annual GIS maintenance contract cost and the IT costs of installing the routine GIS updates.

13. Web Development & Hosting:

- This category includes the maintenance and support costs for the Authority and Transaction websites. It also includes costs for the Social Media services added during the FY2019 budget process.
- The 5 year web domain registration costs of \$900 and \$2,500 to adjust the Web site for expected changes has been added for FY2020.

D. Administrative Expenses:

14. Dues & Subscriptions, Professional Development, and Industry Conferences:

- The Professional Development/Training and Industry Conference accounts have been merged into a single general ledger account for the FY2020 budget to facilitate ongoing reporting.
- The FY2020 budget for Memberships & Subscriptions is projected to increase \$1,950 due to the addition of an APTA and Public Relations membership.
- Professional Development, Training and Conferences category is expected to increase \$2,500 due to the addition of a Government Social Media conference deemed valuable to enhance NVTA's communications plan.

15. Office Lease:

- NVTA's office lease with NVRC has an annual escalation of 2.5%. The current lease expires in October 2019. As reviewed with the Committee at the September 2018 meeting, the expectation is to renew the lease with NVRC utilizing similar contract terms.

E. Operating Reserve:

- 16.** The NVTA Debt Policy requires a 20% Operating Reserve. Any changes in the base budget result in year-to-year changes in this reserve.

F. Equipment Replacement Reserve:

- 17.** Effective with the FY2017 Operating Budget the Authority approved an Equipment Replacement Reserve to be funded at \$4,500 per year. This reserve recognizes that virtually all the Authority equipment and furnishings were purchased and placed in service at the same time. This reserve is designed to provide funding for replacements over time.
- In June 2018, 4 of the 6 initially purchased laptops had to be replaced due to inconsistent performance at a cost of \$8,711.
 - In August 2018 an additional laptop was replaced.

- The FY2020 budget includes the \$4,500 annual equipment reserve allocation plus \$8,700 to replenish the reserve for the FY2018 expenditures.
- The budgeted purchase of a GIS plotter was postponed due to an agreement with NVRC to share their existing plotter. The \$9,000 amount allocated for the plotter was added to the equipment reserve in FY2018.
- The plotter has been experiencing issues and is expected to be replaced using the funds in the Equipment Reserve in FY2019.

4. FY2020 Proposed Budget Initiatives:

Attachment 1 shows three initiatives proposed for FY2020. These include, additional resources for Public Outreach & Regional Event Support (note 20), one additional finance position (note 21) and two additional planning positions (note 22). The full costs of adding the positions include compensation, technology, office space and administrative overhead costs are noted in Attachment 1.

20. Public Outreach & Regional Event Support:

- Photography services is requested to increase \$3,000 to \$4,500 to enable the Authority staff, in coordination with project sponsors, to begin capturing high quality photographs and video of regionally funded projects for use in the Annual Report and other outreach efforts.
- Staff is proposing increasing the budget \$1,250 for ground breaking, ribbon cutting and outreach commemorative items.
- Staff is proposing increasing the budget for the Annual Report by \$6,000 in order to enhance the graphics and produce a video highlights package to be available to citizens and regional partners. Regional partners can then include the digital version on their websites, newsletters and re-share on social media.

21. Financial Analyst Position Request Justification. The NVTA finance team is currently comprised of three staff members; Chief Financial Officer, Assistant Finance Officer and the Investment and Debt Manager. All staff members in both finance and planning undertake their own clerical and support functions for their related professional duties. The finance team supports all administrative duties of the Authority.

Maintaining Excellent Professional Standards

The day to day operational demands of the Authority are making it difficult to meet the emerging demands of a multi-billion dollar operation with a finance team of three. For example:

- Initial efforts to develop the draft of Policy 29 – Project Activation, Monitoring and De-Appropriation, requested by the Finance Committee, started in May 2017. Policy development has been delayed due to competing priorities until February 2019.

- Separation of duties as an internal control mechanism has become increasingly difficult due to the increase in transaction volume and value. As demonstrated by:
 - Investments alone will require 71 transactions to place \$356.4 million buy orders at \$5 million each in FY2019.
 - These investment transactions will trigger 107 Tracker Portfolio System Transactions, and; approximately 200 General Ledger transactions. This in addition to approximately 300 transactions which have been automated through interfaces between the Tracker Portfolio System and the General Ledger.
- Based on an average project reimbursement request of \$394,000:
 - 1,423 reimbursement valued at \$560 million are expected in support of the FY2014 through FY2017 funding programs.
 - 727 reimbursements valued at \$286 million are backlogged from their original SPA expenditure schedule, making workload planning very unpredictable.
 - The SYP will generate an estimated 1,332 reimbursement requests valued at \$525 million, just for FY2019 appropriations.
 - All reimbursements require review by a Planner and the Assistant Finance Officer prior to being presented for CFO approval and payment.
 - Reimbursements require up to date certificates of insurance (COI) among other verification requirements. Monitoring just COIs and coordinating compliance with project sponsors is currently taking an extraordinary amount of NVTA staff time. This is one example of the items that have to be verified on each reimbursement.
 - NVTA has made a commitment to attempt to turn reimbursement requests around in 20 days.
- Several jurisdictions have indicated they will be using their 30% Local Distribution Funds to increase staffing. It is hoped that this will expedite project progress with a resulting increase in project reimbursements and completions.
- Jurisdictions staffing increases through the use of 30% funds will increase the demands on the Authority staff in:
 - Responding to questions on appropriate use of 30% and 70% funds.
 - Increased complexity in 30% fund annual certifications.
 - Generate strategy discussions on navigating project changes while maintaining compliance with Authority approved project scopes and annual 30% certification compliance.
 - Maintaining and updating relevant policies and procedures as the transportation project environment evolves.
- NVTA finance team members, by the nature of their positions are responsible for Authority financial policies related to:
 - Debt (Policy 9)

- Financial Management (Policy 10)
- Investments (Policy 13)
- Continuing Disclosure (Policy 21)
- Tax Compliance (Policy 23)
- NVTAs Finance Team members are required to maintain licenses and certifications and keep professional skills current. Meeting annual Continuing Professional Education (CPE) credit requirements is becoming increasingly difficult. While many of these courses are online, they require interactive responses during the course to ensure attentiveness and earn required CPE credits.
- Meeting workload demands, while maintaining license, certification and professional requirements has become progressively problematic. Therefore, the ability of staff to maintain current professional standards has become weakened.

Ballooning Workload/Long Term Responsibilities

- NVTAs finance team has to monitor adopted projects (represented in individual SPAs) throughout their economic life. For many projects the economic life is measured in decades and includes:
 - 27 formally closed SPAs valued at \$110 million.
 - 6 bond funded projects valued at \$74.6 million, each requiring additional individual annual reviews until calendar year 2034.
 - 49 active SPAs valued at \$560 million.
 - Total requests for reimbursement are estimated 2,755 (all funding programs).
 - 17 anticipated appropriations for FY2020 SYP plan year of \$537.6 million
 - With 3 current requests to advance appropriations of \$32.7 million from FY2021 planned appropriations to FY2020.
 - 11 remaining planned appropriations for FY2021/23 valued at \$220.5 million.
 - Development of a SYP, two year update funding strategy, when 83% of the FY2018/23 SYP funding strategy is front loaded to FY2019/20 appropriations to provide maximum project advancement opportunities while eliminating the need for outside financing. (A strategy which saved \$194 million in debt service costs.)

Single Points of Failure

- NVTAs financial operation has too many single points of failure, with only a marginal ability to mitigate for a short period of time. For example:
 - This was demonstrated when the June 2018 retirement of the Investment and Debt Manager required the suspension of investment portfolio purchases and maturity reinvestments for 4 months.
 - Given the expected volume of investment maturities (\$180 million in six months in FY2019), suspending investment activities for three months during that six month period this fiscal year would result in a \$640,000 decrease in portfolio earnings.

- A long term, 2 week, unscheduled inability of the Assistant Finance Officer to attend to duties would require the refocusing of the CFO's efforts within 10 calendar days to just support:
 - Payroll & Staff Benefits
 - General Accounting
 - Project reimbursement disbursements
 - Debt service payment transfers.
 - Depending on the time of month/time of year local distribution fund disbursements (11 transactions, valued at \$6.7 million monthly, or 132 transactions valued at \$77.7 million annually) would need to be suspended.
- Depending on time of year and or fiscal cycle outside accounting support would be required for:
 - Financial statement preparation
 - External audit support
 - Tax filing compliance

22. Regional Transportation Planner Position Request Justification (Two Positions)

The request for two Regional Transportation Planner positions is presented as an executive summary below and in full detail in Attachment 2.

• Executive Summary, Overview

- Transportation planning (TransAction) and programming Six Year Program (SYP) are widely recognized as NVTA's two primary responsibilities.
 - By extension, these responsibilities are therefore the primary responsibilities of the Authority's three person transportation planning team.
 - These responsibilities include Standard Project Agreement (SPA) and project oversight and reporting, reimbursement requests, project evaluations, consultant oversight, committee support, and many other regionally focused responsibilities.
- In addition to TransAction and the Six Year Program, NVTA's transportation planning staff have numerous secondary responsibilities, consistent with NVTA's role as the regional transportation planning entity for Northern Virginia.
 - These include coordination of monthly transfers and annual program funding coordination related to Federal funding through CMAQ and RSTP.
 - Planning staff have significant roles in the development of NVTA's Annual Report and the annual Joint Commission on Transportation Accountability (JCTA) report, and planning and execution of the Annual NoVA Transportation Roundtable, in conjunction with ITS Virginia.

- **Achieving TransAction and Six Year Program Updates Expectations**

- The next Six Year Program update cycle (July 2019 thru June 2020) will overlap with preparatory and early procurement activities for the next TransAction update.
- The subsequent Six Year Program update cycle (July 2021 thru June 2022) will fully overlap with development of the next TransAction update. Compounding this challenge is an expanding workload, driven by an increasing portfolio of approved SPAs/projects, and the addition of new responsibilities and enhanced service offerings.
- Previously, these activities were done in sequence. In the future major portions of these responsibilities will be occurring concurrently. This will make FY2020 (and FY2021 thru FY2022) busier for the Authority's transportation planning staff than any of the past several years.

- **Maintaining Excellence**

- While NVTA's transportation planning staff have accomplished much since 2014, oftentimes this has been achieved by placing significant task responsibilities on single individuals, with little or no staff backup.
- Extended staff absence due to sickness, family illness, jury service, planned vacation, or other unforeseen events at critical points in time such as FOIA requests and computing and/or communications disruptions can lead to single points of failure that can only be mitigated for short periods of time and create risks for the Authority.
- These risks jeopardize being able to complete TransAction updates and Six Year Program Updates concurrently.
- While NVTA has been fortunate in avoiding extended staff absences to date, the loss of an individual who has sole responsibility for an activity will be detrimental to continuity of business operations.
- The Authority is vulnerable to the increasing possibility of:
 - Schedule delays and decline in robustness of analyses and related recommendations associated with TransAction and the Six Year Program;
 - Incorrect, inaccurate, and delayed payment of reimbursement requests;
 - Delays to non-urgent tasks, potentially for extended periods of time; and
 - Work-life balance may be negatively affected, leading to staff recruitment and retention challenges. This in turn will reduce the institutional knowledge and operational efficiency of the team.
- Work-balancing actions are underway to achieve a degree of resiliency in the transportation planning team. Continuity of business operations is also being addressed. However, with just three planners covering such a wide range of primary and secondary responsibilities, two additional planners are

now required to avoid jeopardizing the ability to maintain five-year and two-year update cycles for TransAction and the Six Year Program respectively.

- Attachments:**
1. Proposed FY2020 Operating Budget
 2. Regional Transportation Planner Position Justification

Attachment 1

Northern Virginia Transportation Authority Base/Proposed FY2020 Operating Budget

Northern Virginia Transportation Authority Base/Proposed FY2020 Operating Budget					
INCOME:	Adopted Budget FY2019	Proposed Base Budget FY2020	Budget Note	Proposed Budget w/FY2020 Initiatives	Budget Note
Budget Carryforward including Operating Reserve	\$ 394,081	\$ 444,138		\$ 444,138	
330100 Contribution Member Jurisdiction	2,203,248				
330000 Other Income					
Total Income	\$ 2,597,329	\$ 444,138		\$ 444,138	
EXPENDITURES:	Adopted Budget FY2019	Proposed Base Budget FY2020	Budget Note	Proposed Budget w/FY2020 Initiatives	Budget Note
410000 Personnel Expenditures					
110 Salaries-Regular Pay	\$ 1,151,522	\$ 1,209,032	3.A.1	\$ 1,474,032	4.21/22
130 Health & Dental Benefits	160,224	168,235	3.A.2	243,109	4.21/22
131 Payroll Taxes	88,241	92,579	3.A.1	112,878	4.21/22
132 Retirement VRS	90,687	98,053	3.A.3	120,377	4.21/22
133 Life Insurance	14,998	15,752	3.A.4	19,223	4.21/22
134 Flex Spending/Dependent Care	685	685		874	4.21/22
135 Workers Comp	1,267	1,330	3.A.1	1,621	4.21/22
137 Disability Insurance	16,641	15,154	3.A.1	16,654	4.21/22
Personnel Subtotal	\$ 1,524,265	\$ 1,600,820		\$ 1,988,769	
420000 Professional Service					
210 Audit & Accounting	\$ 28,500	\$ 29,500	3.B.5	\$ 29,500	
220 Bank Service	750	750		750	
230 Insurance	5,905	6,081	3.B.6	6,081	
240 Payroll Service	1,800	1,826		2,606	4.21/22
260 Public Outreach & Regional Event Support	37,500	56,500	3.B.7	66,750	4.20
261 Legal Services/Bond Counsel	65,000	25,000	3.B.8	25,000	
262 Financial Advisor Services	75,000	35,000	3.B.9	35,000	
263 Bond Trustee Fees	2,700	2,700		2,700	
264 Legislative Services	62,000	62,000		62,000	
265 Investment Custody Fees	25,000	25,000		25,000	
Professional Subtotal	\$ 304,155	\$ 244,357		\$ 255,387	
430000 Technology/Communication					
310 GL Financial Reporting & Invest Monitoring/Mgt Systems	\$ 16,500	\$ 98,631	3.C.10	\$ 98,631	
320 HW SW & Peripheral Purchase	-	-		5,600	4.21/22
330 IT Support Svc Incl Hosting	19,631	20,926	3.C.11	23,374	4.21/22
335 GIS/Project Monitoring & Management/Modeling	69,316	150,232	3.C.12	150,232	
340 Phone Service	7,920	8,520		10,716	4.21/22
350 Web Development & Hosting	7,897	9,756	3.C.13	9,756	
Subtotal Technology/Communication	\$ 121,264	\$ 288,065		\$ 298,309	
440000 Administrative Expenses					
410 Advertisement	\$ 1,500	\$ 1,500		\$ 1,500	
411 Memberships & Subscriptions	6,890	8,844	3.D.14	10,544	4.21/22
412 Duplication & Printing	15,640	16,640		16,640	
413 Furniture & Fixture	-	-		8,100	4.21/22
414 Hosted Meetings	3,600	3,780		3,780	
415 Mileage/Transportation	10,950	10,950		11,450	4.21/22
416 Misc Expenses	-	-		-	
417 Office Lease	138,406	142,161	3.D.15	190,561	4.21/22
418 Office Supplies	6,400	7,465		8,065	
419 Postage & Delivery	700	700		700	
420 Professional Develop, Training & Conferences	19,420	21,950	3.D.14	23,650	4.21/22
Subtotal Administrative Expenses	\$ 203,506	\$ 213,990		\$ 274,990	
Expenditure Subtotal	2,153,190	2,347,232		2,817,454	
Operating Reserve (20%)	\$ 430,638	\$ 469,446	3.E.16	\$ 563,491	3.E.16
Equipment Replacement Reserve	13,500	26,986	3.F.17	\$ 26,986	
Reserve Subtotal	444,138	496,432		590,477	
Total Expenditures	\$ 2,597,329	\$ 2,843,664		\$ 3,407,931	
FY2020 Transfer In From Regional Revenue Fund	\$ 2,203,248	\$ 2,399,526		\$ 2,963,793	

Attachment 2

Regional Transportation Planner Position Request Justification (Two Positions)

Executive Summary

Overview

Transportation planning (TransAction) and programming Six Year Program (SYP) are widely recognized as NVTAs two primary responsibilities. By extension, these responsibilities are therefore the primary responsibilities of the Authority's three person transportation planning team. These responsibilities include Standard Project Agreement (SPA) and project oversight and reporting, reimbursement requests, project evaluations, consultant oversight, committee support, and many other regionally focused responsibilities.

In addition to TransAction and the Six Year Program, NVTAs transportation planning staff have numerous secondary responsibilities, consistent with NVTAs role as the regional transportation planning entity for Northern Virginia. These include coordination of monthly transfers and annual program funding coordination related to Federal funding through CMAQ and RSTP. Planning staff have significant roles in the development of NVTAs Annual Report and the annual Joint Commission on Transportation Accountability (JCTA) report, and planning and execution of the Annual NoVA Transportation Roundtable, in conjunction with ITS Virginia.

Achieving TransAction and Six Year Program Updates Expectations

The next Six Year Program update cycle (July 2019 thru June 2020) will overlap with preparatory and early procurement activities for the next TransAction update. The subsequent Six Year Program update cycle (July 2021 thru June 2022) will fully overlap with development of the next TransAction update. Compounding this challenge is an expanding workload, driven by an increasing portfolio of approved SPAs/projects, and the addition of new responsibilities and enhanced service offerings. Previously, these activities were done in sequence. In the future major portions of these responsibilities will be occurring concurrently. This makes FY2020 (and FY2021 thru FY2022) as busy for the Authority's transportation planning staff as any of the past several years.

Maintaining Excellence

While NVTAs transportation planning staff have accomplished much since 2014, oftentimes this has been achieved by placing significant task responsibilities on single individuals, with little or no staff backup. Extended staff absence due to sickness, family illness, jury service, planned vacation, or other unforeseen events at critical points in time such as FOIA requests and computing and/or communications disruptions can lead to single points of failure that can only be mitigated for short periods of time and create risks for the Authority. These risks jeopardize being able to complete TransAction updates and Six Year Program Updates concurrently.

While NVTAs has been fortunate in avoiding extended staff absences to date, the loss of an individual who has sole responsibility for an activity will be detrimental to continuity of business operations. The Authority is vulnerable to the increasing possibility of:

- Schedule delays and decline in robustness of analyses and related recommendations associated with TransAction and the Six Year Program;
- Incorrect, inaccurate, and delayed payment of reimbursement requests;

- Delays to non-urgent tasks, potentially for extended periods of time; and
- Work-life balance may be negatively affected, leading to staff recruitment and retention challenges. This in turn will reduce the institutional knowledge and operational efficiency of the team.

Work-balancing actions are underway to achieve a degree of resiliency in the transportation planning team. Continuity of business operations is also being addressed. However, with just three planners covering such a wide range of primary and secondary responsibilities, two additional planners are now required to avoid jeopardizing the ability to maintain five-year and two-year update cycles for TransAction and the Six Year Program respectively.

Proposed Planner Staffing Detail

Primary Responsibilities

Transportation planning and programming are widely recognized as NVTAs two primary responsibilities. By extension, these responsibilities are therefore the primary responsibilities of the Authority's transportation planners, and include:

- **TransAction:** the Authority's long range, multi-modal transportation plan for Northern Virginia. The current version was adopted in October 2017. TransAction is updated on a five-year cycle. The Authority can only allocate regional revenues to projects that are included in TransAction.
 - TransAction is both fiscally and geographically unconstrained, meaning it includes regional projects that are critical to addressing future travel demand in Northern Virginia, even if their cost exceeds the Authority's direct funding resources and they are located beyond Northern Virginia. It is noted that TransAction includes 352 regional projects with an estimated total cost of \$43.2 billion.
 - Consistent with transportation planning agencies in metropolitan and other areas across the nation, greater emphasis will be required in the next TransAction update on emerging, technology-driven travel behavioral trends.
 - Development of the next TransAction plan will be necessarily more complex and extensive than the current version, due in part to the need for more sophisticated analysis, and higher levels of engagement. Consequently, TransAction may be contractually divided into two separate but integrated components – a technical services contract and a public engagement services contract.
 - Pre-contract preparatory activities for the next update are already underway. Formal procurement activities will begin in spring 2020 (FY2020) with consultant selection in fall 2020 (FY2021). Adoption must occur by the end of calendar year 2022 (FY2023) in order to maintain the five-year schedule.
- **Six Year Program:** This is the Authority's program that prioritizes the allocation of regional revenues to the highest performing regional projects. The Authority adopted its first full Six Year Program in June 2018 (using six years of regional revenues for FY2018 thru FY2023). Moving forward, it will be updated every two years (starting with two years of regional revenues for FY2024 and FY2025.)
 - The Six Year Program is both fiscally and geographically constrained, meaning that the Authority can only allocate funds included in its approved regional revenue

budget, and selected projects must be substantially or wholly located in Northern Virginia

- Future Six Year Program updates are expected to be even more competitive than for the inaugural Six Year Program, due to the anticipated high level of funding requests and the reduced amount of funding available. It is noted that the inaugural Six Year Program generated applications for more than 60 candidate projects with approximately \$2.5 billion in associated funding requests.
- Future Six Year Program updates will additionally need to address the 'Long Term Benefit' requirement included in HB2313. The Authority approved principles to address the Long Term Benefit requirement in December 2014. These principles must be developed into an actionable process that will, in turn, be incorporated into the project selection process.
- Long Term Benefit must move from principles to policy then procedure which will require extensive regional coordination and collaboration. This will be an entirely new activity which must occur while preparing both TransAction and SYP updates.
- Many of the above requirements necessitate the use of advanced modeling and simulation tools and extensive project evaluations in both the TransAction and Six Year Program development processes.
- Subject to future Authority action, and assuming on-time completion of the Commonwealth's current SMART SCALE cycle, the next Six Year Program update is expected to formally commence with a Call for Regional Transportation Projects (CfRTP) in early July 2019 (FY2020).
- Jurisdictions, agencies, and other eligible regional entities will have until the end of September 2019 to submit online applications (end of November 2019 for governing body resolutions) using the Authority's new Program Monitoring and Management System (PMMS).
- NVTa staff will need to conduct detailed evaluations during fall/winter calendar 2019/2020 (FY2020), followed by extensive public and committee engagement during spring 2020 (FY2020). Program adoption is scheduled for June 2020 (FY2020).
- Future updates to the Six Year Program will occur on a two year cycle, starting with a CfRTP in July 2021.

The TransAction and Six Year Program development processes are necessarily complex due to numerous requirements contained in the Virginia Code, such as the Authority's founding legislation in 2002, HB599 (2012) and HB2313 (2013).

Regional Collaboration

NVTa has an effective committee structure that fosters regional collaboration and objective inputs. The committees function through specific responsibilities to contribute in the development processes for TransAction and the Six Year Program including:

- Technical Advisory Committee (statutory)
- Planning Coordination and Advisory Committee (statutory)
- Planning and Programming Committee (standing)
- Transportation Technology Committee (advisory, reports to the ED)

- Regional Jurisdiction and Agency Coordinating Committee (advisory, reports to the ED)

It is noted that the next Six Year Program update cycle in July 2019 thru June 2020 (FY2020) will overlap with preparatory and early procurement activities for the next TransAction update. The subsequent Six Year Program update cycle July 2021 thru June 2022 will fully overlap with development of the next TransAction update. FY2020 (and FY2021 thru FY2022) will be as busy for the Authority's transportation planning staff as any of the past several years.

In addition to overall development of TransAction and the Six Year Program, the transportation planning team's responsibilities directly related to transportation planning and programming include:

- Review and evaluation of responses to each CfRTP, including pre-submittal reviews of draft applications.
- Development of project selection recommendations.
- Development, review, and approval of Standard Project Agreements (SPAs) for each approved project. With the adoption of the Six Year Program, there are 122 SPAs, or contracts covering 95 discreet projects across the nine member jurisdictions, four of the five largest Towns, transit agencies and other regional entities.
- Identification and mitigation of project/SPA scope, schedule, and budget changes, and other risks.
- Review and approval/rejection of reimbursement requests associated with each SPA. Ultimately each SPA must be formally closed out from a financial perspective, although project oversight continues well beyond SPA financial closure.
- Attendance at all public information meetings and hearings associated with projects/SPAs.
- Participation in project/SPA technical meetings.
- SPA/project monitoring, including monthly and quarterly reviews and reporting with associated follow up actions. In the near future this will be expanded and enhanced when the phase 2 of the PMMS is complete.
- Development and maintenance of GIS-based interactive project maps on the Authority's websites.
- Update and maintain databases associated with PMMS.
- Participation in regular (approximately quarterly) regional project briefings with individual jurisdictions and agencies.
- Preparation for, and participation in, public and stakeholder engagement activities, including the Authority's Open Houses and Public Hearings, and Jurisdictional Town Hall meetings and briefings. Transportation planners are responsible for reviewing and summarizing public comments received.
- Responding to information requests from citizens and stakeholders, including FOIA requests.
- Procurement and management of consultants.
- Supporting NVTAs-hosted events such as SPA development workshops.
- Supporting (and occasionally participating in) project groundbreakings and ribbon cuttings.

These three staff must coordinate the activities of the five NVTAs Committees (listed above) that are engaged in TransAction and the Six Year Program. In addition, these staff are responsible for

developing and presenting TransAction and the Six Year Program information and action items to the Authority.

Secondary Responsibilities

The foregoing addresses the activities of NVTA's three transportation planning staff with respect to the Authority's primary responsibilities of transportation planning and programming. However, these three staff have further responsibilities, consistent with NVTA's role as a regional transportation entity, such as:

- Coordination of monthly transfers and annual strawman related to federal funding programs (CMAQ and RSTP).
- Supporting the development of NVTA's Annual Report and the annual JCTA report, including summaries of projects funded by local (30 percent) revenues.
- Planning and execution of the Annual NoVA Transportation Roundtable, in conjunction with ITS Virginia.
- Preparation of grant requests, e.g. SMART SCALE. In FY2020, it is anticipated that NVTA's transportation planners will be involved in leading the development of the RM3P project, funded with Commonwealth ITTF funds.
- Supporting regional initiatives such as the ongoing WMATA's Bus Transformation Project, and the now-completed East-West Corridor Integrated Corridor Management project, led by VDOT.
- Supporting content updates to the Authority's website, and irregular oversight of social media.
- Supporting external communications by preparing factual content, talking points, etc. for the Executive Director and/or Communications Manager. Also supporting Communications Manager in responding to media requests for information.
- Representing the Authority by manning booths at events such as CTB meetings, or making presentations at Town Hall meetings organized by local elected officials.
- Conducting data analyses and GIS-based visualizations related to transportation trends in Northern Virginia, including the use of RITIS data, Streetlight Data, and other readily available GIS data.
- Supporting NVTA initiatives such as economic impact studies.
- Supporting the development of, and annual updates to, the Authority's Five-Year Strategic Plan.
- Monitoring of non-NVTA funding allocations to NoVA projects.
- Participation in monthly governing body and staff coordination meetings for other regional entities such as TPB, NVTC, and to a lesser extent PRTC, VRE, and WMATA.
- Coordination and participation in the regional transportation modelers group.
- Preparation of content for the bi-weekly 'Driven by Innovation' eblast.
- Responding to ad-hoc questions and information requests from jurisdiction and agency staff.
- Professional development activities, including presentations and attendance at regional, state, and national transportation conferences.

Expanding Workload/Long Term Responsibilities

NVTA's transportation planning and programming team is preparing for the next update cycles for TransAction and the Six Year Program. In FY2020, this necessitates some significant, overlapping tasks:

- Development of a Six Year Program update, with associated consultant task order for congestion reduction relative to cost analysis and, potentially, Long Term Benefit analysis.
- Development of an enhanced statement of work for the next TransAction update, and related procurement activities. Two significant inputs to the statement of work, both led by the Authority's transportation planning staff, will be:
 - Authority 'Listening Session' scheduled for September 2019
 - Review and, if necessary, Authority approval of the TransAction vision statement and associated goals. This activity is scheduled during fall 2019.
- Other pre-procurement activity by NVTA staff during FY2020 includes pre-cursor transportation modeling research and research on a variety of other pertinent topics, such as:
 - First/last mile opportunities and impacts, including non-motorized, personal motorized, micro-transit
 - Connected, Autonomous, Shared, Electric (CASE) vehicles
 - Impact of Transportation Network Companies on vehicle ownership, travel behaviors
 - Impact of Transit Signal Priority on operational performance
 - Regional demographic trends
 - Regional travel trends
- Repeat of the outsourced TransAction-related Tracking Survey, previously conducted in late 2015 and again in late 2016, targeted for November/December 2019. The updated Tracking Survey will provide important inputs to the development of an enhanced statement of work for the next TransAction update. [Note the period of performance for the current AECOM contract expires in July 2020.]
- Development of the above-mentioned supplement to the Authority's Annual Report, summarizing transportation metrics and trends in Northern Virginia. This will necessitate a number of data analyses and is ultimately expected to be integrated into the Authority's dashboard. It will likely provide an opportunity to visualize Long Term Benefit, and serve as a long term aid to understanding the impact of the Authority's regional transportation investments.
- A longer term goal for the transportation planning and programming team continues to include the development of in-house capabilities in transportation modeling. Transportation planners continue to work closely with regional and jurisdictional partners to ensure the optimal path forward is identified, with execution in FY2021. However, it is important to start to build staff capacity and capabilities in FY2020.

In addition to these new activities, the Authority's transportation planners will continue to monitor adopted projects (represented in individual SPAs) throughout their economic life. For many projects the economic life is measured in decades and includes:

- 27 formally closed SPA's valued at \$110 million.
- 6 bond funded projects valued at \$74.6 million which require additional annual reviews until calendar year 2034.

- 49 active SPAs valued at \$560 million.
- 16 FY2019 Six Year Program (SYP) appropriated SPAs valued at \$527.2 million
- 17 anticipated appropriations for FY2020 SYP plan year of \$537.6 million
 - With 3 current requests to advance appropriate \$32.7 million from FY2021 planned appropriations to FY2020.
- 11 remaining planned appropriations for FY2021/23 valued at \$220.5 million.
- Development of a SYP, two year update funding strategy, when 83% of the FY2018/23 SYP funding strategy is front loaded to FY2019/20 appropriations to provide maximum project advancement opportunities while eliminating the need for outside financing. (A strategy which saved \$194 million in finance costs.)
- Backlog of \$652 million in projected but unmaterialized project reimbursements from FY2014 through February of FY2019.

It is increasingly difficult to initiate completely new tasks, unless they are closely related to primary responsibilities, such as Long Term Benefit.

Single Points of Failure

Day to day execution of these primary and secondary responsibilities currently rests with just three staff – two Transportation Planners, both reporting to a Principal.

While NVTA's transportation planning staff have accomplished much since 2014, oftentimes this has been achieved by placing significant task responsibilities on single individuals, with little or no staff backup. Extended staff absence due to sickness, family illness, jury service, planned vacation, or other unforeseen events at critical points in time such as FOIA requests and computing and/or communications disruptions can lead to single points of failure that can only be mitigated for short periods of time and create risks for the Authority. While NVTA has been fortunate in avoiding extended staff absences to date, the loss of an individual who has been solely responsible for an activity could be detrimental to continuity of business operations. For example:

- Schedule adherence for primary responsibilities is extremely vulnerable to single points of failure. For example, project management responsibilities for TransAction, the Six Year Program, and the other funding programs that preceded it have rested with a single person with no back-up in place. A single point of failure could lead to schedule delays that will affect project selection recommendations and potentially Authority adoption, management (and possibly cost) of consultant contracts, and sub-optimal engagement with citizens and stakeholders.
- The Authority has allocated almost \$2 billion in regional revenues to date, using a project selection process comprising quantitative and qualitative components. Data-driven processes are only as good as the data, methodologies, and quality control on which they are based, and are particularly vulnerable to single points of failure. In order to maintain a five-year cycle for TransAction and two-year cycle for updates to the Six Year Program, it is critical that the Authority can continue to depend on robust analyses and recommendations.
- \$2 billion in regional funding allocations will eventually result in the same level of reimbursement requests. Diligence and accuracy are essential in processing these requests, as is the ability to achieve or exceed the SPA-mandated 20-day payment terms. Single

points of failure jeopardize correct, accurate, and timely payment of reimbursement requests.

- Allocation of NVTAs transportation planning resources is prioritized for the Authority's primary responsibilities, and other important time-sensitive needs. Consequently, non-urgent tasks can be delayed, often for extended periods of time. One example is the finalization of the detailed TransAction Technical Report, which was not completed until October 2018 – one year after adoption of TransAction – as a result of other demands on NVTAs staff availability. Even now, contractual loose ends remain related to TransAction. Another example is the development of a supplement to the Authority's Annual Report summarizing transportation metrics and trends in Northern Virginia.
- Work-life balance may be negatively affected, leading to staff recruitment and retention challenges. This in turn will reduce the operational efficiency of the team.

Work-balancing actions are underway to achieve a degree of resiliency in the team. Continuity of business operations is also being addressed. However, with just three planners covering such a wide range of primary and secondary responsibilities, two additional Regional Transportation Planners are now required.