

MINUTES

CVTA FINANCE COMMITTEE

Wednesday, May 10, 2023, 9:00 a.m.

PlanRVA James River Boardroom
424 Hull Street, Suite 300, Richmond, VA 23224

Members Present:

Jurisdiction/Agency	Member	Present	Absent
Chesterfield County	Kevin P. Carroll	X	
Hanover County	W. Canova Peterson, Chair	X	
Henrico County	Frank J. Thornton	X	
New Kent County	Patricia A. Paige, Vice Chair	X	
City of Richmond	Levar M. Stoney	X	

The technology used for the CVTA Finance Committee 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 our [Plan RVA YouTube Channel](#).

Virtual participation of this meeting by members of the committee is authorized under the City of Richmond Res. No. 2020-R025, - declaration of a local emergency due to the potential spread of COVID-19, adopted March 16, 2020. The resolution is available [here](#).

Welcome and Introductions

The Central Virginia Transportation Authority (CVTA) Finance Committee Chair W. Canova Peterson, presided and called the CVTA Finance Committee meeting to order at 9:12 a.m.

Certification of a Quorum

Janice Firestone, Program Manager, certified that a quorum was present.

ADMINISTRATION

1. Confirmation of Member Participation from a Remote Location

Chair Peterson announced there were no members requesting to participate remotely.

2. Consideration of Amendments to the Meeting Agenda

Chair Peterson reported that the agenda will be amended to add Item 5.-b. – Finance Committee membership rotation.

3. Approval of April 12, 2023, CVTA Finance Committee Action Meeting Minutes

On motion of Levar M. Stoney, seconded by Patricia A. Paige, the CVTA Finance Committee voted to approve the minutes as presented (voice vote).

4. Open Public Comment Period

There were no public comments received and no requests to address the committee.

5. CVTA Finance Committee Chairman's Report

Chair Peterson did not have a formal report.

6. CVTA Activities Report

a. Financial Activities and Investment Reports

Chet Parsons, PlanRVA, gave an overview of the monthly investment report and the tax collection and allocation summary and offered to answer any questions.

b. TAC Activities Report

Barbara K. Smith, CVTA TAC Vice Chair, provided a report on the group's activity and summarized the following topics:

- Concerns were raised about items coming before the full Authority without first being reviewed by the TAC.
- Sportsbackers has asked for a seat on the Fall Line Working Group. There was a consensus to add Sportsbackers and other stakeholders to the group.

OTHER BUSINESS

1. Debt and Reserve Approach – review by PFM

Kristy Choi, PFM, gave this presentation. PFM has posed two policy amendments:

- Working capital reserve requirement (set aside 90 days of budgeted CVTA funds).
- Debt service coverage – 2-times coverage recommendation and using only sales tax revenues to pay debt service on any bonds that are issued.

2. Financial Policies and Procedures amendment

Mr. Parsons reviewed the recommended changes to the policies and procedures.

Committee members discussed asking the Finance Directors Work Group to review the recommended changes. The timeframe for readiness to issue bonds was discussed.

On motion of Kevin P. Carroll, seconded by Levar M. Stoney, the CVTA Finance Committee voted to recommend the full Authority approve the changes to Regional Revenue - 1-A (voice vote).

Staff was asked to contact the Finance Directors Work Group members and ask for their review and feedback prior to the matter going before the full Authority.

3. Timeline for Bond Issuance - PFM recommendations

Ms. Choi reviewed the necessary timeline for readiness to issue bonds. Six months is the best estimate. PFM recommends engaging bond counsel and undergoing an informal confidential review by Moody's. It was noted that this is a routine step for new organizations prior to bond issuance. There would be a separate agreement between Moody's and the CVTA. The cost would be approximately \$50,000.

Ms. Choi noted that drafting the necessary legal documents will be the longest part of the process. The sooner services of bond counsel are engaged, the sooner the process can be completed.

There was discussion about reissuing a request for proposals for bond counsel.

On motion of Levar M. Stoney, seconded by Frank J. Thornton, the CVTA Finance Committee voted to recommend the full Authority approve engaging in the informal confidential rating review with Moody's Investors Service at a cost of \$55,000 (roll call vote).

On motion of Levar M. Stoney, seconded by Kevin P. Carroll, the CVTA Finance Committee voted to recommend the full Authority withdraw RFP CVTA 2022-02 and reissue a new Request for Proposals for bond counsel (voice vote).

4. FY2024 Administrative and Operating Budget

Mr. Parsons viewed the proposed administrative and operating budget. The increase in public engagement includes a stand-alone CVTA website. There was a recommendation to reallocate the funds that were budgeted in FY23 for the Executive Director's salary towards the fee for Moody', bond counsel fees and other future contingency items. Committee members requested FY23 actual figures be included in the budget presentation to the full Authority.

On motion of Kevin P. Carroll, seconded by Levar M. Stoney, the CVTA Finance Committee voted to direct staff to amend the CVTA's FY2024 draft budget to reflect additional information and data concerning actual expenditures in FY2023 and carryover funds from prior and current years and, with the reallocation of funds for the Moody's rating review and other forecasted costs, to move the FY2024 Administrative and Operating Budget forward to the full Authority for consideration (voice vote).

5. Policy for Remote Participation of Members

Eric Gregory, legal counsel reviewed the requirements for remote participation of members. He reiterated that remote participation for a personal matter is limited to two times or 25% of the meetings in a calendar year.

Chair Peterson noted that the meeting he participated remotely in that was recorded as being for a personal matter was actually for a medical condition of a family member. The meeting minutes will be corrected to reflect that.

Finance Committee Membership Rotation (added to agenda)

Chair Peterson reminded the Committee that three seats on the committee are permanently for Chesterfield County, Henrico County and the City of Richmond; the other two seats on the committee are for rotation throughout the other localities.

He suggested two-year terms for those rotating localities for better continuity. Mr. Parsons noted that two-year terms will make the upcoming SPA signatory process more manageable.

It was also suggested that the Commonwealth Transportation Board representative be made an ex-officio member of the Finance Committee.

There was a consensus to make these recommendation to the Nominating Committee that is being formed.

6. Future Meeting Topics

There were no future meeting topics suggested by members.

7. CVTA Finance Committee Member Comments

Mr. Thornton commented that he has noticed how well the Authority has made its decisions. He commended members and staff for the work they have done.

Mr. Carroll commented that the Authority made a very wise decision in electing Mr. Thornton as its first Chairman. The Authority has reset the bar on what can be done regionally.

There were no other member comments.

8. Next Meeting

The next meeting is scheduled for June 14, 2023, beginning at 9:00 a.m. in the PlanRVA James River Board Room, 424 Hull St., Suite 300, Richmond, VA 23224 and via Zoom.

9. Adjournment

Chair Peterson adjourned the meeting at 10:31 a.m.