

# AGENDA

## CVTA FINANCE COMMITTEE

**Wednesday, February 10, 2021**

**8:30 a.m.**

**Zoom Meeting**

Members of the public may observe the meeting via YouTube Live Streaming on the [PlanRVA YouTube Channel](#). Opportunities for sharing comments are described in the [Public Participation](#) guide.

**Members**

- Town of Ashland
- Charles City County
- Chesterfield County
- Goochland County
- Hanover County
- Henrico County
- New Kent County
- Powhatan County
- City of Richmond
- VA House of Delegates
- Senate of VA
- Commonwealth Transportation Board

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- VDRPT
- VDOT
- GRTC
- RMTA

### WELCOME AND INTRODUCTIONS

(Stoney) .....

### STATEMENT REGARDING VIRTUAL MEETINGS

(Parsons) ..... page 1

### ROLL CALL & CERTIFICATION OF A QUORUM

(Stoney) .....

### ADMINISTRATION

#### 1. Consideration of Amendments to the Action Meeting Agenda

(Stoney).....

#### 2. Approval of January 6, 2021 CVTA Finance Committee Action Meeting Minutes

(Stoney)..... page 2

#### **Action Requested**

#### 3. Open Public Comment Period

(Stoney/5 minutes).....

#### 4. CVTA Finance Committee Chairman’s Report

(Stoney/10 minutes).....

#### 5. CVTA Activities Report

(Heeter/Parsons/10 minutes)..... page 4

##### a. Staff Activities

- i. Insurance Coverage, Audit RFP
- ii. First Transfer of Funds - Local Distributions
- iii. HB 1926

- b. CVTA TAC Update  
(Eure/5 minutes).....
- c. CVTA Financial Status Report  
(Heeter/15 minutes).....

**OLD BUSINESS**

- 6. Financial Policies and Procedures Revisions**  
(Heeter/10 minutes)..... page 5  
**Requested Action:** Motion to revise the Financial Policies and Procedures for the CVTA and forward to the Authority with recommendation to approve.
- 7. Draft Memorandum of Understanding (MOU) Regarding Fiscal Services**  
(Parsons/10 minutes)..... page 15  
**Requested Action:** Motion to recommend approval of the MOU between the Authority and the City of Richmond to provide specific services to the Authority.
- 8. Roles and Responsibilities Among CVTA Supporting Partners and Financial Administration**  
(Heeter/10 minutes)..... page 18  
**Information Item:** No Action Requested

**NEW BUSINESS**

- 9. Invoice for Quarters 1 and 2**  
(Heeter/10 minutes)..... page 23
  - a. PlanRVA Support Services
  - b. VRSA Insurance Premiums**Requested Action:** Motion to recommend approval of payment.
- 10. Spending Plans & MOUs**  
(Parsons/20 minutes).....
  - a. FY21 Abbreviated Plan
  - b. FY21 Spending Audit (VA Code)
  - c. FY22 Spending Plan Approach with Deadlines
- 11. CVTA Administrative and Operating Budget – FY 2022 Draft**  
(Heeter/20 minutes)..... page 25
  - a. Schedule
  - b. Future Staffing Needs

**OTHER BUSINESS**

- 12. Future Meeting Topics**  
(Stoney/5 minutes).....

- 13. CVTA Finance Committee Member Comments**  
(Stoney/5 minutes).....
- 14. Next Meeting: March 10, 2021**  
(Stoney).....
- 15. Adjournment**  
(Stoney).....

MH/nm

## Opening Statement for Electronic Meetings

Due to the 2020 COVID-19 virus and current guidance regarding physical distancing to reduce the potential for spread, meetings of the Central Virginia Transportation Authority are accessible in a virtual format in accordance with provisions of Virginia Code § 2.2-3708.2 and related legislation approved by the General Assembly of Virginia during the period of the Governor's State of Emergency Declaration for COVID-19.

While we meet in a remote format, we remain committed to public accessibility and opportunity to participate. Staff provided notice of this meeting to members and the public on February 3, 2021 through electronic posting on the PlanRVA website and email distribution of notice to members, alternates, and known interested parties, including the media.

This meeting will be recorded. Audio and visual recordings of the meeting and materials will be posted on the PlanRVA website within 48 hours of this meeting.

Any member of the public participating as an observer during the meeting today may submit comments or questions at any time prior to or during the meeting via email at [CVTA@PlanRVA.org](mailto:CVTA@PlanRVA.org). All comments and questions submitted at this time will be reviewed following the meeting and to the extent practical, responses will be provided or posted on the PlanRVA website.

We ask that members identify themselves first when speaking so we can more accurately record the activities of the meeting. All lines should be muted to minimize additional noise and feedback. You may unmute your line at any time to request acknowledgement from the Chair.

Please let us know if you have any questions regarding the process for assuring effective facilitation of this meeting or for how members of the public may participate.

By providing this statement, staff certifies that we have followed the approved procedures for appropriate notice of this meeting and the means by which we are convening.

Please indicate your presence by saying "HERE" when your name is called during a roll call. Anyone who wishes to identify themselves following the roll call of members will be invited to do so.

**CENTRAL VIRGINIA TRANSPORTATION AUTHORITY  
FINANCE COMMITTEE**

**MINUTES OF ACTION MEETING  
Zoom Virtual Meeting  
January 6, 2021**

**Members Present:**

<b>Jurisdiction/Agency</b>	<b>Member</b>	Present	Absent
<b>Chesterfield County</b>	Kevin P. Carroll, (CVTA Vice Chair)	x	
<b>Hanover County</b>	W. Canova Peterson Vice Chair	x	
<b>Henrico County</b>	Frank J. Thornton (CVTA Chair)	x	
<b>City of Richmond</b>	Mayor Levar M. Stoney, Chair	x	
<b>Commonwealth Transportation Board</b>	Carlos M. Brown	x	

The Central Virginia Transportation Authority (CVTA) Finance Committee meeting was by electronic communication means as set forth by the April 22, 2020 actions of the General Assembly in response to the continued spread of novel coronavirus, or COVID-19. The technology used for this meeting was a web-hosted service created by Zoom and YouTube Live Streaming and was open and accessible for participation by members of the public. A recording of this meeting is available on the [Plan RVA YouTube Channel](#).

**CALL TO ORDER**

The Central Virginia Transportation Authority (CVTA) Finance Committee Chair Mayor Levar M. Stoney presided and called the January 6, 2021 CVTA Finance Committee action meeting to order at 8:34 a.m.

**ATTENDANCE ROLL CALL & CERTIFICATION OF MEETING QUORUM**

Nicole Mueller, Program Coordinator for the RRTPO at PlanRVA, took attendance by roll call and certified that a quorum was present.

**1. Consideration of Amendments to the Action Meeting Agenda**

There were no requested changes to the meeting agenda. Seeing and hearing no objections the January 6, 2021 agenda was approved by acclamation as presented.

**2. Approval of December 9, 2020 CVTA Finance Committee Action Meeting Minutes**

On motion of W. Canova Peterson, seconded by Frank J. Thornton, the CVTA Finance Committee unanimously approved the minutes of the December 9, 2020 meeting by acclamation as presented.

## **6. Transit Governance Report – Appropriation of Funds**

On motion of Frank J. Thornton, seconded by Carlos M. Brown, the Central Virginia Transportation Authority (CVTA) Finance Committee unanimously approved the following resolution as presented:

**RESOLVED**, that the Central Virginia Transportation Authority (CVTA) Finance Committee recommends the Authority approve transfer of \$80,000 (subject to task order response from DRPT bench consultant) from the “Reserved for Contingency” line item of the approved FY2021 Administrative and Operating Budget to a new line item entitled “Contracted Services-Other” within the Professional Services Category for purposes of completing the Transit Governance Report as required by Virginia Code Section 58.1-2299.20(c)3.

**FURTHER RESOLVED**, that the Committee recommends the Authority approve appropriation of these funds for the specific work described in the Task Order for contracted services to complete the Transit Governance Report and authorization to execute the Task Order as necessary.

## **12. Next CVTA Finance Committee Meeting: February 10, 2021**

The next action meeting will be held on February 10, 2021, beginning at 8:30 a.m. in Richmond, Virginia.

## **13. Adjournment**

Chairman Stoney adjourned the meeting at 9:20 a.m. on January 6, 2021.

CAP/nm

21102105D

HOUSE BILL NO. 1926

Offered January 13, 2021

Prefiled January 10, 2021

A BILL to amend and reenact § 33.2-3703 of the Code of Virginia, relating to Central Virginia Transportation Authority; membership.

Patron—McQuinn

Committee Referral Pending

Be it enacted by the General Assembly of Virginia:

1. That § 33.2-3703 of the Code of Virginia is amended and reenacted as follows:

§ 33.2-3703. Composition of Authority.

The Authority shall consist of ~~16~~ 17 members as follows:

1. The chief elected officer, or his designee, of the governing body of each of the counties embraced by the Authority;

2. The chief elected officer, or his designee, of the City of Richmond and the Town of Ashland;

3. One member of the House of Delegates who resides in a county or city embraced by the Authority, appointed by the Speaker of the House, and one member of the Senate who resides in a county or city embraced by the Authority, appointed by the Senate Committee on Rules;

4. A member of the Commonwealth Transportation Board who resides in a locality embraced by the Authority and is appointed by the Governor; and

5. The following ~~four~~ five persons serving ex officio as nonvoting members of the Authority: the Director of the Department of Rail and Public Transportation, or his designee; the Commissioner of Highways, or his designee; the Executive Director of the Virginia Port Authority, or his designee; the Chief Executive Officer of the Greater Richmond Transit Company (GRTC); and the Chief Executive Officer of the Richmond Metropolitan Transportation Authority.

All members of the Authority shall serve terms coincident with their terms of office. Vacancies shall be filled in the same manner as the original appointment. If a member of the Authority who represents a locality as provided in subdivision 1 or 2 is unable to attend a meeting of the Authority, he may designate another current elected official of such governing body to attend such meeting of the Authority. Such designation shall be for the purposes of one meeting and shall be submitted in writing or electronically to the Chairman of the Authority at least 48 hours prior to the affected meeting.

The Authority shall elect a chairman and vice-chairman from among its voting membership.

The Auditor of Public Accounts, or his legally authorized representatives, shall annually audit the financial accounts of the Authority, and the cost of such audit shall be borne by the Authority.

INTRODUCED

HB1926

1/11/21 10:31

## **CENTRAL VIRGINIA TRANSPORTATION AUTHORITY**

### **Financial Policies and Procedures**

December 9, 2020

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This policy document establishes policies and procedures for the financial management of the Central Virginia Transportation Authority (Authority). The objectives of these policies include:

- Achieve strong internal controls and adequate design over financial accounts and processes
- Proper review and approval of financial transactions
- Operational efficiency, standardization and compliance with accounting and reporting best practices

#### **Roles and Responsibilities**

- I. Authority.** The Authority is responsible for administering the Central Virginia Transportation Fund, established by § 33.2-3701 of the *Code of Virginia* ("Fund"), providing broad financial guidance and oversight of the Funds, to include approval of Fund distributions, budget parameters, annual program plans, and the annual budget.
- II. Finance Committee.** The Finance Committee shall be responsible for advising the Authority on all financial matters and overseeing financial activities undertaken by professional staff, including:
  - A.** Reviewing, commenting on, and recommending the annual revenue projections, budget, and any budget amendments.
  - B.** Overseeing the Authority's financial policies (e.g. bond, investment, procurement) and making appropriate recommendations.
  - C.** Monitoring contracts for services.
  - D.** Monitoring expenditures for compliance with policies and guidance of the Authority.
  - E.** Approving the audit work plan supporting the annual preparation of financial statements, including meeting with the auditor before the audit begins and when it has concluded.
  - F.** Reviews ~~and approves~~ all financial reports.
  - G.** Reviews ~~and approves all issued checks and/or check signing procedures~~ adherence with internal controls
  - H.** Reviews and approves all non-budgeted expenditures.
  - I.** Assisting with other financial activities as may be directed by the Authority.
- III. Chief Financial Staff** *(as identified by the Authority)*
  - A.** Manage the Authority's finances on a day-to-day basis.
  - B.** Execute the Authority-approved budget(s).
  - C.** Develop financial mechanisms/procedures to ensure financial



accountability and transparency.

**D.** Ensure that there are written procedures (financial operation policies) for the fiscal operation of the Authority.

**E.** Provide monthly/quarterly/annual management reports and - financial management reports.

**E.F.** Develops and prepares annual budget.

**IV. Fiscal Agent(s)**

**A.** Assist CVTA Chief Financial Staff ~~with all responsibilities~~, as needed.

**B.** Provide agreed upon supports described in the Fiscal Agent Agreement (s), which is incorporated by reference and attached hereto.

**Financial Management and Operations**

**I. Purpose.** This policy establishes general guidance for the financial management of the CVTA. The objectives of these policies include:

- A.** Establishing a framework for strong internal controls and processes.
- B.** Ensuring proper management, review, and approval of financial transactions.
- C.** Achieving operational efficiencies through standardization of practices.

**II. General Guidelines.** Financial planning and budgeting shall comply with the following guidelines:

- A.** Consistency with Authority policies, strategic plan, project plans, and expressed priorities.
- B.** Clarity with respect to any assumptions used in budget development.
- C.** Manage cash flow of tax revenues appropriated by the Commonwealth of Virginia.
- D.** Allocating funds consistent with the Code of Virginia and CVTA bylaws.
- E.** The CVTA administrative and operating budget funds are to be allocated from the Fund prior to allocations to Fund recipients, per § 33.2-3701(D) of the *Code of Virginia*.
- F.** Planning and budgeting process that provides for Authority approval of an annual budget by May 15<sup>th</sup>.
- G.** The financial condition of the Authority shall be reviewed by the Finance Committee on a quarterly basis and the Authority annually, or as necessary.
- H.** Annually the Finance Committee and the Authority will review the annual audited Financial Statements.
- I.** Expenditures shall be consistent with the approved budget. The Chief Financial Staff may make minor operating budget adjustments (\$10,000 or less) between program areas at his/her discretion; however, major

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adjustments (>\$10,000) shall have the advance approval by the Finance Committee.

### III. Banking and Accounts

~~1.A.~~ The designated representative of the CVTA Fiscal Agent for banking services, upon authorization from the Authority, and with the assistance of the CVTA Administrator, opens and closes all bank and other financial accounts.

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~~B.~~ The CVTA Chair, and Vice Chair and the Finance Committee Chair and Vice Chair shall have signature authority on all Finance Committee will review expenditures from all accounts. Transfers among funds and local distributions according according to the Virginia Code may be made administratively according to the procedures for disbursements within that fiscal agent's policies. A designated staff representative(s) of the CVTA Fiscal Agent for cash management may also be authorized to sign checks and make disbursements within from the administrative and operating bank account based on properly approved documentation authorizing the disbursement up to \$5,000 for expenditures that are explicitly included in the annual administrative and operating expense budget. Checks/disbursements over \$5,000 must be countersigned by the Chair or Vice Chair of the Authority or the Finance Committee.

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~~2.C.~~ In all cases, expenditures must be consistent with the approved budget or a separate approval by the Authority. Additional procedures must be followed when making disbursements of regional project funds or GRTC funds, as further described herein.

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~~3.D.~~ No petty cash or other 'Cash on Hand' will be permitted.

### IV. Financial Advisory Services

The designated representative of the CVTA Fiscal Agent, in conjunction with the financial advisory firm as provided via the fiscal agent agreement for advisory services, will make necessary recommendations to the finance committee on a range of topics including but not limited to: investments, reserve levels, and the consideration of any future debt issuances.

### V. Investments

~~1.A.~~ **General.** This statement of investment policy establishes policies for the safeguarding and efficient management of Authority funds and for the purchase, sale, and custody of investment instruments. The goal is to minimize risk and to ensure the availability of cash to meet Authority expenditures, while generating revenue from the use of funds, which might otherwise remain idle.

**2)B. Objectives.**

1. The primary objectives of the Authority's investment activities, in priority order, are safety, liquidity, and yield.
2. The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles. This objective shall take into account constraints as to acceptable risk, the characteristics of the Authority's cash flows, and the funding expectations of approved projects.
3. The Authority shall utilize a third-party investment service as provided by the fiscal agent for financial advisory services to accomplish objectives a and b, in conjunction with the Investment Agent, as provided for through the Fiscal Agent Agreement.
4. The Investment Agent, as provided for through the Fiscal Agent Agreement, shall, annually provide an investment strategy and plan to the Finance Committee.

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**VI. Annual Audit**

The designated representative of the CVTA Fiscal Agent will, in conjunction with a certified 'Vendor', provide advice and consultation, review of financial records and work with the Auditor of Public Accounts (APA) or their selected vendor who performs perform the annual audit for the Authority.

**A. Audit Requirements.** The *Code of Virginia* § 30-140, requires that all authorities, boards and commissions having financial transactions in excess of \$25,000 shall file an audit report within 90 days after the close of the fiscal year with the Auditor of Public Accounts.

- A.**
1. The Code of Virginia § 33.2-3703 requires the Auditor of Public Accounts, or his legally authorized representatives, shall annually audit the financial accounts of the Authority, and the cost of such audit shall be borne by the Authority. An audit by an independent-certified public accountant shall be conducted at least annually. Such audits will, at a minimum, obtain an opinion as to the accuracy of the annual financial statements. Additional audit activity may be obtained by the Finance Committee as it deems prudent. Access to audit services will be provided by the Auditor of Public Accounts fiscal agent.
    1. The audit must be conducted in accordance with generally accepted auditing standards and Government Auditing Standards.
    2. The Auditor of Public Accounts requires the CVTA's financial statements be prepared in accordance with the provisions of the Governmental Accounting Standards Board (GASB).

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**B. Public Notice.** The Code of Virginia § 30-140, requires the CVTA to publish a summary statement of financial condition in a newspaper of general circulation based on its locality. The minimum statement should include total assets, liabilities, and fund balances; total revenues, expenditures, and other sources or uses; and, the resulting net change in fund balances.

**3.**

**1. Auditing Standards.** The audit must be conducted in accordance with generally accepted auditing standards and Government Auditing Standards.

**1. Financial Reporting Requirements.** The Auditor of Public Accounts requires the CVTA's financial statements be prepared in accordance with the provisions of the Governmental Accounting Standards Board (GASB):

**2. Audit Vendor.** The Code of Virginia § 33.2-3703 requires the Auditor of Public Accounts, or his legally authorized representatives, shall annually audit the financial accounts of the Authority, and the cost of such audit shall be borne by the Authority. The locality serving as the fiscal agent for audit services for the Authority shall be responsible for procuring audit services, as needed. The Authority is responsible for all costs related to the annual audit of CVTA financial records.

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## **General Operating and Administrative Funds**

### **I. General.**

**A.** Administrative and Operating Funds shall be used to support the general operations of the Authority.

### **II. Responsibilities.**

#### **A. CVTA Administrator.**

**1.** The Chief Financial Staff will be responsible for preparing and presenting the annual budget for the General Administrative and Operating account for review and recommendation for approval to the Authority by the Finance Committee.

**2.** Funding for the Administrative and Operating account shall come from the total of funds received in the first transfer for the fiscal year. Distributions described below pursuant to Virginia Code will be made following set aside for the administrative and operating budget.

**a)** All subsequent distributions for the fiscal year described below pursuant to the Virginia Code will be made from the total revenues transferred by the Commonwealth.

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3. The CVTA Administrator will provide the Finance Committee with reports on expenditures incurred.

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**B. CVTA Fiscal Agents, in coordination with the CVTA Administrator.**

1. The Lead staff of the Fiscal Agent for cash management services has primary responsibility to ensure Administrative and Operating Funds are properly safeguarded and managed.
2. The Lead staff of the Fiscal Agent for the audit services as review responsibility to ensure Administrative and Operating Funds are properly safeguarded and managed.
3. The CVTA Administrator has primary responsibility for reviewing requests for payments and submitting for approval when deemed appropriate. The Administrator is also responsible for maintaining records of all expenditures of the Fund.
4. The Lead staff of the Fiscal Agent for cash management services will manage the Authority's cash position to ensure availability of funds to meet payment requests.
5. The CVTA Administrator will provide the Finance Committee with reports on expenditures.
6. The Lead staff of the Fiscal Agent for audit services will review all reports prior to submission to the Finance Committee and Authority.

**Local Distribution (50% Funds)**

**I. General.**

- A. The Authority, through the fiscal agent for banking services, will segregate funds received from the Commonwealth of Virginia after setting aside funds necessary to support the annual administrative and operating budget between 50% Local Distribution Funds, 15% GRTC Funds, and 35% Regional Revenue Funds as soon as practicable.
- B. The Authority, through the fiscal agent for banking services, will segregate and distribute Local Funds to jurisdictions based on the proportionate share of each jurisdiction's sales and gas tax each month.
- C. Localities will be required to certify and accept the transfer amounts before funds are disbursed and confirm receipt.
- D. Each jurisdiction shall deposit its Local Funds received from the CVTA into a separate, special fund.

- E. Local Funds must be spent in compliance with the Central Virginia Transportation Authority Act and the CVTA bylaws.
- F. Each jurisdiction is required to provide the Finance Committee a quarterly report on expenditures and must provide CVTA an **annual report on expenditures by August 1** each year in the format required by the CVTA. If the annual report is not received by August 1, transfers of the current fiscal year will cease until the certification is submitted in good form.

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Regional Revenue (35% Funds)

**I. General.**

**A.** I. Regional Funds shall be used to:

- a) Fund or maintain a Working Capital Reserve in an amount determined by CVTA Finance Committee.
- b) Fund cost of issuance and other debt-related fees and services, and debt service payments undertaken by the CVTA.
- c) To fund “pay-as-you-go” (Pay-Go) projects or studies approved by CVTA.

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Each project financed by Regional Funds must meet the planning and scoring criteria established by CVTA and must be approved as a regional project through appropriate prioritizing procedures as recommended by the Technical Advisory Committee and approved by the Authority. The planning criteria must be based on an objective and quantifiable analysis that considers the benefits of projects relative to their cost.

**B.A.** The Standard Project Agreement (SPA) incorporated within the Memorandum of Agreement Between the VDOT and the CVTA establishes the roles and responsibilities of each party for projects funded by Regional Revenue Funds.

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**II. Responsibilities.**

**a. CVTA Administrator.**

- i. Written requests for supplemental project funding shall be submitted to the CVTA Administrator for review. The CVTA Administrator will present a recommendation to the Finance Committee for consideration. The Finance Committee may make a recommendation on any such request to the Authority for final determination.
- ii. The CVTA Administrator will advise the recipient in writing of questionable uses of any funding which comes to the Authority’s attention. The CVTA Administrator will provide a

report of the incident and make recommendations for resolution to the Finance Committee. The Finance Committee will forward the issue and possible resolution to the Authority. Additional funding may be withheld until final resolution of the matter.

- iii. The CVTA Administrator will provide the Finance Committee with quarterly reports on the status of funding for regional projects and will report the same to the Authority at least annually or as otherwise needed.

**b. CVTA Fiscal Agents, in coordination with the CVTA Administrator.**

i. Fiscal Agent for cash management:

- 1. ~~The Lead staff of the Fiscal Agent for audit cash management services~~ has primary responsibility to ensure Regional Revenue Funds are properly safeguarded and managed.
- 2. ~~will manage the Authority's cash position to ensure availability of funds to meet programmed reimbursement requests.~~
- 3.

ii. Fiscal Agent for audit services

- 1. ~~has review responsibility to ensure Regional Revenue Funds are properly safeguarded and managed.~~
- 2. ~~will review all reports prior to submission to the Finance Committee and Authority~~

iii. The CVTA Administrator

- 1. ~~The Lead staff of the Fiscal Agent for audit services~~CVTA Administrator will manage the requisition process ~~in coordination with the CVTA Administrator~~, as outlined in the Standard Project Agreement, for cash flow purposes to facilitate reimbursement to the recipient within 45 days of receiving a completed and approved requisition request.
- ii. ~~The Lead staff of the Fiscal Agent for audit cash management services will manage the Authority's cash position to ensure availability of funds to meet programmed reimbursement requests.~~
  - 2. ~~The Lead staff of the Fiscal Agent for audit services will coordinate with the~~The CVTA Administrator ~~to will~~ provide the Finance Committee with at least quarterly reports on the status of funding ~~for regional projects~~ and will report the same to the Authority at least annually or as otherwise needed.
- iii. ~~The Lead staff of the Fiscal Agent for audit services will review all reports prior to submission to the Finance Committee and Authority.~~

**c. Recipients.**

- i. Each recipient is responsible to ensure work is performed in accordance with all applicable federal, state, and local laws and regulations, and the SPA.
- ii. A recipient must acknowledge that the Authority will not be responsible for operating or maintaining the project upon completion.
- iii. A recipient must comply with will federal and state requirements for other funding sources which may be used to fund the project and certify that it has adhered to all applicable laws and regulations, as well as the requirements of the agreement.

**d. Other**

- i. All payments made from regional funds must be first approved or otherwise certified by the chair and vice-chair of the Finance Committee, or their designees, as well as the host locality for the project or VDOT, whomever is serving as project manager.

**GRTC Revenue (15% Funds)**

- A. The Authority will segregate and distribute GRTC funding according to the methodology described in the state code.
- B. No locality embraced by the Authority shall reduce its local funding for public transit by more than 50 percent of what it appropriated for public transit as of July 1, 2019. Starting in fiscal year 2023, the amount required to be provided by a locality pursuant to the Central Virginia Transportation Authority Act shall be adjusted annually based on the greater of (i) the change in the United States Average Consumer Price Index for all items, all urban consumers (CPI-U), as published by the Bureau of Labor Statistics for the U.S. Department of Labor for the previous year, or (ii) zero.
- C. . GRTC will be required to certify and accept the transfer amounts before funds are disbursed and confirm receipt.
- D. GRTC shall deposit the GRTC Revenue (15% Funds) into a separate, special fund.
- E. GRTC Revenue (15% Funds) must be applied to operating or capital needs as defined in GRTC's Regional Public Transportation Plan which is developed in conformance with the guidelines required by State Code §33.2-286 and as approved by the Authority per the Central Virginia Transportation Authority Act.
- ~~E.~~ GRTC is required to provide the Finance Committee a quarterly report on expenditures by November 15, February 15,

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May 15, and August 15 and must provide CVTA an annual report on expenditures by ~~August-December~~ 1 each year sufficient documentation, as required by the Authority, showing that the revenues distributed to GRTC were applied in accordance with the Regional Public Transportation Plan in the format required by the CVTA. If the annual report is not received by ~~August-December 1, and no extension is granted by the Authority,~~ transfers of the current fiscal year will cease until the certification is submitted in good form.

- ~~D. All payments made to GRTC must be first approved or otherwise certified by the localities of the chair and vice-chair of the Finance Committee.~~

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**AGREEMENT TO PROVIDE FISCAL SERVICES****MEMORANDUM OF UNDERSTANDING REGARDING FISCAL SERVICES**

This ~~Agreement-Memorandum of Understanding~~ (“~~Agreement~~MOU”) is entered into between the CENTRAL VIRGINIA TRANSPORTATION AUTHORITY (hereinafter referred to as “the Authority”) and the CITY OF RICHMOND, VIRGINIA’S DEPARTMENT OF FINANCE (hereinafter referred to as “the City”) this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Whereas, the Authority has been established pursuant to Va. Code § 33.2-3700, et seq.; and

Whereas, the Authority desires to ~~appoint~~ authorize the City ~~as a fiscal agent~~ to perform certain duties as set forth in this ~~Agreement~~MOU; and

Whereas, the Authority is authorized to do so pursuant to Va. Code § 33.2-3708(A)(5) ~~and (10)~~;

Now therefore, ~~it is agreed by the parties as follows:~~

1. Fiscal Agent Services: The City ~~agrees to may~~ serve as Fiscal Agent for the Authority starting \_\_\_\_\_, 20\_\_\_\_, and specifically agrees to may provide the following services ~~in that capacity:~~
  - a. Review and maintain accounting records, preliminary findings, notes of analysis, bank reconciliations, and monthly/quarterly financial statements of the Authority’s assets, liabilities, equity, revenue, expenses, estimated revenues, budgeted expenses and commitments. The City ~~will may~~ monitor, and assist the Authority in ensuring, the Authority’s compliance with generally accepted accounting principles and all applicable state and federal guidelines.
  - b. Serve as a contact to the Office of the Auditor of Public Accounts for the Authority’s annual financial audit process. ~~This section includes the City providing~~The City may provide information to the auditor retained by the Office

**Commented [GAA-CA1]:** Eric: I added a reference here to A(5) rather than A(10), because this is now less of a “contract” and more of a mutual acknowledgement that the City will be providing services.

**Commented [GAA-CA2]:** One suggested addition: Can the CVTA specify the information to be provided to the City that will enable it to perform these functions?  
  
The provision might just be: CVTA intends to provide the City with...

of the Auditor of Public Accounts, preparing and meeting with the auditor to review the preliminary audit report, and publishing audited financial statements for the Authority. The Authority shall pay all costs associated the publishing of the Authority’s audited financial statements.

2. This ~~Agreement~~MOU ~~is shall remain~~ in force and effect until the Authority or the City gives written notice to the other of its desire to terminate the ~~Agreement~~MOU. ~~SEach party intends to give~~ such notice ~~shall be given~~ at least 60 days prior to the date of termination, unless otherwise agreed.

~~3. This Agreement is made in, and shall be construed in accordance with and governed by the laws of the Commonwealth of Virginia and any dispute between the parties shall be resolved in the Richmond Circuit Court and in no other forum.~~

~~4.3.~~ The City shall not be required to appropriate any City funds for the purpose of performing this ~~Agreement~~MOU. The Authority and the City understand that, pursuant to Va. Code § 33.2-3703, the Auditor of Public Accounts will perform, or cause to be performed through its legally authorized representatives, all auditing services for the Authority, including but not limited an annual audit of the Authority’s financial accounts, and the costs of such auditing services shall be borne by the Authority.

Wherefore, the parties, by signing ~~below, hereby indicate their mutual understanding as reflected in of the above provisions, this Agreement below, evidence their intent to be bound thereby.~~

CENTRAL VIRGINIA TRANSPORTATION AUTHORITY

By: \_\_\_\_\_

CITY OF RICHMOND, VIRGINIA

By: \_\_\_\_\_

**Commented [GAA-CA3]:** Our thought is that, given the nonbinding nature of the MOU, this provision is no longer necessary. There shouldn't be a need to "construe" it in accordance with law, nor should it give rise to any dispute.

DRAFT

## **Roles and Responsibilities Among CVTA Supporting Partners – Financial Administration**

### **PERFORM**

Chesterfield County maintains banking accounts for CVTA pursuant to the Fiscal Agent Agreement executed on January 11, 2021.

- PlanRVA and City of Richmond have view only access to accounts for purposes of bank reconciliation and cash on hand status reports.

### **RECORD**

PlanRVA maintains all receivables and payables in QuickBooks; CVTA set up as a separate company.

- Chesterfield County and City of Richmond have view only permissions to QuickBooks and may request a report from PlanRVA at any time

### **REPORT**

PlanRVA prepares monthly/quarterly bank reconciliation and financial statements (Balance Sheet, Profit and Loss Statement, Statement of Cash Flows, Cash Disbursement Report) for periodic review.

### **ANALYSIS**

PlanRVA submits monthly/quarterly statements to the City of Richmond to review with any preliminary findings or notes of analysis.

### **REVIEW**

City of Richmond reviews bank reconciliations, monthly/quarterly financial statements provided by PlanRVA and provides any findings to the Finance Committee.

For purposes of assuring consistency with the Financial Policies and Procedures document approved by the CVTA Finance Committee:

- PlanRVA provides staffing to fulfill the roles/responsibilities of Chief Financial Staff as described in Roles and Responsibilities: III.
- Chesterfield County provides account management through the Fiscal Agent Agreement dated 1/11/21 as authorized in the Roles and Responsibilities: IV
- City of Richmond provides review through the Fiscal Agent Agreement dated x/xx/21 as authorized in the Roles and Responsibilities; IV

Steps for Annual Budget Development (CVTA Administrative and Operating Account):

1. PlanRVA develops draft budget.  
provided to the Finance Committee for consideration in February of each year.
2. The Finance Committee recommends a completed Fiscal Year budget for Authority consideration in March.
3. The Authority schedules a public hearing and advertises the proposed FY Administrative and Operating Budget to occur at a regularly scheduled meeting prior to May 15<sup>th</sup> (April).
4. The Authority holds a public hearing and takes action regarding the FY Administrative and Operating budget by May 15<sup>th</sup> pursuant.
5. Occurrences requiring amendments to the budget may be made administratively following concurrence among staff from PlanRVA (Chief Financial Staff), provided the total budget is not changed and adjustments between line items is equal to or less than \$10,000.
6. Occurrences resulting in major adjustments, those in excess of \$10,000 must have approval from the Finance Committee.

Steps for Invoice Payments (CVTA Administrative and Operating Account):

1. Invoices submitted by email to [CVTA@PlanRVA.org](mailto:CVTA@PlanRVA.org) or by post to CVTA c/o PlanRVA 9211 Forest Hill Avenue, Suite 200 Richmond VA 23235.
  - a. Invoices internally routed.
  - b. Staff reviews invoices for consistency with general guidelines set forward in the Financial Policies and Procedures (Financial Management and Operations: II)
  - c. Staff prepares entries in QuickBooks for payables
2. PlanRVA submits batched invoices to City of Richmond for approval via encrypted email with cc: to Chesterfield County. Batch should include a coversheet documenting vendor and dollar amount to be paid. All invoices should be included along with a QuickBooks budgetary statement (date and time stamped) that includes enough detail documenting requested payments are within the Authority's approved budget.
3. City of Richmond reviews batch for reasonableness, accuracy and within the Authority's approved budget. City of Richmond notifies Chesterfield County via encrypted email that the batch has been approved and authorizes payments.
4. Once the City of Richmond's approval is received, Chesterfield County prepares payment disbursements within payment system and initiates payment to vendors. Chesterfield County notifies PlanRVA via encrypted email that disbursements have been made so that payables can be reversed in QuickBooks.

#### Steps for Processing Local Distributions:

1. Monthly Revenue Transfer statement submitted to PlanRVA:  
[CVTA@PlanRVA.org](mailto:CVTA@PlanRVA.org)
  - a. Reported transfer amount validated by Chesterfield County as matching deposit
2. PlanRVA prepares coversheet summarizing Monthly Revenue Transfer statement, providing it and original Monthly Revenue Transfer statement to Finance Directors' Working Group within 3 business days, including:
  - a. Calculated total revenues for sales and fuels tax receipts.
  - b. Bar chart summarizing monthly receipts for trend analysis.
  - c. Calculated distributions to jurisdictions (includes distribution between Town of Ashland and Hanover County according to agreed method)
    - i. 1<sup>st</sup> Transfer of each fiscal year is reduced by total amount budgeted for FY Administrative and Operating Expenses.
3. Finance Directors Working group coordinate local review and validation of revenues and calculations; respond back with confirmation to accept deposits as submitted within 3 business days.
4. Chesterfield County initiates transfers within 2 business days.

#### Steps for Regular Reporting to the City of Richmond and Finance Committee:

1. PlanRVA will prepare a monthly financial reporting package for review by the City of Richmond. It will include:
  - a. Bank account(s) reconciliation performed by Chesterfield County
  - b. Summary of invoices paid during the period with documentation of consistency with budget and approval
  - c. Summary of distributions to local governments for 50% portion of revenues including documentation of local validation of distribution amounts
  - d. Summary of distributions to GRTC
  - e. Approved Meeting minutes Budget amendments and trail of approval consistent with policies
  - f. P&L, Balance sheet, Comparison of Budget to Actual YTD,
  - g. Investment Report

Timeline of Meetings: FY2021

February

Monday	Tuesday	Wednesday	Thursday	Friday	Notes
1 Finance Committee Chair Briefing	2	3- Finance Committee Mailout	4	5	
8	9	10- Finance Committee Meets	11	12 Authority Packet Deadline	
15	16 Authority Mailout	17	18	19	
22	23	24	25 Finance Packet Deadline	26 Authority Meets	

March

Monday	Tuesday	Wednesday	Thursday	Friday	Notes
1 Finance Committee Chair Briefing	2	3- Finance Committee Mailout	4	5	
8	9	10- Finance Committee Meets	11	12 Authority Packet Deadline	
15	16 Authority Mailout	17	18	19	
22	23	24	25 Finance Packet Deadline	26 Authority Meets	
29	30	31			

April

Monday	Tuesday	Wednesday	Thursday	Friday	Notes
			1	2	
5 Finance Committee Chair Briefing	6	7- Finance Committee Mailout	8	9	
12	13	14- Finance Committee Meets	15	16 Authority Packet Deadline	
19	20 Authority Mailout	21	22	23	
26	27	28	29 Finance Packet Deadline	30 Authority Meets	



May

Monday	Tuesday	Wednesday	Thursday	Friday	Notes
3 Finance Committee Chair Briefing	4	5 Finance Committee Mailout	6	7	
10	11	12 Finance Committee Meets	13	14 Authority Packet Deadline	
17	18 Authority Mailout	19	20	21	
24	25	26	27 Finance Packet Deadline	28 Authority Meets	
31 Finance Committee Chair Briefing					

June

Monday	Tuesday	Wednesday	Thursday	Friday	Notes
	1	2 Finance Committee Mailout	3	4	
7	8	9 Finance Committee Meets	10	11 Authority Packet Deadline	
14	15 Authority Mailout	16	17	18	
21	22	23	24 Finance Packet Deadline	25 Authority Meets	
28 Finance Chair Briefing	29	30			

**Central VA Transportation Authority**  
**Invoice from PlanRVA**  
**July thru September 2020**

Personnel:	\$26,722
Admin Fee:	\$2,672
Legal:	
Hefty, Wiley & Gore	\$9,000
Meetings:	\$14,017
GRCC - August 27, 2020 inaugural meeting	
IT and Data	
Meals	
Parking	\$160
Website:	\$98
Purchase of CVTA URLs	
Total Invoice	<u>\$52,669</u>

**Central VA Transportation Authority**  
**Invoice from PlanRVA**  
**Oct thru December 2020**

Personnel:	\$49,576
Admin Fee:	\$4,957
Advertising:	\$3,736
Local Advertisements for FY2021 Budget Public Hearing	
Local Advertisements for Insurance RFP	
Legal:	
Hefty, Wiley & Gore	\$9,000
Total Invoice	<u><u>\$67,269</u></u>

**CVTA Administrative and Operating Budget- Fiscal Year 2022 Draft**

<b>Category</b>	<b>FY 2021 Approved</b>	<b>FY2022 Proposed</b>	<b>Notes</b>
<b>Personnel</b>			
Administration & Staffing	\$210,000.00	\$210,000.00	recurring costs
Member Compensation	\$10,500.00	\$10,500.00	unexpended in FY2021; carry over to FY2022
<b>Professional Services</b>			
Audit	\$0.00	\$15,000.00	revised and pending RFP with APA
Bank Fees & Investment Services	\$0.00	\$0.00	to be added following Committee Discussion
General Legal Counsel*	\$36,000.00	\$36,000.00	recurring costs
Financial Advisors	\$0.00	\$0.00	to be added following Committee Discussion
Insurance	\$5,000.00	\$10,000.00	recurring costs; increased for full year of coverage
Recruitment	\$15,000.00	\$15,000.00	unexpended in FY2021; carry over to FY2022
Special Bond Counsel	\$0.00	\$0.00	no expenses projected in FY2022
Contracted Services	\$0.00	\$0.00	no expenses projected in FY2022
<b>Technology &amp; Communications</b>			
Technology Services & Support*	\$2,500.00	\$2,500.00	unexpended in FY2021; carry over to FY2022
Telecommunications*	\$0.00	\$0.00	unexpended in FY2021; carry over to FY2022
<b>Administrative</b>			
Meetings Expenses	\$20,000.00	\$20,000.00	~\$13,000 expended in FY2021; carry over to FY2022
Memberships/Subscriptions/Licenses	\$3,000.00	\$3,000.00	unexpended in FY2021; carry over to FY2022
Office Expenses & Supplies*	\$1,500.00	\$1,500.00	unexpended in FY2021; carry over to FY2022
Office Space/Leasing*	\$0.00	\$0.00	no expenses projected in FY2022
Postage*	\$500.00	\$500.00	unexpended in FY2021; carry over to FY2022
Printing, Copying & Production*	\$2,500.00	\$2,500.00	unexpended in FY2021; carry over to FY2022
Professional Development & Training	\$5,000.00	\$5,000.00	unexpended in FY2021; carry over to FY2022
Public Engagement*	\$20,000.00	\$20,000.00	\$98 expended in FY2021 ; carry over to FY2022
Travel*	\$1,500.00	\$1,500.00	unexpended in FY2021; carry over to FY2022
<b>Reserves for Contingency</b>	<u>\$167,000.00</u>	<u>\$147,000.00</u>	Reserve for other expenses to be determined
<b>Total</b>	<u><u>\$500,000.00</u></u>	<u><u>\$500,000.00</u></u>	
	\$0.00	\$0.00	

\*Expense categories currently covered within PlanRVA MOU