



Northern Virginia Transportation Authority

The Authority for Transportation in Northern Virginia

FINANCE COMMITTEE

Thursday, November 10, 2022 – 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 6:05 PM.
- Attendees:
 - Committee Members: Mayor Rishell; Chair Randall; Council Member Snyder.
 - Staff: Monica Backmon (Chief Executive Officer); Michael Longhi (CFO); Peggy Teal (Assistant Finance Officer); Dev Priya Sen (Investment & Debt Manager); Keith Jasper (Principal, Transportation Planning and Programming); Adnan Malik (Senior Accountant); Amanda Sink (Executive Assistant to CEO).
 - Council of Counsels: Daniel Robinson (Fairfax County); Robert Dickerson (Prince William County); Christina Brown (City of Alexandria).
 - Others: Supervisor Alcorn (Fairfax County)

2. Summary Minutes of the October 13, 2022, Meeting

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

Chair Randall moved approval of the minutes of the October 13, 2022, meeting; seconded by Council Member Snyder. Motion carried unanimously.

Information/Discussion Items

3. FY2024 Budget Guidance

Mr. Longhi

- Mr. Longhi began the discussion on the Local Distribution Fund Budget (30%), which supports the monthly distribution of 30% funds to member jurisdictions. Prior guidance for this budget has not changed and will be based on the finalized FY2024 revenue projections which are currently under development.
- Mr. Longhi described the functions of the Regional Revenue Fund Budget and that it is the source for transportation project funding by the Authority. Prior guidance for this budget has not changed and will be based on the finalized FY2024 revenue projections and PayGo analysis which are currently under development.
- Mr. Longhi noted the single new initiative for the FY2024 Regional Revenue Fund Budget:

- **Regional Bus Rapid Transit (BRT) Preliminary Deployment Plan (PDP):** TransAction has identified the need to provide Northern Virginians with meaningful travel alternatives to driving alone to help reduce congestion. One strong approach is the development of a regional BRT system, which builds upon the investments that NVTA has already made in five BRT lines.

Mr. Longhi noted that Keith Jasper, Principal, Transportation Planning and Programming, along with his team formed a BRT Planning Working Group (comprising local and regional transportation planners and operations staff across the D.C. metro region) to develop an integrated regional BRT system crossing multiple jurisdictional boundaries. Mr. Jasper added that not only will a BRT PDP identify meaningful transportation choices that could reduce or reverse the need for Northern Virginians to drive alone, but it will also enable a regional BRT system to be implementable decades prior to any future Metrorail extensions in Northern Virginia, which in turn are dependent on the region addressing Metrorail's core capacity constraints.

Supervisor Alcorn asked how the Northern Virginia Transportation Commission (NVTC) is involved in this study. Ms. Backmon responded that as part of the BRT Planning Working Group, coordination and knowledge sharing with NVTC has already occurred and NVTA that collaboration will continue regarding the BRT PDP. She also noted that because NVTA encompasses Planning District 8, NVTA's efforts will help fill the gaps in service and not duplicate efforts. Mr. Jasper added that the Working Group was established two years back and through NVTC's participation, they were supportive of the effort. He also stated NVTA is uniquely positioned for the BRT PDP as this grew from TransAction, and by leading this effort it will give greater refined information for jurisdictions and other applicants when developing their planning to receive funding through NVTA's Six Year Program.

Mayor Rishell noted she is keen on the connectivity and cost effectiveness of the BRT PDP. Council Member Snyder also appreciated the idea and point of accessibility and geographic coverage that this project is intended to bring. Mr. Longhi added a few data points by noting that it is difficult to estimate the cost of the project, but in comparison to the requested amount of \$2 million, TransAction is a \$3.25 million project. Furthermore, NVTA is the largest BRT project funder in Virginia.

- Mr. Longhi added to the ongoing discussion by highlighting change areas found in the FY2024 Operating Budget:
 - **Offsite Storage:** Northern Virginia Regional Commission (NVRC), the office space landlord, has advised it can no longer provide storage space to NVTA due to space limitations. Space previously allowed at no cost for NVTA storage must be used by NVRC to store their records and material. Available space within the NVRC leased office area has increasingly been utilized by NVRC and NVTA staffing growth. This is a onetime cost of \$400 (annual cost of \$2,000).

- **Investment Consultant:** In 2020, this consultant was brought onboard to bridge the gap between the departure of NVTA's previous portfolio manager and refilling the position. Subsequently, the use of an investment consultant has produced benefits in terms of rapid training and experience gain of NVTA's Investment and Debt Manager who is working through an underfill program for the position. The annual cost of \$69,500 includes \$27,500 in subscription services for the Bloomberg terminal and IT support. Mr. Longhi noted that between July and October of 2022, consultant recommendations on four transactions increased yield by \$70,300.
- **Contractual Legal Services:** To create direct and regional efficiencies, NVTA is proposing the use of contractual legal services as the day-to-day advisor on legal matters and Authority meeting support. This follows the practice of other entities such as OmniRide, NVRC, NVTC, Upper Occoquan Service Authority and the Town of Dumfries. Contractual legal services for NVTA would handle the workload allowing the current members of the Council of Counsels to focus on their primary duty of working for the jurisdiction that employs them. While the annual cost is proposed for \$65,000, experience may show this cost can be reduced to \$45,000 or lower based on discussions of workload with other entities which contract for legal services.
- **Website Modernization and Consolidation:** NVTA websites have not had a full professional design review and are becoming increasingly difficult to update, maintain and improve, and has shown system stability concerns. TransAction has a separate website, as does the NoVA Gateway Dashboard. Expert advice is needed to determine if a consolidation is in order and if so, how it could be accomplished. Last fiscal year, it was determined by the Committee to divide the cost of this effort between two fiscal periods. The total cost of this effort is \$250,000, the amount for FY2024 is \$125,000.
- **NoVA Gateway Dashboard Enhancements:** The NoVA Gateway Dashboard has proved to be an invaluable tool for providing near-real time funding and status information for all 122 NVTA-funded projects that use Regional Revenues. The dashboard is a key resource that enables NVTA to be transparent regarding the use of Regional Revenues. This new proposed functionality is in response to repeated enquiries regarding the multimodal nature of all NVTA-funded projects, such as roadway lane-miles, extent of bike-pedestrian facilities, and dedicated right-of-way for transit. The onetime costs are \$150,000 and there is an annual cost of \$20,000 for ongoing external support and maintenance.
- Mr. Longhi concluded his presentation by noting that the budget guidance is on schedule to be presented to the Authority.

4. Monthly Investment Portfolio Report

- Ms. Sen reviewed the Monthly Investment Portfolio Report as provided in the packet by noting that the reports are based on the investment activity through the end of September. Since the report was generated, the portfolio percentage is slightly heavy

for the Negotiable Certificate of Deposits (CDs) asset category. As a result, NVTA will refrain from purchasing any more Negotiable CDs until the growth of the portfolio brings the percentage in line.

- Ms. Sen noted that NVTA secured a high quality, AAA rated World Bank corporate bond, which is also a Green Bond, and informed that investing in such instruments would increase the performance of our portfolio in the long run.
- Mr. Longhi added that there is a rating warning for Credit Suisse, a Swiss bank, and it is monitoring the credit status and performance ratios of the bank. Currently, staff's strategy is to allow the instruments to mature out of the portfolio.

5. Monthly Revenue Report

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

6. Monthly Operating Budget Report

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

7. NVTA Update (Verbal Report)

- Ms. Backmon noted in the interest of time, she will have comments at the Authority meeting that evening.

Adjournment

- Chair Rishell adjourned the meeting at 6:42 pm.