



Northern Virginia Transportation Authority

The Authority for Transportation in Northern Virginia

FINANCE COMMITTEE

Thursday, February 18, 2021 – 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, Chair

- Mayor Rishell called the meeting to order at 1:02 PM.
- Attendees:
 - ✓ Authority Members: Mayor Rishell; Chairman McKay (1:11 PM), Chair Randall, Board Member Cristol
 - ✓ Other Authority Members: Mayor Davis-Younger, Ms. Hynes
 - ✓ 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); Steve MacIsaac (Arlington 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 February 18, 2021 Finance Committee Meeting Electronically

Mayor Rishell, Chair

Recommended Action: Adoption of Resolution

Board Member Cristol 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 Chair Randall. Motion carried unanimously.

3. Summary Minutes of the January 21, 2021 Meeting

Mayor Rishell, Chair

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

Chair Randall moved approval of the minutes of the January 21, 2021 meeting; seconded by Board Member Cristol. Motion carried unanimously.

Action Items

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

Ms. Sen, Financial Analyst

Recommended Action: Recommend Authority Approval of Policy Changes

- Ms. Sen provided the background to the regarding Policy 19 – Local Distribution (30% Funds), noting the policy was last revised in December 2020, to reflect the following new revenues received by the Authority:
 - Commonwealth Transportation Fund Transfer (HB1414, 2020)
 - Regional Congestion Relief Fee (HB1414, 2020).

- The current proposed policy revision is related to changes in the timing of the I-81 related revenue receipts.
- The NVTa CFO and Virginia Department of Transportation (VDOT) CFO recently discussed changes in the timing of receipts from the I-81 revenue (SB1716, 2019), now known as the Interstate Operations and Enhancement Program.
- The implementation of this revenue was changed by the Omnibus Transportation Bill (HB1414).
 - The estimated revenue was reduced from \$20 million to \$13.3 million annually.
 - Transfer of the revenue was also changed from monthly, to ideally annually in the first month of the fiscal year. However, the timing of distributions in future years is dependent on the Interstate Operations and Enhancement Program Fund cash flow.
- The Commonwealth moving the Interstate Operations and Enhancement Program away from monthly transfers will result in significant loss of parity between jurisdictions based on variances in Sales Tax receipts on a month-to-month basis, based on the current policy wording.
- Ms. Sen noted that the RJACC was briefed on the prior analyses and has consistently supported methods that provided parity.
- Ms. Sen used charts in the staff report to illustrate the potential variance between jurisdiction's Sales Tax from October 2019 until January 2021.
- The proposed draft moves the distribution to being based on the ratio of the prior 12 fiscal months of Sales Tax receipts.
- The proposed policy change is intended to address any future revenues which do not have jurisdiction data in an attempt to reduce future policy changes.
- Ms. Sen concluded by noting that with a Committee recommendation the revisions to Policy 19 – Local Distribution (30% Funds) could be presented to the Authority in March 2021.

Board Member Cristol moved the approval of the changes to the Authority's Policy 19 – Local Distribution (30% Funds) to implement Virginia Code changes; seconded by Chair Randall. Motion carried unanimously.

5. TransAction and Six Year Program Update Contract

Mr. Longhi, CFO

Recommended Action: Recommend Authority Approval of Contract Award

- Mr. Longhi presented the TransAction and Six Year Program Update Contract noting that a consultant Open House was conducted on December 4, 2019, to allow potential contractors and subcontractors to discuss the upcoming procurement in an open and transparent environment for all potential competitors.
- A Request for Proposals (RFP) was issued on November 12, 2020, with proposals due on December 11, 2020.
- Notice of this open procurement was placed on the NVTa website and with the Commonwealth's eVA procurement notice system.

- Four firms submitted responsive and responsible Technical and Price proposals eligible for consideration by the RFP Evaluation Team.
- The RFP Evaluation Team consisted of eight jurisdiction members and one NVTA staff member, for a total of nine voting members. VDOT shared a staff member with modelling experience for technical assistance on that topic. Jurisdiction Evaluation Team members involved their subject matter experts. Each participating jurisdiction and NVTA had one vote.
- Two of the four respondent proposals received close scores on their technical proposals and were interviewed on January 6, 2021. All cost proposals were then released for best value evaluation.
- When the cost proposals were evaluated, the same two highest ranking firms retained their relative positions. However, after additional rescoring rounds on best value, one of those two firms received eight of the available nine votes.
- As required by the Virginia Public Procurement Act, negotiations commenced with the two top ranked firms. The negotiations were conducted by NVTA's CFO with support from NVTA staff, using the comments and recommendations of the Evaluation Team.
- Negotiations included questions and requests, specific to each firm, recommended by the Evaluation Team and subject matter experts.
- After an initial round of negotiations, both firms were requested to submit Best and Final Offers.
- The Best and Final Offers were requested to include cost reductions to bring the proposed costs in line with the project budget approved by the Authority in FY2020.
- After an examination of the Best and Final Offers in terms of both technical responses and costs reductions, the negotiations resulted in further affirmation of the Evaluation Team's prior consensus.
- Negotiations achieved the Evaluation Team's suggested objectives and achieved significant cost reductions.
- Mr. Longhi noted that NVTA staff recommended award of the TransAction and Six Year Program Update Contract to Cambridge Systematics Inc., (CS). Factors supporting the recommendation are:
 - Constancy with the Evaluation Team vote 8/1 in favor of CS.
 - Successful negotiations of enhanced technical features as recommended by the Evaluation Team.
 - Successful cost negotiations.
 - The CS selection furthers the Authority's Strategic Plan goal to develop in-house modelling capacity.
 - The modelling system and approach for Trans Action and Six Year Program Update are consistent and compatible with what is in use by many member jurisdictions and MWCOG/TPB.
 - The modelling system approach is expected to be the most compatible in the future with expected industry evolution and evolution in MWCOG/TPB modelling and data.

- The modelling system(s) proposed are commercial products with vendor support as well as a local and national community of users.
- The proposed contract is within previously appropriated funding, so no budget action is required.
- CS had previously completed TransAction 2040.
- The recommendation recognizes, that there is some schedule risk for the adoption of the next Six Year Program Update (tentatively scheduled for summer of CY2022). This is due to the change in the modelling platforms. However, it is recognized that this is the appropriate time to make the long-term investment in a modelling platform that will have broad compatibility and further the NVTAs Strategic Plan Goal of developing in-house modelling capacity.

Board Member Cristol moved the approval Finance Committee recommend Authority approval of the proposed TransAction and Six Year Program Update Contract award to Cambridge Systematics Inc.; seconded by Chair Randall. Motion carried unanimously.

Information/Discussion Items

6. Budget Guidance Discussion

Mr. Longhi, CFO

- Mr. Longhi reviewed material for the Committee to provide guidance on the development of NVTAs three budgets for FY2022 – Regional Revenue Fund Budget (70%), Local Distribution Fund Budget (30%), and Operating Budget Fund.
- Regional Revenue Fund Budget (70%):
 - Mr. Longhi described the function of the Regional Revenue Fund Budget and how it is the source for transportation project funding by the Authority.
 - Mr. Longhi noted that the Regional Revenues (70% funds) are largely programmed through the Authority’s approval of specific projects in the Six Year Program (SYP) and subsequent updates, after all debt service and reserve funding obligations are met for a fiscal period.
 - He added that any unused funds or excess revenue from one fiscal year are accumulated as Restricted Fund Balance and will be available for the FY2026/27 update to the SYP.
 - Mr. Longhi further discussed the Revenues, Expenditures, Transfers and Carryforward, as well as Cumulative Regional Revenue Reserve Balances.
 - Mr. Longhi noted there were four requests from three jurisdictions for forward appropriations from the FY2024/25 two-year update to the Six Year Program. NVTAs staff recommends the forwards appropriations.
- Local Distribution Fund Budget (30%):
 - Mr. Longhi noted that Local Distribution Fund (30%) revenues are distributed in their entirety to member jurisdictions in accord with HB 2313 (2013).
 - He noted that member jurisdictions receive the amount of Local Distribution Funds they are entitled to be based on the direct and imputed transactions within their jurisdiction.

- Beginning with FY2020, the Authority elected to charge the Operating Budget to the Regional Revenue Fund which in turn resulted in an increased 30% distribution to member jurisdictions, estimated at \$2.7 million in FY2022.
- Actual distributions to jurisdictions will be contingent on completion of the annual certification process.
- **Operating Fund Budget:**
 - Mr. Longhi described that due to the unusual nature of the COVID-19 Pandemic on the economy and the processes followed to conduct business, some of the Authority's expense categories were not fully utilized during FY2021. This resulted in a \$140,000 carry forward to FY2022 which will be used to reduce FY2022 expenses.
 - Many of the Public Outreach events for FY2022 have been canceled or transitioned to a virtual event.
 - Duplication & Printing, Staff Mileage/Travel and Office Supplies costs are reduced due to the transition of virtual meetings and events.
 - Mr. Longhi also reviewed how NVTAs account for its administrative expenses (e.g., Salary increases, Health & Dental Benefits, Retirement, Life & Disability Insurance) and also reviewed inflation and contract escalation costs and discussed how the overall budget process works.
 - Mr. Longhi described that the proposed FY2022 Operating Budget includes one initiative, Project Implementation Management and Monitoring System (PIMMS) Phase 4 which supports the Authority's strategic plan and enhancement to NOVA Gateway Dashboard.

7. Investment Portfolio Report Mr. Longhi, CFO

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

8. Monthly Revenue Report Mr. Longhi, CFO

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

9. Monthly Operating Budget Report Mr. Longhi, CFO

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

Adjournment: 2:17 PM

Next Scheduled Meeting March 18, 2021, 1:00 PM (Room B)

3040 Williams Drive, Suite 200, Fairfax, Virginia