



Northern Virginia Transportation Authority
The Authority for Transportation in Northern Virginia

Friday, October 24, 2014

9:45 AM

Historic Blenheim

3610 Old Lee Highway

Fairfax, Virginia 22030

MEETING MINUTES

I. Call to Order Chairman Nohe

- Chairman Nohe called the meeting to order at 9:55am.

II. Roll Call Ms. Speer, Clerk

- Voting Members: Chairman Nohe; Mayor Euille (arrived 10:05am); Board Member Hynes; Chairman York; Chairman Bulova; Mayor Parrish; Mayor Silverthorne; Council Member Rishell; Council Member Duncan; Senator Ebbin; Miss Bushue.
- Non-Voting Members: Ms. Hamilton; Ms. Mitchell.
- Staff: Monica Backmon (Executive Director); Michael Longhi (CFO); Denise Harris (Program Coordinator); Keith Jasper (Program Coordinator); Camela Speer (Clerk); Peggy Teal (Assistant Finance Officer); various jurisdictional staff.

Action Items

III. Resolution Supplementing and Amending a Prior Resolution of the Northern Virginia Transportation Authority that Authorized the Issuance of Certain Bonds Chairman York, Chair, Finance Committee

- Mr. York reported that the resolution supplements and amends the previous bond resolution that the Authority adopted on July 24, 2013. He gave a quick update on the bond issuance:
 - ✓ Preliminary Official Statement (POS) is drafted, will be used to market the bonds to potential investors and will receive further refinement from the financing team.
 - ✓ POS will be distributed to potential investors after the Commonwealth budget amendment is finalized.
 - ✓ Credit ratings will be made public around the same time as the POS is distributed.
- Mr. Anderson, with McGuireWoods, Bond Counsel for the NVTA, briefed the Authority on the key amendments to the initial bond resolution. There are three main changes:

- ✓ Changed the name of the bonds from Transportation Facilities Revenue Bonds to Transportation Special Tax Revenue Bonds. During the interviews with potential underwriters, their feedback and feedback from the market in general was that Special Tax Revenue was a better description of the underlying security of the bonds.
 - ✓ Reduced amount of the bond resolution from \$105M to \$85M, due to VRE removing their rolling stock project from the FY2014 Bond Project list.
 - ✓ Extended the final authorized maturity date on the bonds due to the issuance occurring late within the year. The bond maturity will still be 20 years.
- Chairman York moved to approve the Resolution Supplementing and Amending a Prior Resolution of the Northern Virginia Transportation Authority that Authorized the Issuance of Certain Bonds through the adoption of Resolution 15-04; seconded by Mayor Parrish.
- Chairman Nohe asked Ms. Backmon to update the Authority on the concerns with the Governor’s proposed amendment to the budget bill HB 5010.
 - Ms. Backmon briefed the Authority on the concerns of some members of the General Assembly about the proposed budget amendment language. She stated that while the language in the Governor’s proposed amendment addresses concerns of the Authority, the proposed amendment could do away with the 14th enactment clause.
 - Ms. Dominguez noted that the General Assembly is still in special session and are anticipated to reconvene in early November to pass the budget. She added that she will keep the Authority informed as this situation progresses.
 - Chairman Nohe clarified that the budget amendment language that was intended to protect the Authority and HB 2313 funding may do away with the 14th enactment clause or the “kill switch.” He asked if there is bi-partisan agreement with this interpretation. Ms. Backmon responded that she is not certain of this yet and that there may be some efforts underway to get rid of any use of the HB 2313 funds to fill the budget deficit.
 - Chairman Bulova asked if there is a good faith effort to fix this language. Ms. Backmon responded that there is and that General Assembly members are working to not only protect the Authority, but the State as well.
 - Senator Ebbin asked who is working on this effort. Ms. Backmon responded that it is her understanding that some members of the House are currently working on a solution before General Assembly reconvenes.
 - Senator Ebbin reviewed the procedures of the General Assembly and the steps to amend the existing amendment. He offered to speak to Authority members and staff off-line about key people to contact for assistance in the effort. Ms. Backmon thanked him for his offer.
 - Chairman Nohe added that he would do whatever it takes to get this budget amendment language fixed.
 - Senator Ebbin asked if Delegates Rust and Minchew have been contacted. Chairman Nohe responded that Delegate Minchew contacted the Authority about

these concerns and the reason the Delegates are not at the Authority meeting is because they are at the House caucus meeting.

- Chairman Nohe added that one solution might be for the General Assembly to reject the Governor's amendment. Then, the Governor could veto the bill and the General Assembly could introduce a new bill. The hope is that this would happen while the General Assembly was still in session.
- Senator Ebbin noted that this could work and that it might make sense for Delegate Rust and others to have an alternate bill ready. He added this would have to happen quickly.
- Motion carried unanimously.

IV. Acceptance of Northern Virginia Transportation Authority Financial and Compliance Reports – Year Ended June 30, 2014

Mr. Longhi, CFO

- Mr. Longhi updated the Authority on the first audit of the FY2014 NVTA financials. He highlighted:
 - ✓ The audit was completed 30 days earlier than projected and Authority acceptance today will allow NVTA to use the audit results publicly.
 - ✓ The Authority received a clean opinion.
 - ✓ The audit identified one material weakness in internal controls, in that the Authority does not have a general ledger accounting system and data integrity cannot be assured without this. The audit noted the use of Excel spreadsheets has allowed Authority staff to produce monthly financial statements and timely reports to the Authority and member jurisdictions.

(Mayor Euille arrived.)

- ✓ The accounting system will be installed in April of 2015. Data for all of FY2014 and year to date FY2015 will be incorporated into the new system.
- ✓ The Audit Report will be reviewed in detail with the Finance Committee at their next meeting.
- Chairman York moved acceptance of the Northern Virginia Transportation Authority Financial and Compliance Audit Report for the year ended June 30, 2014; seconded by Chairman Bulova. Motion passed unanimously.

Adjournment

- The meeting adjourned at 10:08am.