



**Northern Virginia Transportation Authority**  
*The Authority for Transportation in Northern Virginia*

**FINANCE COMMITTEE**

**Thursday, November 19, 2020 – 1:00 PM**

**3040 Williams Drive, Suite 200**

**Fairfax, VA 22031**

**Meeting Held via WebEx and Live Streamed on YouTube**

**SUMMARY MINUTES**

**1. Call to Order/Welcome**

Mayor Rishell, Vice Chair

- Mayor Rishell called the meeting to order at 1:02 PM.
- Attendees:
  - ✓ Authority Members: Mayor Rishell; Chair Randall, Chairman McKay, Board Member Cristol
  - ✓ Other Authority Members: Delegate Watts; Mayor Meyer; Delegate Roem
  - ✓ Staff: Monica Backmon (Executive Director); Michael Longhi (CFO); Peggy Teal (Assistant Finance Officer); Dev Priya Sen (Financial Analyst)
  - ✓ Council of Counsels: Rob Dickerson (Prince William County); Daniel Robinson (Fairfax County);
  - ✓ Other Attendees: Jurisdictional and agency staff and the public attended the meeting via the Authority's YouTube channel

**2. Resolution Finding the Need to Conduct the November 19, 2020 Finance Committee Meeting Electronically**

Mayor Rishell, Vice Chair

*Recommended Action: Adoption of Resolution*

Chair Randall made the motion to adopt the Resolution Finding the Need to Conduct the Meeting by Electronic Communication Means during the Governor's declared State of Emergency during the COVID-19 Pandemic; seconded by Board Member Cristol. Motion carried unanimously.

**3. Summary Minutes of the October 15, 2020 Meeting**

*Recommended Action: Approval [with abstentions from those who were not present]*

Chair Randall moved approval of the minutes of the October 15, 2020 meeting; seconded by Board Member Cristol. Motion carried unanimously.

**Action Items**

**4. Revisions to Policy 19 – Local Distribution (30% Funds)**

**Mr. Longhi, CFO**

*Recommended Action: Recommend Authority Approval of Policy Changes*

- Mr. Longhi noted that the Policy 19 - Local Distribution of Thirty Percent Funds was last revised in October 2019, to reflect the General Assembly providing the Authority

flexibility to pay operating costs from the Regional Revenue Fund (SB 1468) and the receipt of funding related to the I-81 Corridor Improvements (SB1716/HB2718).

- The 2020 General Assembly Session through HB1414/SB890 took two actions to partially restore NVTA funding diverted in 2018 through HB1539/SB856:
  - ✓ **Commonwealth Transportation Fund Transfer:** This fixed \$20 million per year transfer has no jurisdiction transaction based related data. Therefore, the policy proposes to make the jurisdiction distributions based on the ratio of individual jurisdiction sales tax to the total of sales tax received in the same month the transfer is received. This is consistent with the current method for distributing the I-81 Corridor Improvement funds, which likewise has no regional data associated.
  - ✓ **Regional Congestion Relief Fee (Grantor's Tax):** This revenue is processed through the Circuit Courts in Northern Virginia, as such it includes transaction data for each jurisdiction. The proposed policy language is consistent with the Code of Virginia, and the earlier policy language prior to the diversion in 2018.
  - ✓ An additional change notes that transit operating expenses may be paid with Local Distribution Funds.
- Delegate Roem asked what portion of the Authority's funds will be used for purchase of electric buses and fleet management operation. Mr. Longhi noted that Local Distribution (30% Funds) are eligible towards the purchase of electric buses and maintenance/operations. The Authority through the Regional Revenue Fund has funded the purchase of electric buses and the building of charging/maintenance facilities. However, Regional Revenue Funds cannot be used for operational expenses.
- Delegate Watts explained the philosophical notion of usage of 30% funds when General Assembly passed the HB2313 in 2013.  
Board Member Cristol moved the approval of the attached changes to the Authority's Policy 19 – Local Distribution (30% Funds); seconded by Chair Randall. Motion carried unanimously.

## 5. Revisions to Policy 20 – Regional Revenue (70% Funds)

Mr. Longhi, CFO

*Recommended Action: Recommend Authority Approval of Policy Changes*

- Mr. Longhi noted Policy 20 – Regional Revenue (70% Funds) was last revised in October 2019, to reflect the General Assembly providing the Authority flexibility to pay operating costs from the Regional Revenue Fund (SB 1468) and the receipt of funding related to the I-81 Corridor Improvements (SB1716/HB2718).
- The 2020 General Assembly Session through the Omnibus Transportation Bill HB1414/SB890 took two actions to partially restore NVTA funding diverted in 2018:
  - ✓ \$20 Million in State Revenues: \$20 million in state monies to be transferred to the Commonwealth Transportation Fund on an annual basis. This fixed \$20 million per year transfer is to NOT be used in the determination of the NVTA debt capacity (Bondable Funds). The rationale for not using these funds to

determine debt capacity is that as a fixed amount transfer it has neither economic growth capacity nor the revenue significance of a dedicated tax levy.

- ✓ Regional Congestion Relief Fee (Grantor's Tax): This revenue will be used in determination of the NVTAs debt capacity and represents Bondable Funds. On pre-COVID basis, this revenue was estimated to produce \$30 million in revenue. However, the Governor delayed the full implementation of the tax in FY2021, and adjusting for COVID-19 the revenue is estimated to result in; 11.1 million in FY2021, \$19.5 million in FY2022, and \$24 million in FY2023. This revenue is expected to reach \$30 million in FY2024.

- Expected to result in \$20 million when fully implemented, the I-81 Interstate Operations and Enhancement Program revenues are not permitted to be used to support bonds or debt of NVTAs by Virginia Code as noted in the draft policy.

Chair Randall moved the approval of the approval of the attached changes to the Authority's Policy 20 – Regional Revenue (70% Funds); seconded by Board Member Cristol. Motion carried unanimously.

#### **6. Economic Impact Analysis Contract**

Ms. Dev Sen, Financial Analyst

*Recommended Action: Recommend Authority Approval of Economic Analysis Contract*

- Ms. Sen presented the proposed Economic Impact Analysis Contract with Chmura Economics & Analytics, LLC (Chmura).
- She noted that the Request for Proposals was issued August 10, 2020 (on NVTAs website as well as the Commonwealth's eVA procurement system) with proposals due on September 4, 2020.
- Of the four firms which submitted responses, two were selected for competitive negotiations, with one unanimously recommended by the evaluation team when the cost proposals were evaluated.
- Worth noting that Chmura conducted the most recent of the two previous analyses. Chair Randall moved the approval of the proposed Economic Impact Analysis Contract with Chmura Economics & Analytics, LLC; seconded by Board Member Cristol. Motion carried unanimously.

### **Information/Discussion Items**

#### **7. FY2022 Budget Guidance**

Mr. Longhi, CFO

- Mr. Longhi presented the FY2022 Budget Guidance to the committee members and responded to questions.
- Mr. Longhi suggested no changes to the office lease, so that FY2022 could be used to determine how to move forward in the future, post COVID-19. He noted the only potential new initiative for FY2022, at this time, is enhancements to the PIMMS system.

#### **8. Investment Portfolio Report**

Mr. Longhi, CFO

- Mr. Longhi presented the Investment Portfolio Report and responded to questions.

**9. Monthly Revenue Report**

Mr. Longhi, CFO

- Mr. Longhi presented the Monthly Revenue Report and responded to questions.

**10. Monthly Operating Budget Report**

Mr. Longhi, CFO

- Mr. Longhi presented the Monthly Operating Budget Report and responded to questions.

**Adjournment: 1:25 PM**

**Next Scheduled Meeting January 21, 2020 1:00PM (Room B)**

3040 Williams Drive, Suite 200, Fairfax, Virginia