



# Northern Virginia Transportation Authority

*The Authority for Transportation in Northern Virginia*

## SUMMARY MINUTES

Thursday, September 14, 2023 – 5:30, p.m., ET  
3040 Williams Drive, Suite 200  
Fairfax, VA 22031

*This meeting was conducted in person and virtually as well as livestreamed*

### 1. Call to Order

- ✓ Mayor Rishell called the meeting to order at 5:40 p.m.

#### Roll Call:

- ✓ **Membership Attendees:** Mayor Rishell; Chair Randall; Mayor Wood; Council Member Snyder (arrived at 5:53 p.m.); Chairman McKay (arrived at 6:28 p.m.);
- ✓ **Staff Attendees:** Monica Backmon (Chief Executive Officer); Michael Longhi (CFO); Peggy Teal (Assistant Finance Officer); Dev Priya Sen (Investment & Debt Manager); Adnan Malik (Senior Accountant); Margaret Duker (Accounting Assistant); Amanda Sink (Executive Assistant to the CEO);
- ✓ **Council of Counsels:** Christina Zechman-Brown (City of Alexandria);
- ✓ **Other Attendees:** Joe Farina (Principal, Divaris)

*Members of the public, jurisdiction and agency staff were in person and were able to watch the meeting livestreamed via [NVTA's YouTube Channel](#)*

### 2. Approval of June 8, 2023, Draft Meeting Summary Minutes

- ✓ Chair Randall moved approval of the minutes of the June 8, 2023, meeting; seconded by Mayor Wood. Motion carried unanimously.

## ACTION ITEMS

### 3. Out of Cycle Appropriation – City of Fairfax, Government Center Parkway Extension

Mr. Longhi, CFO

*Recommended Action: Recommend Authority Approval of Out of Cycle Appropriation*

- ✓ Mr. Longhi addressed the Out of Cycle appropriation to the Finance Committee by noting:
  - Regional Revenue Fund project appropriations are presented by the Finance Committee for Authority approval as part of the annual budget adoption process in advance of the start of each fiscal year.
  - The City of Fairfax has determined that it can proceed with the Government Center Parkway Extension Project (Project ID 2020-307-1) in FY2024 and is requesting an out of cycle appropriation to advance the project.
  - The Authority approved \$3,540,000 in funding for this project as part of the FY2020/25 Six Year Program. This amount was initially planned to be appropriated in FY2025.
  - NVTA staff have determined there are sufficient FY2023 excess revenues and investment portfolio earnings to permit this appropriation without any negative fiscal impacts for the Authority.

- NVTa staff recommend the Finance Committee make a recommendation in support of this appropriation at the October Authority meeting.
- ✓ Chair Randall moved the Finance Committee recommend Authority approval of a FY2024 Regional Revenue Fund appropriation of \$3,540,000 for the Government Center Parkway Extension Project, Project ID 2020-307-1; seconded by Mayor Wood. Motion carried unanimously.

#### **4. Preliminary Deployment Plan for Regional Bus Rapid Transit in Northern Virginia –**

##### **Contract Recommendation**

Mr. Longhi, CFO

- ✓ Mr. Longhi provided the background of the Preliminary Deployment Plan for a Regional Bus Rapid Transit (BRT) by noting:
  - A consultant Open House was conducted on March 30, 2023, 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 April 6, 2023, with proposals due on May 11, 2023.
  - Notice of this open procurement was placed on the NVTa website and with the Commonwealth's eVA procurement notice system.
  - Two firms submitted responsive and responsible Technical and Price Proposals eligible for consideration by the RFP Selection Panel.
  - The RFP Selection Panel consisted of four jurisdiction members and three NVTa staff members, for a total of seven voting members. The Virginia Department of Transportation and the Department of Rail and Public Transportation shared staff technical BRT expertise on a non-voting basis, along with NVTa's Planning Analytics Manager.
  - The two respondent proposals were initially scored solely on their technical proposals and were interviewed on June 12, 2023. Cost proposals were then released for best value evaluation. The Selection Panel's initial scores were six to one in favor of the proposed consultant.
  - When the cost proposals were evaluated, and with further discussion of the technical proposals, the rankings by the Selection Panel became unanimous.
- ✓ Mr. Longhi further noted that NVTa staff recommend the award of the PDP-BRT contract to Cambridge Systematics Inc. (CS). Factors supporting the recommendation include:
  - Consistency with the Selection Panel's final unanimous votes in favor of CS.
  - Successful negotiations of enhanced features related to quality control, technical approach, and community engagement as recommended by the Selection Panel.
  - Successful cost negotiations.
  - The modelling systems and approach for the PDP-BRT are consistent and compatible with what is in use by NVTa, many member jurisdictions and National Capital Region's Transportation Planning Board.

- The proposed contract is within previously appropriated funding, requiring no budget action.
- CS is the current TransAction update project consultant.
- ✓ Chair Randall moved the Finance Committee recommend Authority approval of the proposed Preliminary Deployment Plan for a Regional Bus Rapid Transit System in Northern Virginia contract award to Cambridge Systematics Inc.; seconded by Mayor Wood. Motion carried unanimously.

## 5. Investment Policy Update

Mr. Longhi, CFO

*Recommended Action: Recommend Authority approval of Policy Change*

- ✓ Mr. Longhi furnished background information on the two proposed updates to the Investment Policy as follows:
- ✓ Deletion of Overnight Repurchase Agreements (REPOs) from the Investment Policy
  - The submission of the Authority's Investment Policy for national and international certification has been discussed at prior Finance Committee meetings.
  - In preparing to submit the Investment Policy for certification, a review of certification requirements was undertaken.
  - That review indicates that for certain certifications, if REPOs are included in a policy, an underlying REPO contract must be submitted as part of the certification submission.
  - REPOs are instruments which are typically used to maximize the use of idle overnight funds. Those idle funds are generated when an organization has large operational expenses and payrolls. Idle overnight funds in the range of \$50 to \$100 million or more per night are typically suitable for REPO consideration.
  - Due to very small operating expenses and payroll, the Authority typically has less than \$1 million in idle overnight funds. This situation is not expected to materially change in the foreseeable future.
  - REPO contracts are complex documents that need constant monitoring. Unless REPOs are beneficially utilized, maintaining a REPO contract is a diversion of resources away from more productive activities.
  - Deletion of REPOs from the list of allowable investment will not have a negative impact on the Authority's portfolio management or fiscal results but will improve the prospect of receiving certification.
- ✓ Adoption of new portfolio performance benchmarks
  - Currently the investment policy names the three-month (90 day) Treasury bill auction, the Fed Funds Rate, the Local Government Investment Pool (LGIP) and the Virginia Non- Arbitrage Program (SNAP) as performance benchmarks.
  - The current benchmarks are basically daily liquidity benchmarks, meaning the funds are available in whole every day (Fed Funds, LGIP and SNAP) to 90-day maturity (Treasury 90-day T Bill).

- Since the policy adoption in 2014, and with the implementation of dedicated portfolio management activities in 2018, the portfolio has grown to over \$1.6 billion.
- Without a sacrifice in safety, and while ensuring the liquidity demands for project reimbursements are met, the portfolio has increased its duration (maturity) to obtain market yield.
- Of the \$1.643 billion portfolio, \$1,048 billion is invested in instruments to 5-year maturity as reflected in the table and chart below.
- It is important to note that 93% of the \$1.643 billion portfolio is dedicated to transportation projects previously approved by the Authority. The remaining 7% of the portfolio represents policy required reserves.
- After consulting member jurisdiction practices, conducting thorough benchmark research and considering NVTa's concentrated portfolio in the six-month to five-year maturity range, staff are recommending the use of the 18-month average of the InterContinental Exchange, Bank of America 1-3 Year Benchmark (ICE BofA 1-3 Year) and LGIP Extended Maturity Pool yields as our policy prescribed performance benchmarks.
- ✓ Mayor Wood asked to clarify that the Federal Reserve had raised interest rates over 5% in a year. Mr. Longhi confirmed that noting short-term portfolios can more quickly harness the advantages of the Federal Reserve's escalating interest rates in contrast to NVTa, which does not have a short portfolio and maintains a maturity range of 2-3 years. He additionally emphasized that as the interest rate reduction takes effect, certain instruments within the portfolio will still yield 5-6% over their maturity span.
- ✓ Mayor Wood moved the Finance Committee recommend Authority approval of the proposed Investment Policy updates as detailed on the attached draft; seconded by Chair Randall. Motion carried unanimously.

### **CLOSED SESSION**

#### **6. Office Lease Negotiations**

Mr. Longhi, CFO

#### **Motions to Convene Closed Meeting**

- ✓ At 5:59 p.m., Mayor Rishell moved that the Finance Committee of the Northern Virginia Transportation Authority convene a closed meeting, as authorized by Virginia Code section 2.2-3711(A)(3) and (A)(29), for the purpose of discussing potential contractual arrangements by NVTa with third parties regarding the leasing of real estate necessary for the performance of NVTa's statutory mission; seconded by Chair Randall. Motion was unanimously approved.

#### **Motion to Reconvene in an Open Meeting**

- ✓ At 6:31 p.m., Mayor Rishell moved that the members of the Northern Virginia Transportation Authority certify: (1) that only public business matters lawfully exempted from open meeting requirements under Chapter 37, Title 2.2 of the Code of Virginia; and (2) only such public business matters as were identified in the motion by

which the closed meeting was convened were heard, discussed, or considered; seconded by Chair Randall. Motion passed unanimously.

- ✓ Short Term Lease: Mayor Wood moved the NVTA Finance Committee recommend Authority approval of the attached short-term lease with the NVRC and authorize the Chief Executive Officer to sign the lease documents reviewed by NVTA's Council of Counsel; seconded by Chair Randall. Motion passed unanimously.
- ✓ Long Term Lease: Mayor Wood moved the NVTA Finance Committee recommend Authority approval of the attached long term lease term sheet and authorize the Chief Executive Officer to sign the term sheet and resultant lease documents as reviewed by NVTA's Council of Counsel.; seconded by Chair Randall. Motion passed unanimously.

## **DISCUSSION/INFORMATION ITEMS**

### **4. Monthly Investment Portfolio Report**

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

### **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.

### **8. Adjournment**

- ✓ Seeing no further questions, discussion, or order of business, Mayor Rishell adjourned the meeting at 6:43 p.m.