



NOTES

This meeting is open to the public. Members of the public are invited to attend in person or virtually. Please alert the CVTA at CVTA@PlanRVA.org if electronic transmission of this meeting fails for the public. Please refer to our [Statement Regarding Virtual Meeting Participation by Members of the Public](#) for more information.

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 [Plan RVA - YouTube](#).

Members of the public are invited to submit public comments either verbally or in writing. Written comments can be submitted through the Q&A/Chat function on Zoom by email to CVTA@PlanRVA.org. Written comments will be read aloud or summarized during the meeting when possible and will be included in the meeting minutes. Verbal comments will be taken during the Public Comment Period on the agenda. Please indicate by raising your hand (in-person participants, where applicable) or through the Q&A/Chat functions on Zoom (virtual participants) if you would like to comment. When acknowledged by the Chairman, please clearly state your name so that it may be recorded in the meeting minutes.

Central Virginia Transportation Authority (CVTA) Finance Committee

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PlanRVA is where the region comes together to look ahead. Established in 1969, PlanRVA promotes cooperation across the region's nine localities and supports programs and organizations like the Richmond Regional Transportation Planning Organization, Central Virginia Transportation Authority, the Emergency Management Alliance of Central Virginia, Lower Chickahominy Watershed Collective and Don't Trash Central Virginia.

AGENDA

CVTA FINANCE COMMITTEE

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

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

If you wish to participate in this meeting virtually, please register via Zoom at the following link:
https://planrva-org.zoom.us/webinar/register/WN_Zg_QtzDbSxiiGt3t6vseuQ

Welcome and Introductions

(Peterson)

Certification of a Quorum

(Firestone)

ADMINISTRATION

1. Confirmation of Member Participation from a Remote Location

(as needed/Peterson)

Action requested (if there are member requests to participate remotely): motion to confirm that the Chair's decision to approve or disapprove the member(s) request to participate from a remote location was in conformance with the CVTA Policy for Remote Participation of Members; and, the voice of the remotely participating member(s) can be heard by all persons at the primary or central meeting location (voice vote).

2. Consideration of Amendments to the Action Meeting Agenda

(Peterson)

3. **Approval of April 12, Meeting Minutes** – page 3

(Peterson)

Action requested – motion to approve the CVTA Finance Committee minutes as presented (voice vote).

4. Open Public Comment Period

(Peterson/5 minutes)

5. CVTA Finance Committee Chairman's Report

(Peterson/5 minutes)

6. CVTA Activities Report

(10 minutes)

a. Financial Activities and Investment Reports *(Parsons)* – page 7

b. TAC Activities Report *(Clarke)*

OTHER BUSINESS

1. Debt & Reserve Approach - review of PFM Recommendations – page 10

(Choi/10 minutes)

Discussion item.

2. Financial Policies and Procedures amendment – page 13

(Parsons/10 minutes)

Action requested: motion to recommend CVTA approval of changes to Regional Revenue - 1-A.

3. Timeline for Bond Issuance - PFM recommendations

(Choi/15 minutes)

Discussion item.

4. FY 2024 Administrative & Operating Budget – page 21

(Parsons/15 minutes)

Action requested: motion to recommend CVTA approval of FY 2024 Administrative and Operating Budget.

5. Policy for Remote Participation of Members

(Gregory)

Information item. Legal counsel will review the requirements for remote participation of members.

6. Future Meeting Topics – page 22

(Peterson/5 minutes)

7. CVTA Finance Committee Member Comments

(Peterson/5 minutes)

8. Next Meeting: June 14, 2023

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

(Peterson)

9. Adjournment

(Peterson)

MINUTES

CVTA FINANCE COMMITTEE

Wednesday, April 12, 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](#).

1. Welcome and Introductions

The Central Virginia Transportation Authority (CVTA) Finance Committee Chair W. Canova Peterson, presided and called the April 12, 2023, CVTA Finance Committee meeting to order at 9:12 a.m.

2. 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 needs amending to include requests for use of portions of leveraged CVTA regional funds for development of 30% plans for those projects before the full funding has been identified for the project.

On motion of Kevin P. Carroll, seconded by Frank J. Thornton, the CVTA Finance Committee voted to approve the meeting agenda as amended (voice vote).

3. Approval of March 8, 2023, CVTA Finance Committee Action Meeting Minutes

On motion of Kevin P. Carroll, seconded by Frank J. Thornton, 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.

Committee members had questions about increasing the interest earnings. Rebecca R. Longnaker, Treasurer, Chesterfield County, reported that the Code of Virginia limits the investment options.

Frank Thornton asked for information about available funds to advertise/promote the CVTA. Mr. Parsons reported on efforts to educate the public about what the CVTA is and what it does.

b. TAC Activities Report

Dironna Moore Clarke, CVTA TAC Vice Chair, provided a report on the group's activity and summarized the following topics:

- The Fall Line Trail Working Group: currently working to select a wayfinding vendor.
- TAC will be presenting the committee's recommendation for revisions to the CVTA Regional Project Selection and Allocation Framework document during this meeting.

OLD BUSINESS

7. PFM Presentation

a. Debt & Reserve Policy

b. Next Steps

Kristy Choi, PFM, gave this presentation. After review of the CVTA's financial policy, PFM is recommending:

- Use of a Debt Service Coverage Matrix
- Using only regional sales tax revenue for debt service at a level of 2.0X minimum coverage requirement.
- Setting aside ninety days of annual budgeted regional revenue funds in reserve.

Committee members discussed the recommendations made by Ms. Choi. There was consensus to follow the recommendations. The draft revised Financial Policy was reviewed.

On motion of Kevin P. Carroll, seconded by Frank J. Thornton, the CVTA Finance Committee voted to recommend the full Authority incorporate the recommendations from PFM (voice vote).

Note: this will be an informational item on the April CVTA agenda; action may be taken at the July meeting.

8. Project Selection and Allocation Framework

Ms. Clarke and Barbara Smith, Chesterfield County, reviewed the proposed revisions from TAC. Committee members discussed each of the proposed changes. Ms. Clarke and Ms. Smith explained how TAC came up with each recommendation over the past year.

TAC members were commended for their work on this project.

On motion of Kevin P. Carroll, seconded by Frank J. Thornton, the CVTA Finance Committee voted to support the recommendation from the Technical Advisory Committee to the full Authority for approval of the proposed revisions to the Project Selection and Allocation Framework (voice vote).

Requests for use of portions of leveraged CVTA regional funds for developing 30% plans. (added to agenda)

Committee members discussed the requests for use of portions of leveraged CVTA regional funds for development of 30% plans for those projects before the full funding has been identified for the project. The intent is for the project to have a better-defined scope and project estimate as additional funds are being sought.

On motion of Kevin P. Carroll, seconded by Frank J. Thornton, the CVTA Finance Committee voted to recommend approval by the full Authority requests for use of portions of leveraged CVTA regional funds for development of 30% plans for those projects before the full funding has been identified for the project (voice vote).

9. CVTA/Locality SPA Immediate Needs

Mr. Parsons provided an update on the CVTA/Locality SPA and offered to answer any questions.

10. Discussion of Outgoing Member Appreciation Options

Kevin Carroll provided a recap of the discussion at the last full Authority meeting on possible options to recognize outgoing members. Formal resolutions from the Authority and individual recognitions from the localities were two suggestions.

OTHER BUSINESS

11. Future Meeting Topics

There were no future meeting topics suggested by members.

12. CVTA Finance Committee Member Comments

There were no member comments.

13. Next Meeting

The next meeting is scheduled for May 10, 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.

14. Adjournment

Chair Peterson adjourned the meeting at 10:43 a.m.

CENTRAL VIRGINIA TRANSPORTATION AUTHORITY
Tax Collections and Allocations
For the Fiscal Year Ended June 30, 2023

	June Tax Activity 09/30/22	July Tax Activity 10/31/22	August Tax Activity 11/30/22	September Tax Activity 12/31/22	October Tax Activity 01/31/23	November Tax Activity 02/28/23	December Tax Activity 03/31/23	YTD	LTD
Local Distribution Fund									
Receipt of Taxes:									
Sales and Use Tax	\$ 13,407,200	\$ 13,047,777	\$ 13,542,014	\$ 12,840,817	\$ 12,813,800	\$ 15,805,441	\$ 11,981,650	\$ 93,438,699	\$ 344,572,169
Local Fuels Tax	4,078,688	4,255,546	4,387,566	4,341,669	4,141,037	4,284,362	4,266,361	29,755,229	121,676,494
Total Receipt of Taxes	17,485,888	17,303,323	17,929,581	17,182,486	16,954,837	20,089,803	16,248,011	123,193,929	466,248,662
Cash Outflows & Transfers:									
Transfers:									
Operating Fund	694,720	-	-	-	-	-	-	694,720	1,694,720
Regional Fund	5,876,909	6,056,163	6,275,353	6,013,870	5,934,193	7,031,431	5,686,804	42,874,723	162,593,880
Payments to GRTC	2,518,675	2,595,498	2,689,437	2,577,373	2,543,226	3,013,470	2,437,202	18,374,881	69,683,091
Total transfers	9,090,304	8,651,662	8,964,790	8,591,243	8,477,419	10,044,901	8,124,006	61,944,324	233,971,691
Local Distributions:									
Ashland	28,516	27,594	29,180	28,144	27,294	29,636	26,246	196,611	779,815
Charles City	53,451	51,573	86,851	40,999	46,647	52,502	40,546	372,569	1,422,848
Chesterfield	2,417,341	2,501,579	2,529,843	2,431,882	2,414,277	2,880,788	2,320,440	17,496,151	66,946,413
Goochland	210,245	207,704	217,923	234,866	198,075	221,185	213,798	1,503,796	5,755,281
Hanover	1,182,336	1,182,679	1,204,312	1,175,714	1,163,194	1,260,634	1,101,662	8,270,532	32,196,282
Henrico	2,638,257	2,906,859	2,925,750	2,772,313	2,709,460	3,414,716	2,552,740	19,920,095	74,566,770
New Kent	205,264	194,779	187,894	184,025	211,067	210,414	182,203	1,375,645	5,533,195
Powhatan	189,371	194,965	193,847	192,606	190,330	187,570	167,620	1,316,309	5,180,378
Richmond	1,470,804	1,383,930	1,589,189	1,530,694	1,517,075	1,787,455	1,518,749	10,797,896	39,895,990
Total local distributions	8,395,584	8,651,662	8,964,790	8,591,243	8,477,419	10,044,901	8,124,006	61,249,604	232,276,972
Local Distribution Fund ending balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0)
Operating Fund									
Beginning balance, July 1, 2022								\$ 332,130	
Transfer from Local Distribution Fund	\$ 694,720	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	694,720	
Prior year accounts payable	-	-	-	-	-	-	-	-	-
Payment of operating costs	-	-	(101,268)	-	-	(99,892)	-	(201,160)	
Interest income	544	2,453	2,853	2,992	3,222	2,770	3,052	17,887	
Operating Fund ending balance	\$ 695,264	\$ 2,453	\$ (98,414)	\$ 2,992	\$ 3,222	\$ (97,122)	\$ 3,052	\$ 843,577	
Regional Fund									
Beginning balance, July 1, 2022								\$ 120,023,557	
Transfer from Local Distribution Fund	\$ 5,876,909	\$ 6,056,163	\$ 6,275,353	\$ 6,013,870	\$ 5,934,193	\$ 7,031,431	\$ 5,686,804	42,874,723	
Interest income	149,625	121,165	158,060	539,807	684,662	256,669	607,719	2,517,706	
Regional Fund ending balance	\$ 6,026,534	\$ 6,177,328	\$ 6,433,413	\$ 6,553,677	\$ 6,618,855	\$ 7,288,100	\$ 6,294,523	\$ 165,415,987	

Notes:

* Activity month is reported. CVTA receives funds three months after the activity month

MONTHLY INVESTMENT REPORT

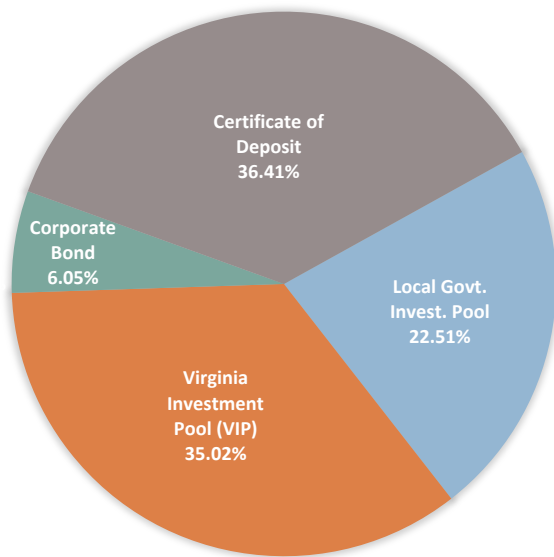
REBECCA R. LONGNAKER, CPA, MGT
 INVESTMENT OFFICER
 9211 Forest Hill Avenue
 Richmond, VA 23235
 Office: 804-748-1201
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 www.chesterfield.gov/treasurer

This investment report for March 2023 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 3/31/2023)

Total Book Value	\$165,159,563.77
Average Days to Maturity	94
Yield to Maturity 365 Day Equivalent	4.84%

Investment Type Allocation



Portfolio Mix	Balance
Local Govt. Invest. Pool (LGIP)	\$37,185,645.21
Virginia Investment Pool (VIP)	\$57,836,440.59
Federal Agency Discount	\$0
Federal Agency Coupon	\$0
Corporate Bond	\$10,000,000.00
Commercial Paper	\$0
Certificate of Deposit	\$60,137,477.97
US Treasury Discount	\$0
Total	\$165,159,563.77

Cumulative Interest Earnings FY2023



Interest earnings through March reflect sharp increases in yields. Cash flow projections provided by the financial advisory committee allow for investments up to one year, while the balance of the portfolio remains in pooled funds. As new funds are received and maturities occur, funds will be invested as cash flow projections allow.

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 outperformed one of the yield benchmarks and all of the year over year change benchmarks for the month of March. Inflation continues to drive short term yields higher.

YIELD BENCHMARKING			
	CURRENT YIELD	YEAR AGO	YoY CHANGE
Portfolio	4.84%	0.30%	4.54% pts
91-day T-Bill	4.86%	0.45%	4.41% pts
6-month T-Bill	4.99%	0.86%	4.13% pts
Va. Treas. Prime Liq.	3.91%	0.42.%	3.49% pts

Compliance Report

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

Investment Category	Code of Virginia			Treasurer's Investment Policy			March Actual %
	Maximum Maturity	Authorized % Limit	Rating Requirement	Maximum Maturity	Authorized % Limit	Rating Requirement	
Local Government Investment Pool (LGIP)	N/A	100%	N/A	N/A	100%	N/A	22.51%
Virginia Investment Pool Trust Fund (VIP)	N/A	100%	N/A	N/A	100%	N/A	35.02%
Federal Agency Discount	No Limit	100%	N/A	5 Years	100%	N/A	0%
Federal Agency Coupon	No Limit	100%	N/A	5 Years	100%	N/A	0%
Corporate Bonds	5 Years	100%	AA/Aa	5 Years	100%	AA/Aa	6.05%
Commercial Paper	270 Days	35%	A1/P1/F1/D1	270 Days	35%	A1/P1/D1	0%
Certificate of Deposit	5 Years	100%	A1/P1/AA/Aa	5 Years	100%	A1/P1/AA/Aa	36.42%
U.S. Treasury Discount	No Limit	100%	N/A	5 Years	100%	N/A	0%

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 Discount	Fixed income government agency obligations priced below par and maturing in more than one year.
Federal Agency Coupon	Fixed income government agency obligations with a stated interest rate and maturing in more than one year.
Corporate Bonds	Corporate Bonds are debt securities issued by publicly-held corporations to raise money for expansion or other business needs with a rating from at least two agencies of Aa by Moody's Investor Service, Inc., AA by Standard and Poors, Inc. or AA by Fitch, and a maturity of no more than five years.
Commercial Paper	"Prime Quality" paper with a maturity of 270 days or less and rated at least prime 1, A-1, or F-1 by the major credit rating agencies.
Certificate of Deposit	Negotiable certificates of deposits of domestic banks and domestic offices of foreign banks with a rating of at least A-1 or P-1 for maturities one year or less, and AA or Aa for maturities over one year and not exceeding five years.
U.S. Treasury Discount	Fixed income government securities priced below par and maturing in less than one year.



CVTA Debt Service Coverage Policy Recommendation

- ◆ PFM recommends that of the CVTA's regional revenues, that the Authority only pledge and use **sales tax revenues** to pay debt service on any bonds that are issued
- ◆ Subsequently, the numerator of the debt service coverage policy should be sales tax revenues only
- ◆ As for the level, PFM recommends a 2.0x minimum coverage requirement
- ◆ Proposed language to be inserted under the CVTA Financial Policies Regional Revenue (35% Funds) section:

The ratio of sales tax revenues portion of the annual Regional CVTA Funds to annual senior lien debt service will be a minimum of 2.0 times.



Working Capital Reserve Recommendation

- CVTA's Financial Policies states “Fund or maintain a Working Capital Reserve in an amount determine by CVTA Finance Committee”
- Define the working capital reserve requirements in the existing Financial Policies and Procedures
 - Initially set at an amount equal to 3 months of the budgeted, annual Regional CVTA funds, which equal to approximately \$17 million
- To be reevaluated once project expenditures occur, and standard project agreements are approved, by June 30, 2025
- Proposed language to be inserted under the CVTA Financial Policies Regional Revenue (35% Funds) section:

CVTA will maintain a Working Capital Reserve equal to at least 3 months of the budgeted, annual Regional CVTA Funds. If tapped, the Chief Financial Staff of the CVTA will develop a plan to restore the Working Capital Reserve to its minimum level over a period not to exceed 18 months. The Authority will revisit the level of this reserve no later than June 30, 2025, to reflect its actual cash flow patterns and expenditure reimbursements.



Working Capital Reserve – Possible Funding Strategy

- ◆ Consider utilizing investment earnings from Regional Revenues
 - ◆ YTD through 2/28/2023 (6 months) total \$1.9 million*
 - ◆ If the investment earnings on the Regional Revenues remain in line for the remainder of the FY, total earnings may be close to \$4 million
- ◆ Consider using any actual Regional Revenues that came in over forecasted amount
 - ◆ YTD through 2/28/2023 (6 months) collected \$37.2 million*
 - ◆ Forecasted FY 2023 Regional Revenues total \$67.5 million*
 - ◆ Actual FY 2022 Regional Revenues totaled \$72 million*
 - ◆ If actual FY 2023 Regional Revenues come in close to FY 2022 levels, \$4.5 million is available
- ◆ The Authority can allocate the remaining dollars necessary to fully fund the working capital reserve at its next six-year planning cycle
- ◆ CVTA could also fully fund the working capital reserve as part of its next debt issuance by identifying a project (planned to be funded with cash) to fund with bonds, creating cash flow to fully fund the working capital reserve

*Source: CVTA.

CENTRAL VIRGINIA TRANSPORTATION AUTHORITY

Financial Policies and Procedures

December 9, 2020

Revised February 10, 2021

Approved February 26, 2021

Revised April 12, 2023

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 all financial reports.
 - G. Reviews adherence with internal controls
 - H. Reviews and approves all non-budgeted expenditures within the Administrative and Operating Budget.
 - 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.

F. Develops and prepares annual budget.

IV. Fiscal Agent(s)

A. Assist CVTA Chief Financial Staff, 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 15th.

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

III. Banking and Accounts

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.

B. The Finance Committee will review expenditures from all accounts. Transfers among funds and local distributions according to the Virginia Code may be made administratively according to the procedures for disbursements within that fiscal agent's policies. A designated representative(s) of the Fiscal Agent for cash management may be authorized to sign checks and make disbursements from the administrative and operating bank account based on

properly approved documentation authorizing the disbursement.

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.

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

IV. 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

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.

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.

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 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.

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. 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).
3. 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.

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

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.

Regional Revenue (35% Funds)

I. General.

A. Regional Funds shall be used to:

- 1. Fund ~~or and~~ maintain a Working Capital Reserve ~~in an amount determined by CVTA Finance Committee equal to at least 3 months of the budgeted, annual Regional CVTA Funds. If tapped, the Chief Financial Staff of the CVTA will develop a plan to restore the Working Capital Reserve to its minimum level over a period not to exceed 18 months. The Authority will revisit the level of this reserve no later than June 30, 2025, to reflect its actual cash flow patterns and expenditure reimbursements.~~
- 2. Fund cost of issuance and other debt-related fees and services, and debt service payments undertaken by the CVTA. ~~If CVTA decides to debt fund projects, the ratio of sales tax revenues portion of the annual Regional CVTA Funds to annual senior lien debt service will be a minimum of 2.0 times.~~

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3. To fund “pay-as-you-go” (Pay-Go) projects or studies approved by CVTA.

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. 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.

II. Responsibilities

A. CVTA Administrator.

1. 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.
2. 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.
3. 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.

1. Fiscal Agent for cash management:
 - a) has primary responsibility to ensure Regional Revenue Funds are properly safeguarded and managed.
 - b) will manage the Authority's cash position to ensure availability of funds to meet programmed reimbursement requests.
2. Fiscal Agent for audit services
 - a) has review responsibility to ensure Regional Revenue Funds are properly safeguarded and managed.
 - b) will review all reports prior to submission to the Finance Committee and Authority
3. The CVTA Administrator
 - a) will manage the requisition process, 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.
- b) 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.

C. Recipients.

1. Each recipient is responsible to ensure work is performed in accordance with all applicable federal, state, and local laws and regulations, and the SPA.
2. A recipient must acknowledge that the Authority will not be responsible for operating or maintaining the project upon completion.
3. 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

1. 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)

- I.** The Authority will segregate and distribute GRTC funding according to the methodology described in the state code.
- II.** 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.
- III.** GRTC will be required to certify and accept the transfer amounts before funds are disbursed and confirm receipt.
- IV.** GRTC shall deposit the GRTC Revenue (15% Funds) into a separate, special fund.
- V.** 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.
- VI.** GRTC is required to provide the Finance Committee a quarterly report on expenditures by November 15, February 15, May 15, and August 15 and must provide CVTA an annual report on expenditures by 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. If the annual report is not received by 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.

CVTA Adminstrative and Operating Expense Budget- Fiscal Year 2024 Draft

Category	FY 2023	FY2024 Proposed	Notes
Personnel			
Administration & Staffing*	\$458,220.00	\$458,220.00	Includes CVTA ED position (fully loaded) and PlanRVA Support
Member Compensation	\$10,500.00	\$10,500.00	
Professional Services			
Audit	\$19,000.00	\$19,000.00	
Bank Fees & Investment Services	\$3,500.00	\$3,500.00	
General Legal Counsel*	\$36,000.00	\$43,200.00	
Financial Advisors	\$25,000.00	\$25,000.00	
Insurance	\$10,000.00	\$10,000.00	Subject to renewal
Recruitment			
Contracted Services	\$75,000.00	\$100,000.00	Wayfinding Plan, cost estimate validation as needed
Technology & Communications			
Technology Services & Support*	\$10,000.00	\$10,000.00	Computer Equipment and Start Up
Telecommunications*	\$1,500.00	\$1,500.00	
Administrative			
Meetings Expenses*	\$10,000.00	\$10,000.00	parking, refreshments, meeting materials
Memberships/Subscriptions/Licenses*	\$3,000.00	\$3,000.00	
Office Expenses & Supplies*	\$2,000.00	\$2,000.00	
Office Space/Leasing*	\$10,000.00	\$10,000.00	furnishings, office/common space, meeting space
Postage*	\$500.00	\$500.00	
Printing, Copying & Production*	\$10,000.00	\$10,000.00	
Professional Development & Training*	\$7,500.00	\$7,500.00	
Public Engagement*	\$25,000.00	\$35,000.00	Standalone CVTA Website, video/media production, annual report
Travel*	\$3,000.00	\$3,000.00	Conference and/or regional travel
Reserves for Contingency	\$54,110.85	\$13,080.00	
Total	<u>\$773,830.85</u>	<u>\$775,000.00</u>	

*Expense categories currently covered within PlanRVA MOU

CVTA FINANCE COMMITTEE AGENDA – May 10, 2023
FUTURE MEETING TOPICS*

- Draft Quarterly Reporting
- FY23 Annual Certification
- FY24 Local Allocation Plan
- Regional Projects Fund Allocation

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