



Northern Virginia Transportation Authority

The Authority for Transportation in Northern Virginia

FINANCE COMMITTEE

Thursday, March 10, 2021 – 6:00 PM

3040 Williams Drive, Suite 200

Fairfax, VA 22031

Meeting conducted in person and live-streamed via YouTube

MEETING SUMMARY

1. Call to Order/Welcome

- Mayor Rishell called the meeting to order at 6:02 PM.
- Attendees:
 - Committee Members: Mayor Rishell; Council Member Snyder; Mayor Wood; Chair Wheeler
 - Authority Members: Mayor Davis-Younger;
 - Staff: Monica Backmon (Executive Director); Michael Longhi (CFO); Keith Jasper (Principal Transportation Planner); Margaret Duker (Board Clerk); Jonathan Davis (Authority Board Secretary); Amanda Sink (Executive Assistant to CEO);
Remote: Peggy Teal (Assistant Finance Officer); Dev Priya Sen (Investment & Debt Manager);
 - Council of Counsels: Daniel Robinson (Fairfax County); Joanna Anderson (City of Alexandria); Robert Dickerson (Prince William County);
 - Other Attendees: Supervisor Alcorn

2. Summary Minutes of the January 20, 2022 Meeting

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

Council Member Snyder moved approval of the minutes of the January 20, 2022 meeting; seconded by Mayor Wood. Motion carried unanimously.

Action Item

3. Finance Committee Meeting Schedule

Recommended Action: Adoption of Meeting Schedule

- Mr. Longhi presented the Finance Committee meeting schedule and noted the proposed March 2022 to February 2023 meeting schedule with any adjustment is to match the Authority meeting schedule.
- Chair Rishell concluded the meeting by requesting staff to allocate an extra half hour to Finance Committee meetings if foreseeable circumstances indicate a larger than normal agenda.

Mayor Wood moved the approval of the Finance Committee meeting schedule, seconded by Council Member Snyder. Motion carried unanimously.

4. FY2023 Regional Revenue Fund Budget

Recommended Action: Recommend Authority Approval

- Mr. Longhi presented the FY2023 Regional Revenue Fund Budget. The proposed budget provides funding for specific projects in the Six Year Program (SYP).
- He noted that the Future Financing and Forward Appropriations strategy is saving the Authority approximately \$200 million compared to a traditional 20-year debt funding approach.
- The classification recognizes that if the majority of FY2019/23 SYP and potential FY2024/25 forward appropriated projects were to exceed their original cash flow projections, outside liquidity would need to be obtained. This is a worst-case scenario which does not include the potential use of the \$120 million Working Capital Reserve.
- Mr. Longhi added that the Investment Portfolio Earnings reflects the NVTAs portfolio interest earnings, and that this revenue is entirely generated by NVTAs management of \$1.3 billion in appropriated but unexpended funds assigned to projects. The FY2023 estimate includes:
 - Positive monthly cash flows
 - Increased revenue
 - Impact of anticipated Federal Reserve action on interest rates
 - Positive inflationary pressures on the fixed income markets
- Mr. Longhi presented the attachment included in the staff report by noting that the Authority would be asked to appropriate the SYP, approving \$201,064,670 for proposed FY2023 appropriation.

Mayor Wood moved the Finance Committee recommend Authority approval of the FY2023 Regional Revenue Fund Budget, seconded by Council Member Snyder. Motion carried unanimously.

5. FY2023 Local Distribution Fund Budget

Recommended Action: Recommend Authority Approval

- Mr. Longhi presented the FY2023 Local Distribution Fund Budget by noting Local Distribution Fund (30%) revenues are distributed in their entirety to member jurisdictions with revenues received from the Commonwealth.
- He noted that all Local Distribution Fund revenues are distributed each fiscal year. This results in a zero-carryforward balance and a zero-ending fund balance each fiscal year.
- Beginning with FY2020, the Authority has elected to charge the operating budget to the Regional Revenue Fund which in turn resulted in increased 30% distributions to member jurisdictions, estimated at \$3.5 million in FY2023.
- Mr. Longhi further added that the total revenue for FY2023 budget will be \$1,19,452,260 and will be sent by distributing to member jurisdictions.
- Mr. Longhi mentioned that the Authority will have a milestone by FY2024/FY2025 of a billion dollars in Local Distributions.
- Council Member Snyder asked if there could be a possibility that Local Distribution and Regional Revenue Funds' budget numbers would change after the Legislative and VETO session, to which Mr. Longhi responded that the

changes will not be negative as the transfer fund is getting bigger and would be based on the fund balance.

- Mr. Longhi added that the revenue projection for FY2023 is based on estimates developed by VDOT.

Council Member Snyder moved the Finance Committee recommend Authority approval of the FY2023 Local Distribution Fund Budget, seconded by Mayor Wood. Motion carried unanimously.

6. FY2023 Operating Budget

Recommended Action: Recommend Authority Approval

- Mr. Longhi presented the FY2023 Operating Budget by noting the changes and enhancement that was made based on the January presentation.
- He further noted that the staff report is essentially the same as the January report except that the Regional Transportation Planner position and Website Modernization and Consolidation new initiatives are proposed to be phased in, based on feedback at the last Committee meeting.
- He presented the attachment which represents the potential cost savings that can be achieved by not outsourcing modelling activities, and noted that NVTA's TransAction and SYP have five-year and two-year update cycles, respectively. TransAction updates take three years, while SYP updates take at least one year. NVTA staff resources will be increasingly stretched with these overlapping primary responsibilities. The new Regional Transportation Planner will provide greater bandwidth to the NVTA planning staff.
- Mr. Longhi discussed new staffing initiatives, specifically addressing the request for an Accounting Technician position to handle the clerical side of accounting.
- Mr. Longhi also introduced Keith Jasper (Principal, Transportation Planning and Programming), who provided additional information with regards to the proposed Modeler and Regional Transportation Planner position.
- Mr. Jasper noted that as part of the current TransAction update, and consistent with NVTA's Strategic Plan, in-house modeling tools (much of the technology for this has been installed) will be developed allowing NVTA staff to replicate the consultant team's modeling work.
- Mr. Jasper discussed Congestion Reduction Relative to Cost (CRRC) project ratings, TransAction project ratings, and status of Long-Term Benefit (LTB). LTB for nine member jurisdictions is currently only assessed once every two years during SYP updates. The proposed activity would provide LTB status shortly after SYP adoption, taking into account newly approved projects. The addition of a regional transportation model and qualified NVTA staff may provide a (for-fee) modeling service to smaller jurisdictions that do not currently have in-house modeling capability. This is a longer-term possibility.
- Based on Chairman McKay's comments of a side-by-side comparison of what the Authority currently pays consultants compared to the costs of the new planning positions, the net benefit in moving toward in-house staffing of these new planning positions shows financial savings.

- To Chairman’s second question regarding Authority’s responsibilities compared to similar bodies in the region, Mr. Jasper noted that based on the unique responsibility of the Authority, the TransAction transportation simulation model is based on transportation networks and travel demand forecast data generated and maintained by Metropolitan Washington Council of Governments/Transportation Planning Board (MWCOG/TPB). NVTA is statutorily required to employ a more sophisticated multimodal model than MWCOG/TPB or any of NVTA’s member jurisdictions.
 - Based on Chairman McKay’s final request for an overall view of the Authority’s position growth from its inception, Mr. Longhi presented the Authority metrics and staffing evolutions since HB2313, noting that the Proposed Audited Financials (Balance Sheet) in FY2023 is estimated to be \$1.55 Billion.
 - Council Member Snyder discussed a few questions on the proposed new staff additions and asked how it is benefiting the Authority. Mr. Longhi responded that by deploying more money and adding new resources, the benefit would be the Authority’s ability to achieve more.
 - Mayor Wood added to the discussion that the Authority is increasing the number of new projects at a faster rate than projects are being finished. Therefore, additional staffing is needed to ensure timely and accurate processing of project reimbursement requests.
- Mayor Wood moved the Finance Committee recommend Authority approval of the FY2023 Operating Budget, seconded by Council Member Snyder. Motion carried unanimously.

Information/Discussion Items

7. Monthly Investment Portfolio Report

- Mr. Longhi presented the Monthly Operating Budget Report as provided in the packet.

8. Monthly Revenue Report

- Mr. Longhi presented the Monthly Revenue Report as provided in the packet.

9. Monthly Operating Budget Report

- Mr. Longhi presented the Monthly Operating Budget Report as provided in the packet.

Adjournment

- Chair Rishell adjourned the meeting at 7:00 pm.