

CVTA FINANCE COMMITTEE MEETING MINUTES

Wednesday, February 12, 2025, 9:00 a.m.

Zoom Meeting

Authority and Committee Members Present:

Jurisdiction/Agency	Member	Present	Absent
Chesterfield County	Kevin P. Carroll	X	
Hanover County	Sean Davis	X	
Henrico County	Tyrone Nelson	X	
Goochland County	Neil Spoonhower, Chair	X	
New Kent County	John Moyer	X	
City of Richmond	Danny Avula	X	
Commonwealth Transportation Board	J. Rex Davis	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](#).

Call to Order, Welcome and Introductions

Chair Spoonhower called the CVTA Finance Committee meeting to order at 9:05 a.m.

Pledge of Allegiance

The Pledge of Allegiance was led by Sean Davis.

Certification of a Quorum

Diane Fusco, PlanRVA, called the roll for attendance and certified that a quorum was present.

A. ADMINISTRATION

1. Confirmation of Member Participation from a Remote Location

No action taken on this item as the meeting was held entirely by remote means (Zoom).

Eric Gregory, legal counsel, reported that the Governor has declared a state of emergency due to inclement weather. That declaration authorizes this meeting to be held remotely. The purpose of the meeting is to provide for the continuity of operations of the CVTA and the discharge of its lawful purposes, duties and responsibilities. Holding the meeting virtually is compliant with the Virginia Freedom of Information Act.

2. Consideration of Amendments to the Agenda

There were no requested changes to the meeting agenda.

3. Approval of December 11, 2024, CVTA Finance Committee Meeting Minutes

On motion by Sean Davis, seconded by John Moyer, the members of the CVTA Finance Committee voted unanimously to approve the meeting 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 Spoonhower thanked Chet Parsons for fulfilling recent information requests.

6. CVTA Executive Director's Report

Mr. Parsons did not have a formal report.

7. CVTA Activities Report

a. Financial Activities and Investment Reports

Mr. Parsons gave an overview of the monthly financial activities and investment reports and offered to answer any questions. There was discussion about the local distributions from New Kent County and the timing for meeting the working capital reserve target.

Tyrone Nelson joined the meeting at approximately 9:15 a.m.

Chair Spoonhower announced a brief recess at 9:20 a.m. The meeting was reconvened at 9:25 a.m.

After review of the investment report, members had questions and Mr. Parsons clarified that the report does not reflect a delay in the regional fund interest income.

b. TAC Activities Report

Barbara Smith, CVTA TAC Chair, reported that the last TAC meeting was cancelled. A formal report will be provided at the next Finance Committee meeting.

B. OTHER BUSINESS

1. Review of Financial Reporting Requirements/Policies

Mr. Parsons presented this overview of the reporting requirements and policies and reported the following:

Financial Policies & Procedures – Current Staff Goals

1. Current Goal 1: The Executive Director will work with the PlanRVA Chief Finance and Administration Officer to review Financial Policies and Procedures to ensure CVTA is functioning in accordance with adopted policies. They will prepare Finance Committee recommendations on measures to bring current practices in line with expectations outlined in policies and procedures.
2. Current Goal 2: The PlanRVA Chief Finance and Administration Officer will meet with the Chair and Vice Chair of the CVTA Finance Committee to understand personal preferences and expectations for the remainder of the fiscal year. The goal is to gain an understanding of monthly/quarterly reporting needs as expected by the chair and as outlined in the policies and procedures.
3. Current Goal 3: CVTA Staff will share the financial standing of the admin/operating budget on a monthly basis. The following information should be included (at a minimum) with an emphasis on communicating the budget standing in a clear, illustrative manner:
 - a. Provide monthly/annual financial management reports.
 - b. Reports on expenditures incurred
4. Current Goal 4: Develop an update on the following code requirement:

- a. *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*

Current Reporting Practice – Three Pillars

1. Locality
 - a. Each jurisdiction is required to provide the Finance Committee a quarterly report on expenditures and must provide CVTA an annual certification of expenditures by September 15 each year in the format required by the CVTA. If the annual report is not received by September 15, transfers of the current fiscal year will cease until the certification is submitted in acceptable form. This is the current practice and has been followed. There has not been a situation where the annual certification was not submitted in an acceptable form.
 - b. SPA Requirement: Submit quarterly progress and expenditure reports, and invoices with supporting documentation to the CVTA in the form prescribed by the CVTA. The supporting documentation shall include copies of vendor and contractor invoices paid by the LOCALITY, an up-to-date Project summary and schedule, and a cash flow summary of all payment requests, payments, and adjustments in a form prescribed by the CVTA. Invoices are currently being submitted with reimbursement requests from localities with active SPAs. Quarterly reports are not currently being submitted – supporting documentation including project summary, schedule, and a consistently formatted cash flow summary would be helpful for CVTA record-keeping and transparency.
2. GRTC
 - a. The GRTC shall develop a plan for regional public transportation within Planning District 15 in collaboration with the Richmond Regional Transportation Planning Organization in conformance with the guidelines required by § 33.2-286. The GRTC shall annually provide to the Authority sufficient documentation, as required by the Authority, showing that the revenues distributed under subdivision 33.2-3701 D 2 were applied in accordance with Authority approval and the guidelines required by § 33.2-286. The GRTC Regional Public Transportation Plan is currently shared as a presentation with the CVTA (the last update was shared in April 2024 for FY 2025).
 - b. 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. This practice is currently being followed.

3. CVTA

- a. Fund and maintain a Working Capital Reserve equal to at least 3 months of the budgeted, annual Regional CVTA Funds. If drawn upon, 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. This new practice is currently being implemented. There are reporting tools that display on the monthly financial statements starting with the February 2025 report.
- b. Written requests for supplemental project funding shall be submitted to the CVTA Executive Director for review. The CVTA Executive Director 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. This option has been recently supplemented with additional guidance in the Project Selection and Allocation framework. To date, no requests have been received outside of the regular regional project application cycle.
- c. The CVTA Executive Director will advise the recipient in writing of potentially non-compliant uses of any funding which comes to the Authority's attention. The CVTA Executive Director will provide a report of such circumstances and make recommendations for a 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. To date, no improper use of funds has been identified or reported.
- d. The CVTA Executive Director 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. This reporting is not currently in place. The Executive Director will develop this tool in conjunction with 1.b under locality reporting.

Kevin Carroll returned to the meeting at approximately 9:40 a.m.

Committee members discussed the following:

- Current goal 4: there is no set mechanism to ensure compliance on local funding for public transit percentages; compliance will be demonstrated through the certifications submitted by the localities. The CVTA can require reporting on the matter but does not have the authority to enforce compliance by the localities. Changes to the language in the statute would require approval by the General Assembly.
- Overall reporting practices: staff will work with TAC to review the locality reporting practices and develop recommendations for potential changes to the current practices.
- CVTA compliance: this is ensured through required reporting and annual audits.

2. Working Capital Reserve Access Process

Chair Spoonhower and Mr. Parsons reviewed the process for accessing the funds that are being held in the working capital reserve. The following discussion points were provided to the committee members:

1. A working capital reserve is funding set aside to help achieve financial stability and flexibility, and provide a cushion against unexpected events that could impact cash flow

2. Since CVTA is a regional authority that provides funding opportunities, and the Authority does not implement or construct projects, the primary purpose of the working capital reserve would be help CVTA manage its cash flow based on timing mismatches between revenue receipt and the disbursement of funds
 - a. Examples include:
 - i. Actual Regional Revenues are less than projected
 - ii. Requests for disbursement of funds occur sooner than expected
3. The WCR can be drawn if there is a cashflow issue driven by project expenditure timing and/or revenue shortfall. *An extreme example may be – if the General Assembly decided to take away or reduce a portion of our revenue stream and we needed to pay for already approved projects & its expenditures, we could draw on the WCR. Or, we are in an economic recession and the sales tax revenues significantly dip below the budgeted amount.* The WCR is more or less a rainy day fund (the localities all have it too – within the general fund balance, usually an unassigned General Fund policy) that CVTA will hopefully not have to access.
4. The WCR will not be available to absorb project overruns. CVTA already has under its project selection framework policies regarding reserving funds to cover issues like cost increases. That balance entry policy is excerpted from the framework below:

Table 7: Balance Entry & Project Allocation Percentages

	Previous	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Projects	100%	90%	85%	80%	75%	70%	65%
Balance	0%	10%	15%	20%	25%	30%	35%

5. The WCR will not be used to pay for debt service. CVTA will have a separate reserve (a debt service reserve fund) established for the debt issuance that is available to pay for debt service as part of the bond issuance.

On motion by Kevin Carroll, seconded by Sean Davis, the members of the CVTA Finance Committee voted to refer the matter to the Technical Advisory Committee for review and development of recommendations to be brought back to the Finance Committee (voice vote).

3. CVTA Finance Committee Member Comments

There were no member comments.

4. Next Meeting

The next meeting is scheduled for March 12, 2025, at 9:00 a.m. in the PlanRVA James River Board Room, 424 Hull St., Suite 300, Richmond, VA 23224 and via Zoom.

5. Adjournment

The meeting was adjourned at 10:16 a.m.