



Approved December 7, 2015

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

**FINANCE COMMITTEE**  
**Friday, September 18, 2015 1:30PM**  
**3040 Williams Drive, Suite 200**  
**Fairfax, VA 22031**

**MEETING SUMMARY**

**I. Call to Order/Welcome**

Chairman York

- Chairman York called the meeting to order at 1:32pm.
- Attendees:
  - ✓ Members: Chairman York; Chairman Bulova; Chair Hynes.
  - ✓ Staff: Monica Backmon (Executive Director); Michael Longhi (CFO); Camela Speer (Clerk).
  - ✓ Council of Counsels: Ellen Posner (Fairfax County).
  - ✓ Other Attendees: Noelle Dominguez (Fairfax County); Peter Malgieni (Loudoun County); Kristy Choi (PFM).

**II. Summary Minutes of the June 19, 2015 Meeting**

- Chairman Bulova moved approval of the minutes of June 19, 2015; seconded by Chair Hynes. Motion carried with two (2) yeas and one (1) abstention [Chair Hynes as she was not at the June meeting].

**Action Items**

**III. Virginia Investment Pool Agreement**

Mr. Longhi, CFO

- Mr. Longhi briefed the Committee on the Virginia Investment Pool Agreement. He noted:
  - ✓ Project spending plans have been reviewed to determine that there are funds that will not be used for at least a year.
  - ✓ VIP is managed with a longer maturity horizon than LGIP. The longer maturity horizon results in a greater return on investment.
  - ✓ Many Northern Virginia jurisdictions participate in VIP and several jurisdiction staff members sit on the VIP Board of Trustees.
- Chair Hynes moved that the Finance Committee recommend to the Authority, approval of participation in the Virginia Investment Pool administered by VML/VACo Finance through the adoption of resolution 16-01 in a form approved by legal counsel; seconded by Chairman Bulova.

- A question was raised as to how much funding we anticipate investing. Mr. Longhi noted the initial investment will be \$75 million. Mr. Longhi also explained that no bond proceeds are included in this amount as the Authority's debt policy requires those funds to be held with the State Non-Arbitrage Program. Other bond funds are held with a trustee bank as required in the bond indenture.
- Motion carried unanimously.
- Chairman York requested this item be placed on the consent agenda for the upcoming Authority meeting.

#### **IV. Revenue Estimates FY2017 to FY2023**

Mr. Longhi, CFO

- Mr. Longhi expressed appreciation for the jurisdictional support in preparing the FY2017-2023 revenue estimates and the CIP. He noted that seven jurisdictions had participated in this process.
- Mr. Longhi briefed the Committee on the revenue estimates for FY2017-2023. He noted:
  - ✓ New estimated revenue numbers were generated for FY2016, but that a budget adjustment would not be prudent at this time, due to uncertainty with the upcoming Federal budget.
  - ✓ Revenue estimates for FY2017-2023 were projected with a 2.4% growth rate, which while an increase from the FY2015-16 estimate of 1.85%, the new projection is still considered conservative by the estimation team.
  - ✓ Due to conservative estimates, it is expected that revenue will exceed budget estimates each year.
- Chairman Bulova moved that the Finance Committee recommend Authority approval of the FY2017 to FY2023 revenue estimates as outlined in the staff report; seconded by Chair Hynes. Motion carried unanimously.
- Chairman York requested this item be placed on the consent agenda for the upcoming Authority meeting.

#### **V. Budget Adjustment – Regional Revenue Fund**

Mr. Longhi, CFO

- Mr. Longhi briefed the Committee on the need for a budget adjustment on the Regional Revenue Fund budget. He stated that there was a \$16.9 million positive variance in the FY2015 budget. Of the \$16.9 million, the 30% money has been distributed to the jurisdictions, as authorized in the FY2015 budget. The 70% money equates to \$11.9 million. Mr. Longhi highlighted the specific adjustments.
  - ✓ Carryover amount, which allows the development of the FY2017 projections.
  - ✓ Debt service – adjustment to correct a typographical error.
  - ✓ Working Capital Reserve – to maintain policy compliance.

- ✓ The above adjustments of \$5 million, combined with \$25.1 million remaining after the FY2015-16 project funding decisions, result in a carryforward to the FY2017 budget of \$30.1 million.
- It was asked where left over 70% funds will go. Mr. Longhi responded that the left over 70% funds will go into the available funding for FY2017 projects next year.
- Chairman Bulova moved that the Finance Committee recommend Authority approval of the adjustments to the FY2016 Regional Revenue Fund budget as outlined in the staff report; seconded by Chair Hynes. Motion carried unanimously.
- Chairman York requested this item be placed on the consent agenda for the upcoming Authority meeting.

### **Information/Discussion Items**

#### **VI. NVTA Monthly Revenue Report**

Mr. Longhi, CFO

- Mr. Longhi briefed the Committee on the Monthly Revenue Report. He noted that:
  - ✓ The 30% funds to jurisdictions totaled \$91.3 million for FY2015.
  - ✓ Four (4) jurisdictions have completed their HB 2313 annual certification requirements for FY2016 and will continue to receive their 30% funding uninterrupted. He added that NVTA staff are working with those jurisdictions that have not completed their certifications and that funds for these jurisdictions will be held in escrow.
- It was asked if interest on the escrowed funds will go to the jurisdictions. Mr. Longhi replied that it will be proportionally split between the jurisdictions with funds in escrow.
- It was asked what will happen if a jurisdiction does not meet certification requirements. Ms. Backmon responded that those funds will go into the 70% regional fund, with Mr. Longhi noting that the deadline for jurisdictions to avoid that transfer is March 1, 2016.

#### **VII. NVTA Operating Budget Report**

Mr. Longhi, CFO

- Mr. Longhi noted that the FY2015 Operating Budget is being closed out. He noted that the carryforward to FY2016 was projected to be \$121,805. Actual carryforward is \$122,890 and will roll into next year's budget.

#### **VIII. Financial Activities Update**

Mr. Longhi, CFO

- Mr. Longhi updated the Committee on additional financial activities.

- ✓ The FY2015 audit field work is complete. The financial statement preparation is almost complete and should be ready in November or December.
  - ✓ The Contingency and Transportation Reserves Advisory panel has been meeting and should have a report for the Finance Committee at the November meeting.
  - ✓ Loudoun County recently received the largest 70% project reimbursement to date of over \$5.7 million.
  - ✓ The Loudoun reimbursement is significant as it is based on early work with VDOT to utilize their current processes as much as possible, thereby eliminating the need to build special purpose reports and procedures.
  - ✓ Reimbursed the City of Fairfax for \$2.5 million on their bus purchase project. The City saved \$500,000 on the project. Those savings benefit the Regional Revenue Fund and are now available for future assignment by the Authority.
  - ✓ Rating agency update conference calls will be held in the December/January timeframe to update the three rating agencies on Authority activities such as revenue estimates, debt policy reserve funding status and the outlook for the FY2017 call for projects.
  - ✓ We are preparing to ask all active project holders to update Appendix Bs in order to get up-to-date financial information on projects. Now that we have an investment program, we need accurate information for cash flow purposes and this is a way to check on project progress.
  - ✓ Requesting documentation from the jurisdictions that shows the Authority named as additional insured on project insurance policies, as required in the SPAs. This insurance requirement protects the Authority.
- Chairman York stated that if the October Authority meeting is cancelled, the October Finance Committee meeting will be cancelled as well. He noted that in November the Authority is meeting prior to the Finance Committee's scheduled meeting on November 20, 2015. He suggested that if the only action for the Committee in November is the FY2015 audit, it be sent to the full Authority for adoption in November as long as there is an unqualified audit opinion. Chairman York suggested that with this understanding, the November meeting of the Finance Committee may be cancelled.
  - Chairman York asked Mr. Longhi to send an email officially cancelling the October and November Finance Committee meetings (based on the Authority decision on the October meeting).
  - Chair Hynes asked how project reimbursement information is being reported to the Authority. Ms. Backmon responded it is reported as part of the monthly Executive Director's report.
  - Ms. Backmon reminded the Committee members of the Ribbon Cutting Ceremony at the City of Fairfax City Hall on Monday. She added that the Authority's new website will be unveiled at next week's Authority meeting.

## Adjournment

## **IX. Adjournment**

- Meeting adjourned at 1:53pm.