



Northern Virginia Transportation Authority
The Authority for Transportation in Northern Virginia

GOVERNANCE AND PERSONNEL COMMITTEE

Thursday, March 22, 2018

9:00am

3040 Williams Drive, Suite 200

Fairfax, VA 22031

MEETING SUMMARY

I. Call to Order

Chair Randall

- Chair Randall called the meeting to order at 9:09AM.
- Attendees:
 - ✓ Members: Chair Randall: Councilmember Snyder (Vice Chairman), Chair Cristol,
 - ✓ Authority Members: Chairman Bulova; Mayor Silberberg, Mayor Rishell; Ms. Hynes; Senator Black,. Mr. Kolb
 - ✓ Staff: Monica Backmon (Executive Director); Michael Longhi (CFO); Carl Hampton (Investment & Debt Manager); Peggy Teal (Assistant Finance Officer); Yolanda Thomas-Jones (Board Clerk).
 - ✓ Other Attendees: Tracy Baynard (McGuire Woods Consulting LLC); Noelle Dominguez (Fairfax County); Cindy Mester (Falls Church); Yon Lambert (Alexandria) Todd Horsley (DRPT); Tim Hemstreet (Loudoun County); Ellen Posner (Council of Counsels - Fairfax County); Tom Biesiadny (Fairfax County); Kate Mattice (NVTC); Bob Brown (Loudoun County); Rob Dickerson (Council of Counsels - Prince William County); Steve MacIsaac (Council of Counsels – Arlington County); Sarah Crawford (Arlington).

II. Approval of Meeting Summary

- Motion to approve the minutes of the February 28, 2018 meeting of the GPC was made by Chair Cristol, seconded by Chair Randall.

Discussion/Information

III. 2018 Legislative Update

Monica Backmon, Executive Director/Tracy Baynard, Legislative Liaison

- Ms. Backmon introduced the side-by side document from the meeting packet, which notes the differences between the House, Senate and Conference Bills.

- Ms. Backmon noted that an updated revenue impact analysis for the House, Senate and Conference versions was also attached.
 - Ms. Backmon reminded the Committee of the Authority's three revenue sources:
 - Sales Tax
 - Grantor's Tax
 - Transient Occupancy Tax(TOT)
 - ✓ She noted the Conference Bill repealed two revenues (Grantor's Tax and TOT).
 - ✓ Ms. Backmon noted the Governor is considering amendments to the Bill and those amendments are due April 9, 2018.
 - ✓ The Authority has designated the Governance and Personnel Committee (GPC) as the lead Committee regarding legislative issues. The Committee is meeting to formulate prospective amendments to the Conference Bill.
- Ms. Backmon asked Ms. Baynard to describe the current situation.
- Ms. Baynard summarized that:
 - ✓ Governor Northam, Cabinet Secretaries and staff are reviewing all Bills and Resolutions.
 - ✓ The Governor has stated he wants to amend the negative impact that the Conference Report has on the Authority.
 - ✓ The Administration is very interested in comments from jurisdictions.
 - ✓ The Governor still has strong support for moving forward with the \$154 million for WMATA.
 - ✓ Ms. Baynard noted there are a variety of ideas for maintaining the \$154 million, but reducing the impact on the Authority.
 - ✓ Those amendments are to be put forth by the Governor by the April 9, 2018 deadline.
 - ✓ The General Assembly returns on April 18, 2018, to vote on the amendments.
 - ✓ The amended version is returned to Governor and he can sign or veto.
 - ✓ Ms. Baynard noted we have between now and April 9, 2018, to gather comments and to the Administration.
 - ✓ Ms. Baynard noted the Northern Virginia CTB members expressed concern about the impact of the Conference Report on the NVTA. She expressed that those concerns were heard by the General Assembly members on March 10, 2018.
 - ✓ Senator Black, Delegate LaRock and Delegate Roem all raised questions about the impact on the NVTA.
 - ✓ It was clear that time was limited, and they needed to vote to secure the \$154 million as a pool of money from Virginia for Metro.
 - ✓ Members of the Northern Virginia Delegation, who voted for the Conference Report, were not happy about aspects of the report.

- ✓ Ms. Baynard encouraged the NVTa to send comments to the Governor (in-writing, in-person, or via telephone calls) highlighting the impact of the current bill, proposing alternatives which could be as simple as requesting the return of the Grantor's Tax.
 - ✓ Ms. Baynard advised the NVTa should also express interest in being part of the discussion on how to fill the remaining gap in reaching the \$154 million goal.
- Chair Randall inquired about potential points the Authority is in agreement with, those points are:
 - ✓ Everyone is excited about the revenue source for Metro.
 - ✓ A stable, bondable, reliable revenue source for Metro is important.
 - ✓ The goal should remain at \$154 million.
 - ✓ There should have been a substantially larger contribution from the state of Virginia.
 - ✓ Not happy with the Conference Report.
 - ✓ It would be more helpful to have a united Northern Virginia voice from NVTa
 - ✓ Localities should talk to the Administration and advocate about what they believe is best for their jurisdiction.
 - ✓ There should be a shared set of principles that are widely held throughout Northern Virginia and which comes through this body (GPC/Authority).
 - ✓ Chair Randall shared these comments as a starting point for the discussion.
- Chair Randall advised Councilmember Snyder had a schedule conflict and so asked for his comments first.
- Councilmember Snyder thanked Chair Randall and shared he thought her summary of things agreed on was accurate.
- Councilmember Snyder shared he thought the Conference Report would do a lot of positive things.
 - ✓ The Gas Tax Floor being put in place via the conference bill reduces the significant increase in Metro capital expenditures faced by localities.
 - ✓ He acknowledged partner jurisdictions may not be in agreement, but are anxious to work with colleagues on solutions that are beneficial for all, without losing the financial ground the Conference bill provides.
 - ✓ He emphasized the lack of meaningful Statewide participation.
 - ✓ Councilmember Snyder noted his support for additional Statewide funding to reduce the burden on the region and that reflects the true benefit to the Commonwealth that Metro provides.
- Mayor Silberberg agreed with the Councilmember Snyder's comments. She noted the funding solution should have been in place 40 years ago when WMATA was created. She encouraged the push for increasing the money received from Gas Tax Floor.
 - ✓ Senator Black offered a General Assembly perspective noting there is common agreement that the goal needs to be \$154 million. He mentioned,

the House will not accept tax increases. He noted Delegate LaRock and he voted against the Bill that repeals 22% of NVTA funds.

- ✓ He further noted he and Delegate LaRock are in the process of developing a letter for the Governor that offers alternatives.
 - ✓ Senator Black noted that he does not generally favor tax increases, he thought the proposal in the Saslaw Bill with TOT and Grantors Tax increases had merit, as they had support from the industry.
 - ✓ Senator Black then outlined his and Delegate LaRock's proposal for the use of local funds and in further years, a potential increase in the State's share to fund Metro.
- Chair Randall expressed a need to better understand the proposal with a financial analysis.
 - Mayor Silberberg comment that a proposal which increases the reliance on local funds would be difficult to absorb financially.
 - There was general discussion on the impact on NVTA in terms of credit ratings, debt capacity and the ability to fund future priority projects in member jurisdictions.
 - Chair Cristol summarized that the Senate appeared generally positive about the pre-conference bill that relied on small increases to TOT and Grantors to reduce the impact on localities.
 - Chairman Bulova noted trying to raise revenue is difficult and so it appears the push is on the localities to fill the hole. Noting the legislation takes away the ability to complete local jurisdiction projects.
 - Senator Black noted that while not typically in favor of new taxes, the TOT and Grantor's rates appeared reasonable and well thought through, but will not receive enough House support.
 - Chair Randall opened a general discussion on how quickly the legislative environment changed during the Session.
 - Chairman Bulova opened a general discussion on the economic benefits of WMATA and Northern Virginia to the Commonwealth.
 - Senator Black described some of the additional statewide financial issues such as Federal Tax changes on State revenue and how that uncertainty will not be resolved until May 2018. Noting this may account for some State leaders being reluctant to commit State funds.
 - Chair Cristol shared how in addition to the loss of the two taxes funding NVTA, the legislation requires jurisdictions to contribute more to WMATA, based on the subsidy allocation formula.
 - Chair Randall introduced Loudoun County, County Administrator Tim Hemstreet who shared a financial analysis based on the proposal presented by Senator Black and Delegate LaRock. A discussion of the analysis followed.

- Councilmember Snyder offered for discussion purposes, the idea to consolidate the areas of agreement, areas of concerns and requests for changes into a document which represents the regional consensus. There was general agreement.
- Chair Randall started to recap, for consensus, the discussions noting that if Metro is important to Northern Virginia then it has to be important to the Commonwealth.
- Chairman Bulova offered a letter adopted by the Fairfax County Board as a starting point for discussion and convenience. Printed copies of the letter were distributed to the meeting attendees.
- Discussion continued with the addition of being sure to include in the NVRTA position specifics about revenue impacts and the upcoming FY 2018-2023 Six Year Program.
- Chair Randall pointed out that it was important to include that NVRTA has already provided \$184 million in projects which benefit the WMATA system.
- Chair Randall noted there is also a need to communicate the NVRTA's purpose, role and actions to the new Northern Virginia State Delegates to inform, educate and motivate them as advocates.
- Ms. Hynes noted the need to have individual signatures and seals on the letter, to emphasize the regional and jurisdictional aspects. She also emphasized the need to communicate the final letter across the General Assembly, not just the Northern Virginia members. Chair Randall requested Ms. Backmon coordinate getting the signatures and seals from all member jurisdictions as part of coordinating the development of the letter.
- After further discussion on the content of the letter, Chair Randall offered a Motion for the Committee which instructed NVRTA staff to prepare a letter based on the meeting discussions which will include:
 - ✓ Appreciation for having achieved the \$154 million in funding.
 - ✓ The need to increase the State share of funding.
 - ✓ Preference to revert to the preconference version of Senator Saslaw's Bill.
 - ✓ Restoration of Grantor's Tax.
 - ✓ Strong objection to the requirement of additional funding obligations being placed on localities.
 - ✓ Information on the Authority's inaugural Six Year Program and prior funding committed to the WMATA system.
- Chair Randall made the above Motion, seconded by Councilmember Snyder. Motion carried unanimously by GPC members present, other Authority members in attendance did not vote.

IV. Adjourned 10:20AM