



# Strategic Plan 2020-2025

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## Background and Overview

The **Virginia Resources Authority (VRA)** was established in 1984 by the Virginia General Assembly to provide an additional source of funding for local infrastructure projects.<sup>1</sup> Initially focusing on providing financing for public water and wastewater projects, projects eligible for VRA financing have expanded to 19 distinct areas:



Virginia’s Executive and Legislative branches establish project areas eligible for VRA financing. An eleven-member Board of Directors, appointed by the Governor, oversees VRA operations and provides policy and strategic guidance to the Executive Director. Since its inception, VRA has funded more than 2,000 critical projects across the Commonwealth for investments exceeding \$10 billion.

Through its own and state agency partner programs, VRA provides access to cost-effective financing for essential infrastructure projects. The VRA staff offers extensive experience and expertise in a variety of financings and provides ongoing assistance to localities in connection with their public projects. This ability to maximize value for local communities has made VRA a premier provider of infrastructure financing for Virginia localities.

<sup>1</sup> Virginia Resources Authority Act, Chapter 21 of Title 62.1 of the Code of Virginia, as amended.

# VRA Mission, Vision, and Values

## Mission

VRA, working with its state agency partners, stakeholders, and local governments, provides cost-effective, responsible, and innovative financial solutions for borrowers to support vibrant and resilient communities.

## Vision

To continually enhance the quality of life for the citizens of Virginia by providing financing access, education, and outreach to local governments for their evolving infrastructure needs.

## Values

**Service** - Service to borrowers, agency partners, local government representatives, and others is our highest priority. We are professional, honest, compassionate, courteous, and accountable.

**Partnerships** - Transparent collaboration with state agency partners, stakeholders, and local governments to provide responsible financing solutions to meet local needs.

**Equity** - Fairness to those seeking our services with the goal of supporting social economic equity and financial responsibility among all Virginia communities.

**Commitment** - Dedication to delivering financial solutions that meet the infrastructure needs of Virginia's communities that enhance the well-being of those living in the communities whether financing through VRA, another lender, or grant opportunities or combination thereof.

**Innovation** - Foster an environment that supports continuous improvement in all aspects of VRA's goals and objectives.

**Transparency** - Work and communicate in an open, honest, and forthright manner.

# Five Year Goals and Objectives

The following goals provide a strategic focus for VRA to achieve its vision:

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## Goal 1: Improve targeted outreach

- A. Provide targeted educational materials, informational sessions and workshops to VRA current and potential stakeholders, including elected officials
  - a. Align VRA programs with administrative and legislative priorities
  - b. Expand email and website resources to better promote VRA's support to the Commonwealth
  - c. Develop introductory materials for incoming and key members of the Legislature and for select members of the Administration
  - d. Develop fiscal year-end report of projects funded by Virginia planning districts
  - e. Provide fiscal-year end report to each legislative member describing VRA investments in his/her respective planning district(s)
  - f. Update all financing program brochures with input from state-agency partners
  - g. Assure consistent schedule for distribution of VRA newsletters
- B. Expand strategic partnerships with other lenders, non-governmental organizations, and other entities that may assist in fulfilling VRA's mission and vision
  - a. Increase VRA presence with organizations that represent and support local governments, public finance, and infrastructure improvements
  - b. Seek and utilize opportunities to promote VRA through inclusion of VRA's messages in stakeholders' communications to their members
  - c. Strengthen working relationship with the Departments of Housing and Community Development, Mines, Mineral, Energy, and the Economic Development Partnership, to better leverage state investment in essential infrastructure
  - d. Promote leveraging of VRA loan programs with financing programs of other entities, including federal agencies, that provide grants and/or subsidized loans for local projects
  - e. Define VRA's role in Coastal Resiliency/Climate Change initiative
- C. Update and improve VRA's website so it can be used as an effective communication tool
  - a. Expand content to promote best practices in public finance with articles written by VRA stakeholders including state agency partners, finance advisors, bond counsel, underwriters and certified public accountants

- b. Highlight particular financial policies and best practices of VRA borrowers that demonstrate effective financial planning
- D. Continue VRA staff and Board representation on professional boards and organizations
- a. Encourage and promote staff participation in organizations and professional groups that support local government and infrastructure development
  - b. Continue VRA’s support of local government organizations through sponsorship, membership, attendance and participation in select programs
  - c. Promote the public finance and infrastructure expertise of VRA in various forums
- E. Focus on the needs of existing and potential borrowers
- a. Establish a framework with agency partners to evaluate existing and potential program expansion of infrastructure project areas
  - b. Continue review of local capital improvement budgets, news outlets, and public meetings to promote VRA as a resource for cost-effective financing
  - c. Monitor legislative and administrative initiatives relating to the planning, financing and delivery of infrastructure improvements

## 2 **Goal 2: Enhance protection of the Commonwealth’s moral obligation**

- A. Sustain and strengthen operations
- a. Preserve and strengthen internal policies and procedures relating to credit reviews and approval
  - b. Encourage greater participation by AAA localities in VRA’s Virginia Pooled Financing Program (VPFP)
  - c. Emphasize the convenience aspect of the VPFP to localities
  - d. Maintain VRA’s effective monitoring of borrowers to anticipate and plan for threats to the MO
  - e. Maintain VRA’s VirginiaHelps financing program for economically stressed localities
  - f. Promote refunding opportunities and benefits to localities
- B. Maintain sufficient reserves
- a. Maintain adequate portfolio reserves to guard against short-term financial risks
  - b. Develop a reserve that will ultimately allow VRA to reduce dependence on the Commonwealth’s moral obligation

- c. Designate a certain portion of earnings to be added yearly to appropriate cash reserves
- d. Continue efforts to actively manage and grow investment funds
- e. Maintain flexibility between short-term reserve and long-term moral obligation reserve

### 3 **Goal 3: Optimize technology and information systems**

- A. Expand and enhance the VRA website to provide online access to loan information for borrowers
- B. Keep technology systems current
- C. Improve the Authority's use of technology including loan software enhancements
- D. Utilize technology solutions to increase transparency and continually improve efficiency
- E. Expand use of technology beyond loan servicing to include its use in outreach efforts through webinars, etc.
- F. Optimize information sharing via electronic systems for all borrowers and agency partners
- G. Explore efficiencies using technology to aid in reducing operations and management costs

### 4 **Goal 4: Assure financial stability while examining new opportunities for program improvements**

- A. Evaluate effectiveness and benefits of new programs and partnerships to VRA
- B. Strengthen oversight and monitoring of selected borrowers
- C. Expand loan volume that meet quality standards
- D. Maintain underwriting standards based on rating agency criteria
- E. Manage expenses and budget conservatively
- F. Manage all financial benchmarks with annual review of policies and objectives

### 5 **Goal 5: Enhance recruitment, retention, and professional development efforts for Authority staff**

- A. Enforce a robust retention and recruitment plan
- B. Continue yearly performance management reviews
- C. Institute VRA succession planning initiative and staff mentoring options
- D. Promote continuing educational opportunities and certification(s)
- E. Support internship initiative aimed at attracting new full-time employees

- F. Maintain and improve efforts to cross-train and cross-utilize employees to support program demand and time-lines
- G. Ensure diversity, equity and inclusion within VRA’s employment practices

## Action Plan

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In 2015, VRA developed a five-year strategic plan with the input of stakeholders, Authority staff, and the VRA Board of Directors. As this strategic plan concluded, VRA sought to develop a new five-year strategic plan that builds off the 2015 plan. This new 2020-2025 plan was created using the input of stakeholders, Authority staff, and the VRA Board of Directors. Feedback from stakeholders, staff, and the Board was collected through telephone interviews and in-person meetings.

**Stakeholders interviewed for their feedback include representatives from:**

- City of Lynchburg
- City of Williamsburg
- Hanover County
- Hunton Andrews Kurth LLP
- McGuireWoods
- Middle Peninsula Planning District Commission
- Morgan Stanley Financial
- PFM Financial Advisors
- Raymond James Financial
- Tobacco Region Revitalization Commission
- Town of Clifton Forge
- U.S. Bank
- Virginia Department of Aviation
- Virginia Department of Conservation and Recreation
- Virginia Department of Environmental Quality
- Virginia Department of Health - Office of Drinking Water
- Virginia Department of the Treasury
- Wells Fargo
- Western Virginia Water Authority
- All VRA staff

**In discussions with stakeholders, staff, and the Board, individuals stressed the need to update the following aspects of the 2015 strategic plan:**

- Improved outreach
- Loan serving program for customers
- Plan for excess reserve

- Increased strategic partnerships
- Succession planning and professional development

Additionally, the VCU Performance Management Group (PMG) sought to include elements into the 2020 strategic plan that pushes the Authority to consider the impacts of the COVID-19 pandemic on the communities it serves and how the Authority can best support these communities.