

Swain, J. Michael (DOAV)

Thu, 11 May 2017 15:02:35 -0400

To: Parks, Earl (VDOT)

Cc: Kelly, David R. (VDOT)

Re: \$1.280 M State Entitlement Swap

Earl,

The short answer is "No".

Due to DOAV's limited control over the use of state entitlement funding the Virginia Aviation Board technically approves only entitlement fund "expenditures" and only after a project is indicated as Completed under Section III of the Entitlement Utilization Report. The Board does not pre-approve entitlement funding for planned projects.

So there was no Concourse B project coordination with DOAV and we had no idea of the funding breakdown. DOAV's review and VAB approval of the use of state entitlement funds is currently restricted to project eligibility and state funding percentage after project completion.

Mike

Sent from my iPhone

On May 11, 2017, at 2:04 PM, Parks, Earl (VDOT) <Earl.Parks@vdot.virginia.gov> wrote:

Mike,

I believe we have discussed this briefly earlier but, the PAC when setting up initial funding of their Guaranty Accounts did not have enough State Entitlement funding. They transferred other PAC funds totaling \$1,280,000 into the Concourse B project as a PAC contribution and then transferred out \$1,280,000 of State Entitlement funds which were then used as part of the loan guaranty. The PAC records for the Concourse B project reflect the \$1,280,000 transfer and the FY15 Entitlement Utilization Report properly reflects the \$1,280,000 transfer in the Air Service Development and Concourse B Renovations reported state funds expended.

Accordingly, the transfer appears questionable but I am not seeing where they have actually violated any policies and procedures I am aware of. Would the substitution of \$1,280,000 in PAC funds for \$1,280,000 in State Entitlement and then subsequent transfer of the \$1,280,000 to the loan guaranty violate any type of DOAV policy?

Thanks,

Earl Parks

VDOT Assurance and Compliance Office