



COMMONWEALTH of VIRGINIA

Virginia Passenger Rail Authority Board

Jennifer L. Mitchell
Chairperson

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DRAFT MINUTES

Meeting of the Virginia Passenger Rail Authority Finance and Audit Committee Thursday, January 14, 2021 - 11:00 am Electronic Board Meeting

In light of the continuing state of emergency declared by Governor Northam, where it is impracticable or unsafe to assemble a quorum in a single location, and as allowed by the General Assembly during the continuing state of emergency, this meeting to take action to discuss or transact the business statutorily required or necessary to continue operation, the Virginia Passenger Rail Authority Finance and Audit Committee held an electronic meeting on January 14, 2021.

The committee members participated remotely using a GotoMeeting platform. Members of the public were able to witness the meeting online via live-streaming and were provided with the opportunity to provide public comment telephonically at the outset of the meeting using a dial in number provided in the online meeting public notice. The online internet public notice for the meeting noted that this meeting would be conducted using an electronic process due to the COVID-19 state of emergency and as a precaution to reduce the risk and spread of the novel coronavirus. The online meeting public notice also furnished the Agenda and Board materials as well as information regarding the availability of online live-streaming of the meeting at the noted link. Online viewers were furnished a telephone number to call to notify staff of any interruption of the live streaming of the meeting in accordance with Item 4-0.01.g. of Chapter 1289 and Section 2.2- 3708.2 of the Code of Virginia.

The audio and meeting documents and presentation materials are on the Virginia Department of Rail and Public Transportation's website, <http://www.drpt.virginia.gov/vpra/committees/>.

COMMITTEE MEMBERS PRESENT

Hossein Sadid, (Committee Chair), Deborah, Butler Painter, Patricia Doersch and James Spore.

OFFICERS PRESENT

Jennifer Mitchell

VIRGINIA DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION STAFF PRESENT

Bridget Davis, Jeremy Latimer, Michael McLaughlin, and Steve Pittard.

GUESTS/OTHERS PRESENT

Lisa Wright (Office of the Attorney General)

CALL TO ORDER/ROLL CALL

The Committee Chair, Mr. Sadid, presided and called the meeting to order at 11:00 a.m. The Chair welcomed everyone to the meeting and reviewed the procedures and instructions for the electronic meeting. The following statement was made:

"On November 19th, Governor Ralph Northam signed House Bill 5005, Virginia's revised biennial budget, which includes new language for meeting electronically. In light of the continuing state of emergency declared by Governor Northam, we are conducting this meeting in a remote setting, keeping safety top of mind and mitigating the impacts and spread of COVID-19."

RECOMMENDED BUDGET DISCUSSION

Presented by: Steve Pittard

Mr. Pittard gave an overview of the recommended FY2022 budget for the Virginia Passenger Rail Authority. He shared that the Code of Virginia required the VPRA to submit an operating plan and budget to the Commonwealth Transportation Board (CTB) by February 1, annually. The Commonwealth Transportation Board shall have by May 30 to approve or deny the capital budget. VPRA is expected to adopt the budget by late May or early June. The most conservative approach was taken for the FY2022 operating budget. He explained the difference between the capital projects and capital grants. He drew attention to the changes in the budget that occurred after the December board meeting which included providing more detailed summaries and narratives of the projects, an increase in the capital grants forecast budget and incorporating the committee's feedback. He opened the floor for questions.

Ms. Doersch desired to know if the Authority would be bonding against passenger ticket revenues. Additionally, in reference to the capital projects, she desired to know if VRE would request a portion of the \$50M for the construction phase to build the station in Crystal City.

Mr. Sadid shared that he and Mr. Pittard had discussed the budget in great detail. He wanted to highlight that the best estimates had been incorporated in the budget however, additional vetting would be necessary in the future through a series of approvals.

Ms. Butler Painter desired to know if the committee would receive high-level updates on each of the projects and report it to the full Board or would the updates go directly to the Board for review to mitigate construction delays.

Mr. Sadid noted that it was the committee's responsibility to take ownership of the budget. He asked DRPT staff to bring any changes to the committee's attention. Mr. Sadid noted that today's agenda included an overview regarding the reporting methodology for VPRA. He complemented Mr. Pittard and DRPT staff for developing comprehensive budget materials.

Mr. Spore shared that he appreciated DRPT's work. He suggested adding more detail in the budget, which would aid the committee to gain a better understanding.

Action: Recommendation of the FY2022 Budget

Ms. Butler Painter moved, with a second by Ms. Doersch to recommend the FY2022 budget to the full board for approval. The vote was conducted by a roll call vote and the motion passed unanimously.

FINANCIAL BANKING AND INVESTMENT SOLICITATION

Presented by: Steve Pittard

Mr. Pittard shared that VPRA was temporarily utilizing the Commonwealth's ledger system. To migrate to new system, an investment and banking relationship must be established. A draft RFP for those services will be shared with the committee for their review and input. He shared that an intermittent closed session will allow the committee to have discussions about the procurement and selection process in detail.

Mr. Sadid repeated for clarification that Mr. Pittard was seeking input from the committee for a new Enterprise Resource Planning (ERP) system and banking relationship.

Ms. Butler Painter strongly suggested having the Authority's management team in place before selecting a new ERP system.

Mr. Sadid agreed that a new ERP system should be guided by the Authority's new Executive Director and its management team.

OTHER FINANCIAL ACTIVITIES

Presented by: Steve Pittard

Mr. Pittard shared that DRPT has an internal project level budgeting system that can be migrated to the Authority. In addition to this software, QuickBooks would be used as a basic ledger to process disbursements in the interim. The Code of Virginia requires the VPRA to have an annual audit by a certified public accountant firm. The procurement selection of the firm will be handled by the Commonwealth's Auditor of Public Accounts. The VPRA Board is expected to handle the

evaluation and selection process of the auditing firm. DRPT has initiated procurement for the payroll processing services for VPRA.

QUARTERLY FINANCIAL REPORTING DISCUSSION

Presented by: Steve Pittard

Mr. Pittard shared that he was open to receiving feedback from the committee regarding developing a financial reporting model. Mr. Sadid suggested that Mr. Pittard provide the committee with a copy of DRPT's quarterly report as a model.

PUBLIC COMMENT

Chair Sadid opened the meeting to the public for comment. No public comments were offered.

MOTION FOR CLOSED SESSION

Chair Sadid asked the committee if they desired to go into closed session. Hearing no comments, the request was withdrawn.

Mr. Pittard clarified that the intermittent closed session would allow the committee to discuss the process and criteria for the various procurements.

Director Mitchell noted that a very limited set of circumstances under FOIA would allow the committee to go into a closed session. Committees and Boards are allowed to go into a closed session if the discussion would adversely impact the financial position as it relates to negotiations.

Attorney Lisa Wright stated that it was appropriate to go into a closed session whenever certain discussions would put the committee at a disadvantage.

ADJOURNMENT

Chair Sadid summarized that the committee had recommended the FY2022 budget to the full Board for approval. He encouraged the committee to share any feedback and input on the topics discussed at today's meeting with Mr. Pittard. There being no further business, the meeting was adjourned at 12:00 p.m. All presentations to the committee and meeting video can be found at <http://www.drpt.virginia.gov/vpra/committees/>

Respectfully Submitted:

Bridget Davis, Executive Assistant

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