AGENDA

CVTA FINANCE COMMITTEE

Wednesday, July 13, 2022
8:30 a.m.

PlanRVA James River Board Room

This meeting is open to the public. Members of the public are invited to attend in-person or virtually.

If you wish to participate in this meeting virtually, please register via Zoom at

https://planrva-org.zoom.us/webinar/register/WN_7--GaN8gTMaOw_1Xrfm-_A

Check out our complete Public Participation Guide online to learn about the different ways you can stay connected and involved.

Meetings are also live streamed and archived on our YouTube Channel at www.youtube.com/c/PlanRVA.

WELCOME AND INTRODUCTIONS
(Stoney)

CERTIFICATION OF A QUORUM
(Firestone)

ADMINISTRATION

1. Consideration of Amendments to the Action Meeting Agenda
   (Stoney)

2. Approval of June 8, 2022, Meeting Minutes – page 3
   (Stoney)
   Action Requested – motion to approve minutes

3. Open Public Comment Period
   (Stoney/5 minutes)

4. CVTA Finance Committee Chairman’s Report
   (Stoney/10 minutes)

5. CVTA Activities Report
   (Parsons, Eure/10 minutes)
   a. Financial Activities and Investment Reports – page 7
   b. VRSA renewal
   c. TAC Activities Report
OLD BUSINESS

6. **Nominating Committee Update** – page 9
   (Parsons/10 minutes)

NEW BUSINESS

7. **Presentation on New Auditing Standard – Key Audit Matters**
   (Michael A. Garber, CPA, MBA, PBMares, LLP/10 minutes)

OTHER BUSINESS

8. **Future Meeting Topics** – page 11
   (Stoney/5 minutes)

9. **CVTA Finance Committee Member Comments**
   (Stoney/5 minutes)

10. **Next Meeting: August 10, 2022**
    (Stoney)

11. **Adjournment**
    (Stoney)
The technology used for this meeting was a web-hosted service created by YouTube Live Streaming and was open and accessible for participation by members of the public. A recording of this meeting is available at the PlanRVA YouTube channel.

**CALL TO ORDER**
The Central Virginia Transportation Authority (CVTA) Finance Committee Chair Levar M. Stoney presided and called the June 8, 2022, CVTA Finance Committee meeting to order at 9:00 a.m.

**ATTENDANCE ROLL CALL & CERTIFICATION OF MEETING QUORUM**
Janice Firestone, PlanRVA, certified that a quorum was present. All members were present.

**ADMINISTRATION**

1. **Consideration of Amendments to the Meeting Agenda**
   There were no requested changes to the meeting agenda and the CVTA Finance Committee members voted unanimously to approve the June 8, 2022, agenda, by acclamation as presented (voice vote).

2. **Approval of May 23, 2022, CVTA Finance Committee Action Meeting Minutes**
   On motion of W. Canova Peterson, seconded by Kevin P. Carroll, the CVTA Finance Committee unanimously approved the minutes of the May 23, 2022, CVTA Finance Committee meeting, by acclamation as presented (voice vote).

3. **Open Public Comment Period**
   There were no requests to address the CVTA Finance Committee.

4. **CVTA Finance Committee Chairman’s Report**
   Chair Stoney thanked committee members for attending the joint meeting with RRTPO, CVTA and PlanRVA. He also thanked everyone for their efforts concerning funding for the I-64 widening project. He stressed the importance of making the best recommendation to the full Authority.
5. CVTA Activities Report
   a. Financial Activities and Investment Reports
   Chet Parsons, PlanRVA, gave an overview of the transportation funding in the state budget, specifically the funds approved for regional trails and the I-64 widening project.

   He also provided an overview of the financial activities and the latest investment report and offered to answer any questions. There was a discussion about the monthly investment report. It was noted that the Treasurer needs a timeline on dispersing funds for the Fall Line Trail. Once that timeline is in place it can be determined how funds can be invested.

   b. TAC Activities Report
   Dironna Moore Clarke, TAC Vice Chair, provided a report on the group’s work on the Fall Line Trail. The draft design guidelines are expected to go to the localities this week. They will include an agreement to develop a phase, furnish and install contract for the trail signage.
   TAC is waiting for the design build SPAs. Those agreements will allow for the creation of the timeline.

   Eric Gregory reported that VDOT has the draft SPA it can be brought forward to the localities once VDOT has completed its review. That document will serve as the template for the SPA’s with Henrico County and the City of Richmond. He is not sure that SPA’s will be necessary for the other localities because VDOT will be administering those localities.

   Ms. Clarke noted that a more detailed spending plan of all segments can be developed in July and August and brought to the Finance Committee and Authority.

OLD BUSINESS

6. Support Services MOU with PlanRVA
   Martha Heeter, PlanRVA, reported that a new MOU is being developed. The plan is to have it on the July Authority meeting. The assumption that the CVTA Executive Director position will be filled at some point over the summer. The draft MOU has a five-year period included as well as a provision for an annual review. It spells out that PlanRVA will not have involvement in the supervision of the Executive Director. There are provisions to provide for additional staff support as needed. Language has been incorporated to provide for IT, purchasing and other services.

   Mr. Gregory reported that the existing MOU will remain in place until a new one is signed.

NEW BUSINESS

7. CVTA Regional Funding Commitment – Update
   Mr. Parsons provided a recap of public hearing and actions at the April 29th CVTA meeting. The voting check for the simple majority requirement has been
reviewed and it was determined that the earlier interpretation of the code was inaccurate.

Mr. Gregory reported that the voting tool was developed with the understanding that an affirmative vote was a majority vote. After review, it's been determined that because the statute states that Authority action requires a four-fifths majority vote; this overrules a simple majority vote.

Committee members had comments about the new interpretation with respect to the weighted votes versus the four-fifths population vote and the assumption made by those who wrote the statute that an affirmative vote equals a majority vote.

The full Authority will need to make a determination on what interpretation will be applied and whether or not to pursue a future change in the legislation.

Kevin Rotty, PRJ Financial Advisors, addressed the committee and clarified that the six-year plan could be updated to provide funding for the I-64 project in the later years of the plan.

A letter of commitment could be issued for funding for the project in year five. Those funds, along with the other funding sources, would help the project score well in SmartScale.

The plan has been being viewed as the last four years of a six-year plan that started in FY20. Another option was suggested to create a revised plan that begins in FY22. Mr. Parsons clarified that there are other projects that would need to be considered for those last two years if that was the direction the Authority chose. Staff’s recommendation would be a letter of intent for funding of the project.

Committee members shared comments on the importance of a funding commitment to the project and the importance of the Hampton Roads authority committing funds to the project. A breakdown of the number of miles included in the project in each authority’s region. Roughly 2/3 of the gap are in this region and 1/3 in the Hampton Roads region. A meeting between representatives of both authorities was suggested.

On motion by W. Canova Peterson, seconded by Carlos M. Brown, the CVTA Finance Committee voted unanimously to recommend to the full Authority that a letter of intent to commit 100 million dollars in year five be sent to the Secretary of Transportation.

**OTHER BUSINESS**

8. **Future Meeting Topics**
   The Chair provided a recap of the future meeting topics recommended by staff.
9. **CVTA Finance Committee Member Comments**  
   Patricia A. Paige commented that the I-64 widening project does not just impact New Kent County; it impacts tourism, economic development and safety in the entire region. She expressed her support for the committee's action to recommend the Authority issue a letter of intent for funding the project.

10. **Next Meeting**  
The next action meeting is scheduled for July 13, 2022, beginning at 8:30 a.m. in Richmond, Virginia.

11. **Adjournment**  
Chair Stoney adjourned the meeting at 9:52 a.m.
MAY 2022

This investment report for May 2022 is presented in accordance with the Investment Policy of the Treasurer of Chesterfield County, Virginia. The objective of the policy is to obtain the highest possible yield on available financial assets, consistent with constraints imposed by safety objectives, cash flow considerations and the laws of the Commonwealth of Virginia that restrict the placement of public funds. All investments held are in compliance with this policy.

Investments at a glance (as of 5/31/2022)

<table>
<thead>
<tr>
<th>Description</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Book Value</td>
<td>$91,093,234.63</td>
</tr>
<tr>
<td>Average Days to Maturity</td>
<td>1</td>
</tr>
<tr>
<td>Yield to Maturity 365 Day Equivalent</td>
<td>.802%</td>
</tr>
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</table>

Investment Type Allocation

<table>
<thead>
<tr>
<th>Portfolio Mix</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Govt. Invest. Pool (LGIP)</td>
<td>$40,756,238.36</td>
</tr>
<tr>
<td>Virginia Investment Pool (VIP)</td>
<td>$50,336,996.27</td>
</tr>
<tr>
<td>Federal Agency Coupon</td>
<td>$0</td>
</tr>
<tr>
<td>US Treasury Discount</td>
<td>$0</td>
</tr>
<tr>
<td>Total</td>
<td>$91,093,234.63</td>
</tr>
</tbody>
</table>

Cumulative Interest Earnings FY2022

The portfolio consists of highly liquid pooled funds. There have been sharp increases in yields during the past few months as inflation continues to rise and this trend is expected to continue for the remainder of the year. More diversification of the portfolio will occur going forward as CVTA financial forecasts allow for longer term investments.
Benchmark Comparisons

The 91-Day Treasury Bill, 6-Month Treasury Bill and the Virginia Treasury Prime Liquidity are used as benchmarks for Central Virginia Transit Authority's (CVTA) portfolio performance. The portfolio consists of highly liquid pooled funds which are currently increasing but still yielding minimal returns.

<table>
<thead>
<tr>
<th>YIELD BENCHMARKING</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT YIELD</td>
</tr>
<tr>
<td>Portfolio</td>
</tr>
<tr>
<td>91-day T-Bill</td>
</tr>
<tr>
<td>6-month T-Bill</td>
</tr>
<tr>
<td>Va. Treas. Prime Liq.</td>
</tr>
</tbody>
</table>

Compliance Report

The Treasurer’s Investment Policy specifies limits on categories of investment to obtain diversification and avoid incurring unreasonable risk inherent in over-investing in specific instruments. The County’s Investment Portfolio is in full compliance with the Treasurer’s Investment Policy.

<table>
<thead>
<tr>
<th>Investment Category</th>
<th>Code of Virginia</th>
<th>Treasurer’s Investment Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Maximum Maturity</td>
<td>Authorized % Limit</td>
</tr>
<tr>
<td>Local Government Investment Pool (LGIP)</td>
<td>N/A</td>
<td>100%</td>
</tr>
<tr>
<td>Virginia Investment Pool Trust Fund (VIP)</td>
<td>N/A</td>
<td>100%</td>
</tr>
<tr>
<td>Federal Agency Coupon</td>
<td>No Limit</td>
<td>100%</td>
</tr>
<tr>
<td>U.S. Treasury Discount</td>
<td>No Limit</td>
<td>100%</td>
</tr>
</tbody>
</table>

Understanding Key Investment Terms

**Local Government Investment Pool (LGIP)**
A State-administered fund that enables governmental entities to realize the economies of large-scale investing and professional funds management.

**Virginia Investment Pool Trust Fund (VIP)**
A fund, administered by the Virginia Municipal League (VML) and Virginia Association of Counties (VACo), that provides political subdivisions of the Commonwealth of Virginia the ability to pool their funds and invest under the direction and daily supervision of a professional fund manager.

**Federal Agency Coupon**
Fixed income government agency obligations with a stated interest rate and maturing in more than one year.

**U.S. Treasury Discount**
Fixed income government securities priced below par and maturing in less than one year.
CVTA Nominating Committee – Report
Item 6. – CVTA Finance Committee Agenda – 7/13/22

CVTA Nominating Committee Members:
John Hodges, Town of Ashland, Chair
Dr. Cynthia Newbille, City of Richmond
Michael Byerly, Powhatan County

Committee Meeting Summaries:
The Committee met on May 5th and May 11th with staff support. Under the bylaws, the Committee is charged with annually recommending the Chair and Vice Chair of the Authority as well as the two members of the Finance Committee that are not automatically reappointed (Chesterfield, Henrico and the City are automatically reappointed). The Committee discussed the potential for a regularly scheduled rotation system among localities for open positions like that used by Plan RVA and RRTPO in order to promote member involvement.

At the Committee’s request, the staff provided examples of the nominating committee processes used by Northern Virginia Transportation and Hampton Roads Authorities. In both Northern Virginia and Hampton Roads, the nominating committee recommends the chair and vice chair, and the new chair appoints committee chairs. There was no formal rotation system in place for involving members. In both authorities the chair and vice Chair are appointed to one-year terms, but the Hampton Roads authority has a limited officers to serving no more than two consecutive terms (2 years).

Following discussion, the Committee voted to recommend the following members to hold office in FY 23, subject to their acceptance by the candidates:
- Kevin Carroll (current Vice Chair) for Chair
- Levar Stoney (current Chair of the Finance Committee) for Vice Chair
- Carlos Brown and Canova Peterson (current Finance Committee members) with Patricia Page as a replacement should either Mr. Brown or Mr. Peterson chose not to serve next year.

The Committee also voted to recommend that the new Chair consider establishing a committee to consider a rotation system for involving all CVTA members who are not automatically reappointed to encourage participation in the Authority’s offices.

Committee Recommendation:
Mr. Hodges, Committee Chair, contacted each of the recommended candidates and all agreed to serve, except for Mr. Brown. Mr. Brown indicated he was nearing the end of his term on the CTB and did not want to stand in the way of another CTVA member serving on the Finance Committee.
Therefore, the CVTA Nominating Committee's recommendation to the CTVA for officers in FY 23 are as follows:

- **Mr. Kevin Carroll**, Chesterfield County, for Chair
- **Mayor Levar Stoney**, City of Richmond, for Vice Chair
- **Mr. Canova Peterson**, Hanover County, for Finance Committee Member
- **Ms. Patricia Page**, New Kent County, for Finance Committee Member

The Nominating Committee also recommended that the new FY 23 Chair consider establishing a committee to consider a rotation system for involving all CVTA members who are not automatically reappointed.
CVTA FINANCE AGENDA 7-13-22
FUTURE MEETING TOPICS*

- Financial Policy Review & Amendments
- Regional Projects Fund Allocation

*Draft: This is not a comprehensive list of considerations and is subject to change.