



Northern Virginia Transportation Authority
The Authority for Transportation in Northern Virginia

FINANCE COMMITTEE
Thursday, November 19, 2020 – 1:00 PM
3040 Williams Drive, Suite 200
Fairfax, VA 22031

Meeting to be conducted on WebEx and Live Streamed via YouTube

AGENDA

- I. Call to Order/Welcome** Mayor Parrish, Chairman
- II. Resolution Finding the Need to Conduct the November 19, 2020 Finance Committee Meeting Electronically** Mayor Parrish, Chairman
Recommended Action: Adoption of Resolution
- III. Summary Minutes of the October 15, 2020 Meeting**
Recommended Action: Approval [with abstentions from those who were not present]

Action Items

- IV. Revisions to Policy 19 – Local Distribution (30% Funds)** Mr. Longhi, CFO
Recommended Action: Recommend Authority Approval of Policy Changes
- V. Revisions to Policy 20 – Regional Revenue (70% Funds)** Mr. Longhi, CFO
Recommended Action: Recommend Authority Approval of Policy Changes
- VI. Economic Impact Analysis Contract** Ms. Dev Sen, Financial Analyst
Recommended Action: Recommend Authority Approval of Economic Analysis Contract

Information/Discussion Items

- VII. FY2022 Budget Guidance** Mr. Longhi, CFO
- VIII. Investment Portfolio Report** Mr. Longhi, CFO
- IX. Monthly Revenue Report** Mr. Longhi, CFO
- X. Monthly Operating Budget Report** Mr. Longhi, CFO

Closed Session
(If Required)

Adjournment

- XI. Adjournment**

Next Scheduled Meeting December 17, 2020 1:00PM (Room B)
3040 Williams Drive, Suite 200, Fairfax, Virginia

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY
FINANCE COMMITTEE
RESOLUTION FINDING NEED TO CONDUCT
NOVEMBER 15, 2020 MEETING ELECTRONICALLY

November 19, 2020

WHEREAS, on March 12, 2020, the Governor of Virginia declared a state of emergency in Virginia in response to the spread of novel coronavirus, or COVID-19, a communicable disease of public health threat as so declared by the State Health Commissioner on February 7, 2020 (“COVID-19”); and

WHEREAS, in subsequent Executive Orders, particularly Executive Order Nos. 53 and 55, as amended, the Governor of Virginia, among other measures designed to ensure safe physical distancing between individuals, prohibited public and private in person gatherings of 10 or more individuals and ordered all individuals in Virginia to remain at their place of residence, with limited exceptions, to mitigate the impacts of COVID-19 and prevent its spread; and

WHEREAS, the Northern Virginia Transportation Authority (Authority) - Finance Committee (Committee) finds that it has a responsibility to demonstrate to the public, through the Committee’s conduct, the importance of maintaining proper physical distance from others and to avoid gathering in public where the risks of infection are highest, and to take measures that promote physical distancing in order to protect the public health and mitigate the impacts and spread of COVID-19, including, among others, conducting meetings electronically whenever possible; and

WHEREAS, on April 22, 2020, the Virginia General Assembly adopted, and the Governor signed, budget bill amendments to HB 29 that expressly authorize “any public body, including any state, local, [or] regional body” to “meet by electronic communication means without a quorum of the public body . . . physically assembled at one location when the Governor has declared a state of emergency . . . , provided that (i) the nature of the declared emergency makes it impracticable or unsafe for the public body . . . to assemble in a single location; (ii) the purpose of the meeting is to discuss or transact the business statutorily required or necessary to continue operations of the public body . . . and the discharge of its lawful purposes, duties, and responsibilities” among other provisions; and

WHEREAS, member jurisdictions of the Northern Virginia Transportation Authority have adopted continuity of government ordinances pursuant to Va. Code Ann. § 15.2-1413 which ordinances, among other provisions, contemplate regional bodies of which the locality is a member meeting electronically to transact business to assure the continuity of government; and

NOW, THEREFORE, BE IT RESOLVED, that the Northern Virginia Transportation Authority Finance Committee hereby finds that meeting by electronic means is authorized because the nature of the declared emergency makes it both impracticable and unsafe for the Committee to assemble in a single location on November 19, 2020, to discuss and transact the business of the Committee listed on the November 19, 2020, Finance Committee Agenda; and

BE IT FURTHER RESOLVED, that the Committee hereby finds that meeting by electronic means is authorized because the items on the November 19, 2020, Committee Meeting Agenda are statutorily required or necessary to continue operations of the Authority and the discharge of the Authority's lawful purposes, duties, and responsibilities; and

BE IT FURTHER RESOLVED, that the items on the November 19, 2020, Authority Finance Committee Meeting Agenda are encompassed within the continuity of operations ordinances adopted by member localities of the Northern Virginia Transportation Authority to assure the continued operation of the government during the disaster posed by the public health emergency resulting from COVID-19.

Adopted on the 19th day of November, 2020.



Northern Virginia Transportation Authority

The Authority for Transportation in Northern Virginia

FINANCE COMMITTEE

Thursday, October 15, 2020 – 1:00 PM

3040 Williams Drive, Suite 200

Fairfax, VA 22031

Meeting Held via WebEx and Live Streamed on YouTube

SUMMARY MINUTES

- I. **Call to Order/Welcome** Mayor Rishell, Vice Chair
- Mayor Rishell called the meeting to order at 1:02 PM.
 - Attendees:
 - ✓ Authority Members: Mayor Rishell; Chair Randall, Chairman McKay, Board Member Cristol
 - ✓ Other Authority Members: Senator Boysko; Ms. Hynes
 - ✓ Staff: Monica Backmon (Executive Director); Michael Longhi (CFO); Peggy Teal (Assistant Finance Officer); Dev Priya Sen (Financial Analyst)
 - ✓ Council of Counsels: Rob Dickerson (Prince William County); Steve Maclsaac (Arlington County); Daniel Robinson (Fairfax County);
 - ✓ Other Attendees: Jurisdictional and agency staff and the public attended the meeting via the Authority's YouTube channel
- II. **Resolution Finding the Need to Conduct the October 15, 2020 Finance Committee Meeting Electronically** Mayor Rishell, Vice Chair
- Recommended Action: Adoption of Resolution*
- Chair Randall made the motion to adopt the Resolution Finding the Need to Conduct the Meeting by Electronic Communication Means during the Governor's declared State of Emergency during the COVID-19 Pandemic; seconded by Board Member Cristol. Motion carried unanimously.
- III. **Summary Minutes of the September 17, 2020 Meeting**
- Recommended Action: Approval [with abstentions from those who were not present]*
- Board Member Cristol moved approval of the minutes of the September 17, 2020 meeting; seconded by Chairman McKay. Motion carried unanimously.

Presentation

- IV. **Audit Presentation** Mr. Garber, PBMares, LLP
- Mr. Garber presented the FY2020 Draft Financial and Compliance Reports, noting the Authority received an unmodified (clean) audit opinion.
 - Additionally, Mr. Garber noted (highlighting the second of the two-part audit opinion issued) that the Authority's internal control and compliance standards received an unmodified (clean) audit opinion.

- Mr. Garber presented a second report, the Independent Audit Report, to the Committee, reviewing various sections of both reports.
- Mr. Garber drew the Committee’s attention to the Regional Revenue Fund, highlighting that effectively all funds are restricted to transportation projects already approved by the Authority.
- The Authority’s Special Revenue Funds (Local Distribution Fund and Regional Revenue Fund), reported an increase in fund balance of \$60 million which is appropriated to fund regional transportation projects approved by the Authority.
- Mr. Garber provided a synopsis of the Schedule of Changes in Restricted Funding for Regional Revenue Fund. This report shows the percentage of project draw downs, and remaining appropriations at end of FY2020.
- Mr. Garber noted that audit process was completed remotely due to the ongoing pandemic and thanked Ms. Teal and the finance team for doing a great job.
- Mayor Rishell expressed her appreciation to NVTa staff for a clean audit.
- Chair Randall thanked Ms. Backmon and Mr. Longhi and asked if the increase in Group Life Insurance (GLI) OPEB Liabilities is due to adding new staff to the Authority in FY2020?
- Mr. Garber responded that adding new staff did make the OPEB Liabilities increase and may continue to go up as the markets fluctuates.
- Mr. Longhi lastly expressed appreciation Ms. Teal’s work on completing the audit.

Information/Discussion Items

- V. Investment Portfolio Report** Mr. Longhi, CFO
- Mr. Longhi presented the Investment Portfolio Report and responded to questions.

- VI. Monthly Revenue Report** Mr. Longhi, CFO
- Mr. Longhi presented the Monthly Revenue Report and responded to questions.

- VII. Monthly Operating Budget Report** Mr. Longhi, CFO
- Mr. Longhi presented the Monthly Operating Budget Report and responded to questions.
 - Mr. Longhi noted that the development of the FY2022 budgets will be discussed during the November 19th Finance Committee meeting.

Adjournment: 1:25 PM

VIII. Adjournment

Next Scheduled Meeting November 19, 2020 1:00PM (Room B)

3040 Williams Drive, Suite 200, Fairfax, Virginia

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman Parrish and Members, NVTA Finance Committee

FROM: Michael Longhi, Chief Financial Officer

DATE: November 13, 2020

SUBJECT: Revisions to Policy 19 - Local Distribution (30% Funds)

1. **Purpose:** To seek Northern Virginia Transportation Authority (NVTA) Finance Committee recommendation of changes to Policy 19 – Local Distribution (30% Funds) to implement Virginia Code changes.
2. **Suggested Motion:** *I move Finance Committee recommendation of Authority approval of the attached changes to the Authority's Policy 19 – Local Distribution (30% Funds).*
3. **Background:**
 - a. Policy 19 – Local Distribution of Thirty Percent Funds was last revised in October 2019, to reflect the General Assembly providing the Authority flexibility to pay operating costs from the Regional Revenue Fund (SB 1468) and the receipt of funding related to the I-81 Corridor Improvements (SB1716/HB2718)
 - b. The 2020 General Assembly Session through HB1414/SB890 took two actions to partially restore NVTA funding diverted in 2018 through HB1539/SB856:
 - (i) **Commonwealth Transportation Fund Transfer:** This fixed \$20 million per year transfer has no jurisdiction transaction based related data. Therefore, the policy proposes to make the jurisdiction distributions based on the ratio of individual jurisdiction sales tax to the total of sales tax received in the same month the transfer is received. This is consistent with the current method for distributing the I-81 Corridor Improvement funds, which likewise has no regional data associated.
 - (ii) **Regional Congestion Relief Fee (Grantor's Tax):** This revenue is processed through the Circuit Courts in Northern Virginia, as such it includes transaction data for each jurisdiction. The proposed policy language is consistent with the Code of Virginia, and the earlier policy language prior to the diversion in 2018.
 - c. An additional change notes that transit operating expenses may be paid with Local Distribution Funds.

4. Next Steps:

With Finance Committee recommendation of approval, the proposed policy changes will be presented to the Authority at their December meeting for adoption.

Coordination: Regional Jurisdiction and Agency Coordinating Committee
NVTA Financial Advisor (PFM)
Council of Counsels

Attachment: Draft Policy 19 – Local Distribution (30% Funds)

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

Policy Number 19 – Local Distribution (30% Funds)

I. Purpose. In accordance with and subject to the requirements of the - *Virginia Code* thirty percent (30%) of the revenues received by the Northern Virginia Transportation Authority (NVTA) shall be distributed on a pro rata basis. Each jurisdiction shall execute the Memorandum of Agreement (MOA) Regarding Distribution of 30% Funds. Annually, each jurisdiction will complete an Annual Jurisdiction Certification, certifying the use of previously disbursed 30% funds and eligibility to receive the upcoming fiscal years funds.

II. General.

A. The Authority will segregate funds received from the Commonwealth of Virginia between 30% Local Distribution Funds (“30% Funds”) and 70% Regional Revenue Funds as soon as practicable, as specified in the Virginia Code. The Authority receives the following revenues:

- a. Sales and Use Tax (HB2313, 2013)
- b. Interstate Operations and Enhancement Program (SB1716, 2019)
- c. Commonwealth Transportation Fund Transfer (HB1414, 2020)
- d. Regional Congestion Relief Fee (HB1414, 2020)

B. The Sales and Use Tax and Regional Congestion Relief Fee will be segregated and distributed to jurisdictions based on the jurisdiction the transaction occurred in as reported by the Commonwealth.

A.C. ~~The Authority will segregate the SB1716 (2019) portion of the 30% Funds received from the Commonwealth of Virginia each fiscal month. The SB1716 portion~~ Interstate Operations and Enhancement Program and Commonwealth Transportation Fund Transfer revenues will be segregated and distributed to jurisdictions based on the percentage ratio of each jurisdiction’s ~~sales~~ Sales Tax to the combined total amount of ~~sales tax~~ Sales Tax -received for that month.

B.D. The Authority will distribute 30% Funds to jurisdictions as soon as practicable contingent on an active Memorandum of Agreement and requirements set out in the Virginia Code.

C.E. Each jurisdiction shall deposit its 30% Fund revenues received from the NVTA into a separate, special fund (the “NVTA Special Fund”).

D.F. 30% Funds are to be expended for additional urban or secondary road construction, or other capital improvements that reduce congestion, for other transportation capital improvements which have been approved by the most recent long range transportation plan adopted by the NVTA, or for public transportation purposes, including transit operating expenses.

E.G. Each jurisdiction is required to ~~provide complete~~ the NVTA annual certification by August 1 each year in the format required by the NVTA confirming the 30% Funds it received were used in compliance with the Virginia Code. If the certification is not received by August 1, transfers of the current fiscal year 30% Funds will cease until the certification is submitted in good form.

F.H. Administrative expenses of the NVTA, as set forth in the NVTA's annual budget (not otherwise funded through other sources), shall be allocated among the member jurisdictions based on population (as specified in HB2313), alternatively the Authority may determine through the annual budget process that such expenses will be charged to the 70% Regional Revenue Fund in accordance with SB1468 (2019).

G.I. The member jurisdictions are required to adopt the commercial and industrial (C&I) property tax for transportation at a rate of \$0.125 per \$100 valuation and deposit the revenues into its NVTA Special Fund or deposit an equivalent amount into its NVTA Special Fund for transportation improvements by March 1 of each year for the current fiscal year. The amount required to be deposited will be referred to below as the "C&I Equivalency Transfer"

H.J. If a jurisdiction fails to deposit the full amount of the C&I tax or equivalent transfer into its NVTA Special Fund, the NVTA shall reduce its disbursement of 30% funding by the difference between the amounts deposited compared to the amount required to be deposited.

1. If the full amount of the C&I Equivalency Transfer is not deposited by August 1st, and the annual certification not completed in a compliant form by August 1st, then the NVTA will halt 30% Funds distributions for that fiscal year.
2. 30% Funds held by the NVTA due to an incomplete or missing C&I equivalency transfer or a noncompliant annual certification shall be held in escrow by the NVTA until March 1st of that fiscal year.
3. On March 1st of that fiscal year any 30% Funds matched by an equivalency transfer will be remitted to the jurisdiction, conditioned upon the annual certification being complete and accepted by the NVTA.
4. Any 30% Funds held after March 1 due to a missing or incomplete C&I Equivalency Transfer or noncompliant annual certification will be irrevocably transferred for that fiscal year to the 70% Regional Revenue Fund for use as determined by the Authority.

I.K. Each jurisdiction is required to maintain its Maintenance of Effort based on the average transportation expenditures for FY2011, 2012 and 2013, or lose its share of the 30% Funds for the fiscal year succeeding the year in which it did not maintain its transportation expenditures as set forth in Enactment Clause 14 of Chapter 766.

J.L. The NVTA has a continuing responsibility to ensure that the 30% Funds are properly spent.

K.M. The NVTA and the member counties are required to work cooperatively to ensure that the towns with populations greater than 3,500 receive their respective shares of the 30% Funds.

L.N. Information regarding the receipt of all revenues, all 30% transfers to jurisdictions and the payment of the Authority administrative expenses will be open and transparent to all member jurisdictions and reported to the Finance Committee and the Authority at their regular meetings.

III. Responsibilities.

A. Chief Financial Officer (CFO) Reporting to Executive Director.

1. The CFO will be responsible for accepting the funds from the Commonwealth, investing and safekeeping the funds, distributing the funds to the member jurisdictions, and providing periodic reports on deposits and disbursements to member jurisdictions, the Finance Committee and the Authority.
2. The initial disbursement to the jurisdictions will be made no later than one (1) month following the execution of the MOA by the jurisdictions. Subsequent distributions shall occur monthly or as soon as practicable.
3. The CFO will monitor member jurisdictions compliance with their respective MOA's and advise the Executive Director of any non-compliance.

B. Member Jurisdictions.

1. Must comply with the terms of the MOA and the Virginia Code in regard to the use of 30% Funds.
2. Each jurisdiction is responsible for paying its share of the Authority's administrative expenses by July 15 of each year for those fiscal years that the Authority has determined to charge member jurisdictions rather than the 70% Regional Revenue Fund, for administrative expenses reflected in the NVTA's Annual Operating Budget.
3. If the Authority determines to charge administrative expenses to member jurisdictions, each member jurisdiction can choose to provide its share of the administrative expenses by asking the Authority to reduce the amount it will receive from its 30% Funds or by paying the invoice from other sources by July 15.
4. By August 1 of each year, the Chief Administrative Officer (CAO) of each member jurisdiction will certify that the jurisdiction has adopted the C&I tax at \$0.125 per

\$100 valuation or set aside an equivalent amount of local revenues for transportation purposes in their special fund. The CAO will certify that the jurisdiction met the maintenance of effort requirement for the previous fiscal year.

5. Counties must ensure that towns with a population of 3,500 or more comply with the requirements of HB 2313. Counties are required to enter into a formal MOA with their towns (over 3,500 population).
6. All city, county and town records must be maintained for five years from the date the record was created. All parties must comply with the Public Records Act, and all applicable state and federal laws regarding records retention.

Approved by the Finance Committee: December 5, 2014

Approved by Northern Virginia Transportation Authority: December 11, 2014

Revision 1:

Approved by the Finance Committee: October 17, 2019

Approved by the Northern Virginia Transportation Authority: November 14, 2019

Revision 2:

Approved by the Finance Committee:

Approved by the Northern Virginia Transportation Authority:

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY**MEMORANDUM**

TO: Chairman Parrish and Members, NVTA Finance Committee

FROM: Michael Longhi, Chief Financial Officer

DATE: November 13, 2020

SUBJECT: Revisions to Policy 20 – Regional Revenue (70% Funds)

- 1. Purpose:** To seek Northern Virginia Transportation Authority (NVTA) Finance Committee recommendation of changes to Policy 20 – Regional Revenue (70% Funds) to implement Virginia Code changes.
- 2. Suggested Motion:** *I move Finance Committee recommendation of Authority approval of the attached changes to the Authority's Policy 20 – Regional Revenue (70% Funds).*
- 3. Background:**
 - a. Policy 20 – Regional Revenue (70% Funds) was last revised in October 2019, to reflect the General Assembly providing the Authority flexibility to pay operating costs from the Regional Revenue Fund (SB 1468) and the receipt of funding related to the I-81 Corridor Improvements (SB1716/HB2718).
 - b. The 2020 General Assembly Session through the Omnibus Transportation Bill HB1414/SB890 took two actions to partially restore NVTA funding diverted in 2018 :
 - i. \$20 Million in State Revenues: \$20 million in state monies to be transferred to the Commonwealth Transportation Fund on an annual basis. This fixed \$20 million per year transfer is to NOT be used in the determination of the NVTA debt capacity (Bondable Funds). The rationale for not using these funds to determine debt capacity is that as a fixed amount transfer it has neither economic growth capacity nor the revenue significance of a dedicated tax levy.
 - ii. Regional Congestion Relief Fee (Grantor's Tax): This revenue will be used in determination of the NVTA debt capacity and represents Bondable Funds. On a pre-COVID basis, this revenue was estimated to produce \$30 million in revenue. However, the Governor delayed the full implementation of the tax in FY2021, and adjusting for COVID-19 the revenue is estimated to result in; \$11.1 million in FY2021, \$19.5 million in FY2022, and \$24 million in FY2023. This revenue is expected to reach \$30 million in FY2024.

- c. Expected to result in \$20 million when fully implemented, the I-81 Interstate Operations and Enhancement Program revenues are not permitted to be used to support bonds or debt of NVTA by Virginia Code as noted in the draft policy.

4. Next Steps:

With Finance Committee approval, the proposed policy changes will be presented to the Authority at their December meeting for adoption.

Coordination: Regional Jurisdiction and Agency Coordinating Committee
NVTA Financial Advisor (PFM)
Council of Counsels

Attachment: Draft Policy 20 – Regional Revenue (70% Funds)

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

Policy Number 20 – Regional Revenue (70% Funds)

- I. **Purpose.** *Virginia Code* §33.2- 2510 directs the Northern Virginia Transportation Authority (“NVTA” or the “Authority”) to use 70 percent of the revenue collected (the “Regional Revenue Funds”) interest earnings, and NVTA bond proceeds for (i) transportation projects selected by the Authority that are contained in Transaction 2040 and its updates or (ii) mass transit capital projects that increase capacity benefitting those counties and cities embraced by the NVTA. The Standard Project Agreement for Funding (SPA) is the mechanism NVTA shall use to govern the distribution and use of Regional Revenue Funds and for the NVTA to ensure that such funds are spent in accordance with the Virginia Code and Authority policies. NVTA recognizes that not all Regional Revenue Funds generated pursuant to SB1716 (2019) are subject to different legal requirements than Regional Revenue Funds generated under HB2313 (2013) are legally bondable or desired to be listed as bondable sources of revenue.
- II. **General.**
- A. Regional Revenue Funds will be distributed, in accordance with the Virginia Code and NVTA’s Master Indenture of Trust dated as of December 1, 2014 as Supplemented (the “NVTA Indenture”) as follows:
1. NVTA will segregate the Regional Revenue Funds ~~generated under SB1716 (2019) (the “SB1716 Regional Revenue Funds”) from the Regional Revenue Funds generated under HB2313 (the “HB2313 Regional Revenue Funds”).~~ by the following revenue sources:
 - a. Sales and Use Tax (HB2313, 2013)
 - b. Interstate Operations and Enhancement Program (SB1716/~~HB2718~~, 2019)
 - c. Commonwealth Transportation Fund Transfer (HB1414, 2020)
 - d. Regional Congestion Relief Fee (HB1414, 2020)
 2. ~~The SB1716 Regional Revenue Funds~~ Interstate Operations and Enhancement Program are not permitted by legislation to be used to support bonds or other debt of NVTA.
 1. ~~The Commonwealth Transportation Fund Transfer revenue~~ cannot ~~will not~~ be used to support bonds or other debt of NVTA. ~~As such, once the segregation described in II.A.1. above has occurred, the SB1716 Regional Revenue Funds will immediately be credited to the General Fund established under the NVTA Indenture (the “General Fund”).~~
 3. The ~~HB2313 Regional Revenue Funds~~ Sales and Use Tax and Regional Congestion Relief Fee Revenue (Bondable Funds) are pledged to pay debt service and will be included in NVTA’s debt capacity calculations.

4. The ~~HB2313 Regional Revenue Funds~~ Bondable Funds will be applied in following order on a monthly basis:
 - a) To ~~—~~ fund each Bond Debt Service Fund for NVTA’s senior bonds as required under the NVTA Indenture;
 - b) To restore the balance in any Debt Service Reserve Fund that may be established under the NVTA Indenture to its Reserve Requirement in accordance with the NVTA Indenture;
 - c) To fund any Subordinate Debt Service Fund for any subordinate bonds that NVTA may issue in accordance with the NVTA Indenture;
 - d) To fund any Rebate Fund established for any series of NVTA bonds as provided in the NVTA Indenture to provide for the payment of any rebate amounts for such series determined under Section 148 of the Internal Revenue Code; and
 - e) Any balance remaining after the foregoing deposits have been made shall be transferred to the General Fund.

~~5. Remaining a~~Amounts in the General Fund, ~~which will consist of both SB1716 Regional~~

~~6.5. Revenue Funds and HB2313 Regional Revenue Funds,~~ will be applied as follows as more particularly described in NVTA's annual ~~operating~~ budgets:

- a) To fund or maintain a Working Capital Reserve in an amount determined by NVTA of not less than \$120 million-;
- b) To fund cost of issuance and other debt-related fees and services-;
- c) To fund “pay-as-you-go” (Pay-Go) projects approved by NVTA; and
- d) To make transfers to the Operating Fund established under the NVTA Indenture to pay NVTA’s annual administrative and operating expenses to the extent not provided for from other sources as authorized under SB1468 (2019).

~~7.6.~~Each project financed by Regional Funds must meet the following criteria as well as be approved by NVTA and subject to all applicable laws:

- a. Project must be in the current regional long range transportation plan (TransAction), and be rated in accordance with HB 599;
- b. Must reflect the Authority's priority for selecting projects that are expected to provide the greatest congestion reduction relative to the cost of the project;
- c. Must be located only in jurisdictions embraced by the Authority or in adjacent jurisdictions but only to the extent that such extension is an insubstantial part of the project and is essential to the viability of the project within the jurisdictions embraced by the Authority; and

- d. Must result in each jurisdiction's total long-term benefit being approximately equal to the proportion of the total of the fees and taxes received by the Authority that are generated by or attributable to the jurisdiction.

:

- B. The Standard Project Agreement is the guiding document regarding the responsibilities of each party in reference to project funding using Regional Revenue Funds.

III. Responsibilities.

A. Executive Director.

1. Is responsible to assign a ~~Transportation Planner~~ staff to monitor each project to ensure compliance with the Standard Project Agreement (SPA).
2. The Executive Director will make guidelines available to the recipient as necessary to assist with compliance of the Standard Project Agreement.
3. Written requests for supplemental project funding shall be submitted to the Executive Director for review. The 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.
4. The Executive Director will review written requests from recipients to advance a project to a future phase. The requests will be shared with the Finance Committee for consideration. The Finance Committee may make a recommendation on any such request to the Authority for final determination. The Standard Project Agreement doesn't prevent a recipient from self-funding a future phase of an approved project and seeking reimbursement from the Authority based on the original or modified cash flow projections.
5. The Executive Director will advise the recipient in writing of questionable uses of any funding which comes to the Authority's attention. The Executive Director 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 will be withheld until final resolution of the matter.

B. Chief Financial Officer (CFO) Reporting to Executive Director.

1. The CFO has primary responsibility to ensure Regional Revenue Funds are properly safeguarded and disbursed.
2. The CFO will ~~be responsible for ensuring~~call on Jurisdictions and Agencies with active SPA's to recipient project cash flow requirements are periodically ~~updated~~update project cash flow projections to properly manage the project needs of the recipient.
3. The CFO will manage the requisition process, as outlined in the Standard Project Agreement, for cash flow purposes to facilitate reimbursement to the recipient within 20 days of receiving a completed and approved requisition request.
4. The CFO will manage the Authority's cash position to ensure availability of funds to meet programmed reimbursement requests.

C. Principal, Transportation Planning and Programming.

1. The Principal, Transportation Planning and Programming will be responsible for assigning ~~a Transportation Planner for staff to~~ monitoring projects on behalf of the NVTA so as to ensure compliance with the applicable Standard Project Agreement, NVTA's policies and the Virginia Code.
2. The assigned ~~NVTA staff member~~Transportation Planner is charged with overseeing, managing, reviewing and processing, in consultation with the NVTA's Executive Director and CFO, all payment requisitions submitted by recipients for projects. He/she will also notify the recipient of the reasons why a payment requisition has been declined.
3. The assigned ~~NVTA staff member~~Transportation Planner will have no independent authority to direct changes or make additions, modifications, or revisions to the Project Scope of Work as set forth in Appendix A to the applicable Standard Project Agreement or to the Project Budget and Cash Flow as set forth in Appendix B to the applicable Standard Project Agreement.
4. In consultation with the Executive Director, Principal, Transportation Planning and Programming and assigned ~~NVTA staff member~~Transportation Planner will conduct periodic reviews to ensure that the project remains in compliance with the agreed upon project scope.
5. The ~~NVTA staff member~~Transportation Planner will ensure that written certification is received for matching project funds and for compliance with VDOT requirements, if the project is to be accepted into the VDOT system for maintenance.

D. 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. Each recipient must perform or have performed all environmental work, right-of-way acquisition, construction, contract administration, testing services, inspection services, or capital asset acquisition necessary to complete the project.
3. A recipient must acknowledge the requirements of the NVTAs Resolution 14-08 NORTHERN VIRGINIA TRANSPORTATION AUTHORITY ('NVTAs') POLICY FOR USE OF 70% FUNDS UNDER 2013 VA. ACTS CH. 766 REGARDING FUNDING OF PROJECTS UNDERTAKEN BY NVTAs OR ON ITS BEHALF WITH THE DISTRICT OF COLUMBIA, VIRGINIA, ANY OTHER STATE OR A POLITICAL SUBDIVISION THEREOF, OR THE UNITED STATES OF AMERICA, if applicable.
4. A recipient must name the Authority and its bond trustee as additional insureds on insurance policies associated with the project.
5. A recipient must certify that it will use the project for its intended purpose for the duration of its useful life.
6. A recipient must acknowledge that the Authority will not be responsible for operating or maintaining the project upon completion.
7. 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.

Approved by the Finance Committee: December 5, 2014

Approved by Northern Virginia Transportation Authority: December 11, 2014

Revision 1:

Approved by the Finance Committee: October 17, 2019

Approved by the Northern Virginia Transportation Authority: November 14, 2019

Revision 2:

Approved by the Finance Committee:

Approved by the Northern Virginia Transportation Authority:

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

FOR: Chairman Parrish and Members of the NVTA Finance Committee
FROM: Dev Sen, Financial Analyst
DATE: November 13, 2020
SUBJECT: Economic Impact Analysis Contract

1. **Purpose:** To seek Northern Virginia Transportation Authority (NVTA) Finance Committee recommendation of Authority approval of proposed Economic Impact Analysis Contract with Chmura Economics & Analytics, LLC (Chmura).
2. **Suggested Motion:** *I move the Finance Committee recommend Authority approval of the proposed Economic Impact Analysis Contract with Chmura Economics & Analytics, LLC.*
3. **Background:**
 - a. A Request for Proposals (RFP) was issued on August 10, 2020, with proposals due on September 4, 2020.
 - b. Notice of this open procurement was placed on the NVTA website and with the Commonwealth's eVA procurement notice system.
 - c. Four firms submitted responsive and responsible Technical and Price proposals eligible for consideration by the RFP evaluation team.
 - d. The RFP evaluation team consisted of NVTA's; CFO, Senior Transportation Planner and Financial Analyst.
 - e. Three of the four respondent proposals received close scores on their technical proposals. Two firms were selected for competitive negotiations. When the cost proposals were evaluated, Chmura became the unanimous recommendation of the evaluation team.
 - f. Chmura conducted the most recent of two previous analyses.
 - g. With the Finance Committee approval, the contract with Chmura Economics & Analytics, LLC will be submitted for Authority consideration at the December 2020 meeting.

Attachment: Contract Award Notice -Draft



Northern Virginia Transportation Authority

The Authority for Transportation in Northern Virginia

DRAFT, 2020

Ms. Sharon Simmons, Director of Operations
Chmura Economics & Analytics, LLC
1309 E. Cary St. 2nd FL
Richmond, VA 23219

Dear Ms. Simmons:

The Northern Virginia Transportation Authority (NVTA) has acted to authorize the award of a contract to Chmura Economics & Analytics, LLC (Chmura) to perform the work requested in NVTA RFP No. 2021-01 and described in your Technical Proposal and separate Price Proposal dated August 25, 2020.

There are no clarifications or modifications to the NVTA Request for Proposal or the Chmura Technical and Cost Proposals.

This letter, together with NVTA RFP 2021-01 and the Chmura Economics & Analytics, LLC Technical Proposal and Price Proposal dated August 25, 2020, provides the agreement to conduct the services under the specified terms and conditions. This letter also constitutes your notice to proceed unless advised otherwise in writing by NVTA on or prior to December 24, 2020.

If you concur please sign both originals and return one copy to Michael Longhi, NVTA CFO. Please contact Mr. Longhi at (703) 642-4653 with any questions.

Sincerely,

Monica Backmon
NVTA Executive Director

Sharon Simmons Date
Chmura Economics & Analytics, LLC
Director of Operations

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

FOR: Chairman Parrish and Members of the NVTA Finance Committee

FROM: Michael Longhi, Chief Financial Officer

DATE: November 13, 2020

SUBJECT: FY2022 Budget Guidance

1. **Purpose:** To gather input from the Northern Virginia Transportation Authority (NVTA) Finance Committee on development of the FY2022 budgets.
2. **Discussion:** The NVTA business activities are supported through three separate budgets. Development of these budgets for FY2022 will be based on guidance from the Committee. Initial discussion items are presented for each budget below:
 - A. **Local Distribution Fund.** The Local Distribution Fund Budget supports the monthly distribution of 30% funds to member jurisdictions. Prior guidance for this budget has been to:
 - i. Estimate revenues cooperatively, transparently and conservatively.
 - ii. Target revenue actual to budget variance to be positive (actual higher than budget).
 - iii. Maintain budget authorization to distribute the full funds received from the Commonwealth on a monthly basis while in full compliance with the Code of Virginia and NVTA policies. This eliminates the need for budget adjustments to distribute revenue in excess of the annual budgeted revenue.
 - iv. Utilize regional revenue funds for operating budget costs, eliminating the need to reduce jurisdiction 30% disbursements.
 - B. **Regional Revenue Fund.** The Regional Revenue Fund Budget is the source for transportation project funding by the Authority. Important background and previous guidance for this budget are:
 - i. The budget's first priority, as legally required in the Code of Virginia and NVTA's bond indenture is to fund all debt service obligations.
 - ii. With all debt service obligations budgeted, the resources in this fund are then available for PayGo project funding of Authority approved projects.
 - iii. Estimate revenues cooperatively, transparently and conservatively.

- iv. Target revenue actual to budget variance to be positive (actual higher than budget). Strive to end the fiscal year with small positive actual receipts to budgeted revenue variances (actual receipts slightly higher than budgeted revenues).
- v. This budget directly funds the expenses related to TransAction and Six Year Program updates and directly related technical and consultative support services.
- vi. Fund the Authority's operating budget through a transfer of funds to the Operating Fund/Budget.
- vii. The revenue estimate process feeds into the update of the PayGo analysis which will be required for the next Two-Year Program Update for FY2026-FY2027.

C. Operating Fund. The Operating Fund Budget is the central accounting point for operating and administrative expenses of the Authority. The Operating Fund and related budget can only be funded with resources in excess of those required or exempted from debt service obligations. Important background and previous guidance for this budget are:

- i. Starting in FY2020 (per SB 1468) , the Operating Budget has been funded from a transfer from the Regional Revenue Fund, rather than funding received from member jurisdictions, typically through a reduction in their 30% Local Distribution funds. This action in FY2020 (the first time it was possible) saved member jurisdictions \$2.9 million.
- ii. No additional full time equivalent (FTE) positions are proposed for FY2022.
- iii. The Operating Budget is presented in the format of base budget increases (contract escalations, inflation, etc.) and new initiatives.
- iv. Base budget increases include:
 - i. Salaries – maximum merit and cost of living increases have previously been based on a survey of member jurisdiction budgets. Since member jurisdiction budgets are not known until the latter part of April, the budgeted percent increase is based on jurisdiction preliminary budgets. NVTA maximum increases are then based on the survey of member jurisdictions.
 - ii. Health, Dental and Retirement costs - Health and Dental coverage is obtained through the Commonwealth's Local Choice Program, used by many member jurisdictions. Annual changes to the premiums are normally reported in early Spring. Retirement benefits are provided through the Authority's membership in the Virginia Retirement System. The Authority has made a practice of fully funding the annually required retirement contribution each year, thus reducing long term liabilities. Bi-annual actuary reports with updated contribution rates are distributed in late January.

- iii. Contracted services - The Authority obtains accounting system, auditing, leased space, technology platforms and support, bond counsel, financial advisory and other services on a contractual basis. The contractual increases are provided in the base budget. Service expansions, even if the service is currently provided under an existing contract are presented as new initiatives.
- iv. Operating Reserves – The Authority is required to maintain an operating reserve equal to 20% of the Operating Budget. In addition, the Authority maintains an equipment replacement reserve based largely on equipment depreciation schedules.

v. Significant FY2022 considerations:

- i. Office Lease – As part of the FY2020 lease renegotiation effective October 2021, the Authority now has a year to year lease renewal option. Office lease expenses are the second largest operating expense (\$177,085 for FY2022), after personnel related expenses. NVRC has expressed concern about the amount of pre-COVID empty office space it is carrying. NVRC is preparing for lease renegotiations over the next couple of years. During March 23rd through November 19th, NVTA has an office space utilization rate of 6%. Workplace, workspace, virtual connectivity, commuting and office space use are all going through a period of transition. It is unlikely that there will be enough information on these trends to make budget decisions for FY2022. Instead, staff offers for discussion, leaving the lease budget unchanged and using FY2022 to examine future opportunities, challenges and options.
- ii. Project Information Monitoring and Management System (PIMMS) – Several potential enhancements have been mentioned by Authority Members. If these enhancements can be scoped and estimated in time for the FY2022 budget preparations, the details will be presented to the Finance Committee.

3. Next Steps: NVTA Policy 10 - Financial Management contains a guideline which calls for the Authority adoption of budgets two months prior to the start of a fiscal year. This effectively results in the budget adoption occurring by April. The following timeline is proposed:

- A. December/January** – Finance Committee budget guidance discussed.
- B. February** – Base Budget Increases and Initiatives, cost projections presented. The Finance Committee may decide to make a recommendation to the Authority or request changes/information.
- C. March** – Additional discussion, if needed, to result in recommendation to the Authority. If the Finance Committee agreed to a recommendation in February the budgets could be presented to the Authority in March.

D. April – Based on Finance Committee direction, present the three budgets to the Authority for adoption.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman Parrish and Members, NVTA Finance Committee
FROM: Michael Longhi, Chief Financial Officer
DATE: November 13, 2020
SUBJECT: Investment Portfolio Report

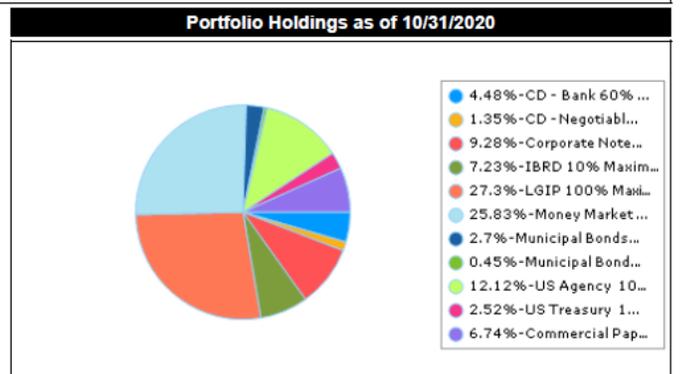
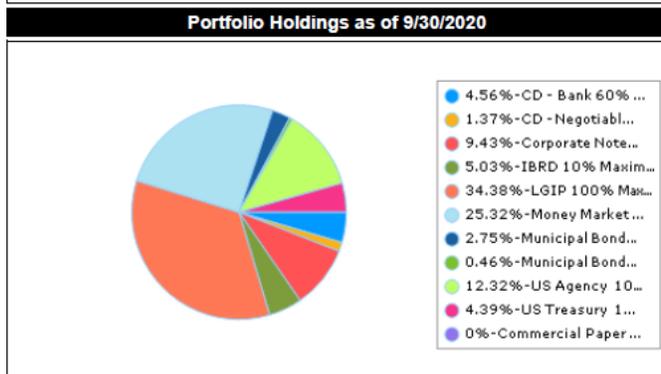
- 1) **Purpose:** To provide the Northern Virginia Transportation Authority (NVTA) Finance Committee with required reports on investment activities and portfolio performance through October 31, 2020.
- 2) **Background:** This report is on investment activity through October 2020 and affirms the portfolio investments were acquired on the basis of safety, liquidity and then yield. This report summarizes the portfolio structure, and adherence to the NVTA Investment Policy.



Northern Virginia Transportation Authority
 Distribution by Asset Category - Book Value
 Report Group: Regional Revenue

Begin Date: 9/30/2020, End Date: 10/31/2020

Asset Category Allocation				
Asset Category	Book Value 9/30/2020	% of Portfolio 9/30/2020	Book Value 10/31/2020	% of Portfolio 10/31/2020
CD - Bank 60% Maximum	49,815,273.30	4.56	49,815,273.30	4.48
CD - Negotiable 25% Maximum	15,000,000.00	1.37	15,000,000.00	1.35
Corporate Notes 50% Maximum	103,092,009.77	9.43	103,145,851.88	9.28
IBRD 10% Maximum	55,015,847.46	5.03	80,284,573.83	7.23
LGIP 100% Maximum	375,903,900.86	34.38	303,281,965.17	27.30
Money Market 60% Maximum	276,819,141.52	25.32	287,011,913.07	25.83
Municipal Bonds - US 75% Maximum	30,013,623.89	2.75	30,012,631.88	2.70
Municipal Bonds - Virginia 75% Maximum	5,043,169.20	0.46	5,042,436.72	0.45
US Agency 100% Maximum	134,667,492.78	12.32	134,639,797.67	12.12
US Treasury 100% Maximum	47,978,777.10	4.39	27,987,238.32	2.52
Commercial Paper 30% / 5% Maximum	0.00	0.00	74,885,781.95	6.74
Total / Average	1,093,349,235.88	100.00	1,111,107,463.79	100.00



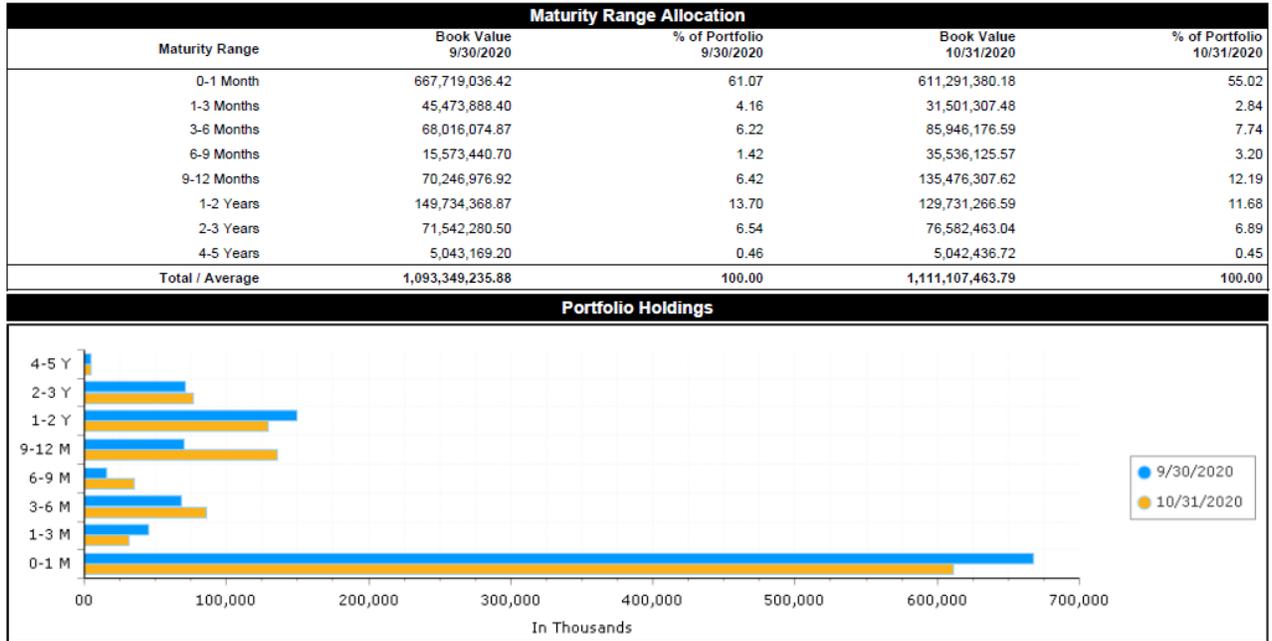
3) Current Period Reports:

- a. The safety of the portfolio is reflected in the actual composition of the portfolio as shown above.



Northern Virginia Transportation Authority
Distribution by Maturity Range - Book Value
Report Group: Regional Revenue

Begin Date: 9/30/2020, End Date: 10/31/2020



- b. The liquidity of the portfolio is reflected in the portfolio's duration of .38 (1.0 = 1 year) and the maturity schedule shown above.

NVTA Investment Benchmarks	Oct-20 Month End
Fed Funds Rate	0.09%
Treasury 90 Day T Bill	0.10%
Local Government Investment Pool	0.19%
Virginia Non-Arbitrage Program	0.22%
NVTA Performance	0.59%

Source: Bloomberg/NVTA Statements

- c. The yield on the portfolio at the end of October 2020 was .589%. The NVTA's Investment Policy specifies the benchmarks shown above for yield performance comparison.

4) Portfolio Analysis & Statistics Overview

a) **Safety** The portfolio is invested primarily in;

- i) Local Government Investment Pools (27% from 34%)
- ii) Collateralized bank money market accounts (remains at 26%)
- iii) AAA/AA rated investment grade corporate bonds (remains at 16%)
- iv) Treasuries and Agencies (15% from 17%)

b) **Liquidity:**

The NVTA Portfolio average duration was .38 – approximately a little more than one third of a year. As yields have fallen in the local government investment pools Treasury and Agency purchases have been made without a significant impact to liquidity.

c) **Yield:**

- i) Given the change in market dynamics - the Federal Reserve has dropped rates near zero because of the pandemic. With local government investment pools declining with the market, investment activity has centered around consolidating those funds and making short duration purchases of taxable municipal bonds, commercial paper and treasuries and agencies.
- ii) The NVTA portfolio is showing declines while still retaining value compared to the benchmarks. However, over time NVTA's portfolio performance will move (decline) with the market. The portfolio is well positioned to take early advantage of rising rates as COVID-19 lockdowns end and the economy begins to recover.



- 5) **Custodian Certification:** BB&T Retirement & Institutional Services is the custodian of all of NVTA's investment purchases and is where all of NVTA's non-deposit investments are held. Deposit type investments are protected through the Commonwealth of Virginia collateralization program or FDIC Insurance.
- 6) **Policy Required Reports:** The attached Compliance - GASB 40 Report addresses specific Investment Policy requirements regarding the purchase and holding of securities. The attached report, documents:
- a. **Compliance – Investment Policy, Summary.** The report shows the percentage of the portfolio by each type of investment.
 - b. **Investment Portfolio – By Maturity Range.** The report shows the yield to maturity, and percentage of the portfolio which each type of investment represents.
 - c. **Portfolio Holdings by Custodian.** This report shows each depository, investment firm or custodian holding NVTA securities or cash.

Attachments: Compliance - GASB 40 Report shows reporting requirements as listed above, and not otherwise presented. This report is also fundamental for the Authority's Annual Financial Statements and annual audit.



Northern Virginia Transportation Authority

The Authority for Transportation in Northern Virginia

Portfolio Holdings Compliance - GASB 40 Report - As of 10/31/2020

Issuer	Face Amount Shares	Book Value	Market Value	Credit Rating 1	Credit Rating 2	Portfolio %	Days To Maturity	Maturity Date	YTM @ Cost	Duration To Maturity
Certificate Of Deposit										
Atlantic Union Bank 1.7 12/26/2020	9,500,000.00	9,500,000.00	9,500,000.00	NR	NR	0.86	56	12/26/2020	1.700	0.15
United Bank 1.9 1/14/2021	10,000,000.00	10,000,000.00	10,000,000.00	NR	NR	0.90	75	01/14/2021	1.900	0.21
United Bank 0.2 9/2/2021	30,315,273.30	30,315,273.30	30,315,273.30	NR	NR	2.73	306	09/02/2021	0.200	0.84
Sub Total / Average Certificate Of Deposit	49,815,273.30	49,815,273.30	49,815,273.30			4.49	212		0.827	0.58
Commercial Paper										
Barclays Bank 0 7/16/2021	10,000,000.00	9,979,216.67	9,978,411.11	S&P-A1	Moody's-P1	0.90	258	07/16/2021	0.291	0.71
Lloyds Bank PLC 0 4/16/2021	25,000,000.00	24,977,965.28	24,974,165.28	S&P-A1	Moody's-P1	2.25	167	04/16/2021	0.190	0.46
Lloyds Bank PLC 0 4/27/2021	10,000,000.00	9,989,122.22	9,989,274.17	S&P-A1	Moody's-P1	0.90	178	04/27/2021	0.220	0.49
Royal Bank of Canada 0 10/19/2021	10,000,000.00	9,978,427.78	9,977,816.67	S&P-A1+	Moody's-P1	0.90	353	10/19/2021	0.220	0.97
Royal Bank of Canada 0 10/28/2021	10,000,000.00	9,975,866.67	9,975,666.67	S&P-A1+	Moody's-P1	0.90	362	10/28/2021	0.241	0.99
Toyota Industries 0 7/12/2021	10,000,000.00	9,985,183.33	9,981,818.06	S&P-A1	Moody's-P1	0.90	254	07/12/2021	0.210	0.70
Sub Total / Average Commercial Paper	75,000,000.00	74,885,781.95	74,877,151.96			6.76	243		0.221	0.67
Corporate Bond										
Apple Corp. 1.7 9/11/2022	16,145,000.00	16,115,616.10	16,567,353.20	S&P-AA+	Moody's-Aa1	1.45	680	09/11/2022	1.800	1.84
Apple Corp. Var. Corp 2/9/2022	5,011,000.00	5,034,678.38	5,040,915.67	S&P-AA+	Moody's-Aa1	0.45	466	02/09/2022	0.743	0.00
Apple Corp. 2 11/13/2020	5,000,000.00	4,998,768.76	5,001,800.00	S&P-AA+	Moody's-Aa1	0.45	13	11/13/2020	2.718	0.03
Apple Inc 0.75 5/11/2023	5,000,000.00	5,059,144.37	5,048,900.00	S&P-AA+	Moody's-Aa1	0.45	922	05/11/2023	0.280	2.50
Berkshire Hathaway 2.2 3/15/2021	7,386,000.00	7,369,435.28	7,427,730.90	S&P-AA	Moody's-Aa2	0.67	135	03/15/2021	2.833	0.37
Berkshire Hathaway 2.2 3/15/2021	10,000,000.00	10,004,998.79	10,056,500.00	S&P-AA	Moody's-Aa2	0.90	135	03/15/2021	2.061	0.37
Berkshire Hathaway 2.75 3/15/2023-23	10,000,000.00	10,488,539.88	10,515,600.00	S&P-AA	Moody's-Aa2	0.90	865	03/15/2023	0.665	2.31
Chevron Corp. 2.1 5/16/2021	5,560,000.00	5,536,410.20	5,605,703.20	S&P-AA	Moody's-Aa2	0.50	197	05/16/2021	2.923	0.54
Chevron Corp. 2.1 5/16/2021	5,000,000.00	5,030,206.67	5,041,100.00	S&P-AA	Moody's-Aa2	0.45	197	05/16/2021	0.973	0.54
Exxon Mobil Corp Var. Corp 3/6/2022	1,000,000.00	1,003,339.80	1,004,500.00	S&P-AA	Moody's-Aa1	0.09	491	03/06/2022	0.618	0.00

Issuer	Face Amount Shares	Book Value	Market Value	Credit Rating 1	Credit Rating 2	Portfolio %	Days To Maturity	Maturity Date	YTM @ Cost	Duration To Maturity
Exxon Mobil Corp Var. Corp 3/6/2022	7,500,000.00	7,523,780.28	7,533,750.00	S&P-AA	Moodys-Aa1	0.68	491	03/06/2022	0.618	0.00
Exxon Mobil Corp Var. Corp 8/16/2022	10,000,000.00	10,028,333.89	10,041,600.00	S&P-AA	Moodys-Aa1	0.90	654	08/16/2022	0.610	0.00
IBRD 1.375 9/20/2021	25,000,000.00	25,269,761.06	25,248,500.00	S&P-AAA	Moodys-Aaa	2.25	324	09/20/2021	0.157	0.88
IBRD 1.75 1/27/2023-21	30,000,000.00	30,002,261.75	30,089,700.00	S&P-AAA	Moodys-Aaa	2.70	818	01/27/2023	1.746	2.20
IBRD ADBVar. Corp 12/15/2021	25,000,000.00	25,012,551.02	24,997,250.00	S&P-AAA	Moodys-Aaa	2.25	410	12/15/2021	0.260	0.00
Microsoft Corp 1.55 8/8/2021	5,000,000.00	4,952,363.56	5,043,600.00	S&P-AAA	Moodys-Aaa	0.45	281	08/08/2021	2.850	0.77
WalmartVar. Corp 6/23/2021	5,000,000.00	5,005,108.70	5,008,100.00	S&P-AA	Moodys-Aa2	0.45	235	06/23/2021	0.453	0.00
Walmart Corp 1.9 12/15/2020	5,000,000.00	4,995,127.22	5,010,000.00	S&P-AA	Moodys-Aa2	0.45	45	12/15/2020	2.722	0.12
Sub Total / Average Corporate Bond	182,602,000.00	183,430,425.71	184,282,602.97			16.45	479		1.212	0.93
FFCB Bond										
FFCBVar. FFCB 8/1/2022	25,000,000.00	25,000,000.00	24,984,500.00	S&P-AA+	Moodys-Aaa	2.25	639	08/01/2022	0.160	0.00
FFCBVar. FFCB 9/13/2021	5,000,000.00	5,000,000.00	5,004,800.00	S&P-AA+	Moodys-Aaa	0.45	317	09/13/2021	0.259	0.00
FFCB 0.23 8/3/2022	20,000,000.00	20,000,000.00	19,905,200.00	S&P-AA	Moodys-Aaa	1.80	641	08/03/2022	0.230	1.75
FFCB Var. FFCB 10/27/2021	20,000,000.00	19,998,740.86	19,995,000.00	S&P-AA+	Moodys-Aaa	1.80	361	10/27/2021	0.117	0.00
FFCB Var. FFCB 11/7/2022	10,000,000.00	10,032,517.04	10,066,500.00	S&P-AA+	Moodys-Aaa	0.90	737	11/07/2022	0.520	0.00
FFCB Var. FFCB 5/16/2022	10,000,000.00	10,006,202.93	10,029,600.00	S&P-AA+	Moodys-Aaa	0.90	562	05/16/2022	0.370	0.00
Sub Total / Average FFCB Bond	90,000,000.00	90,037,460.83	89,985,600.00			8.11	562		0.235	0.39
FHLB Bond										
FHLB 1.67 8/25/2023-21	21,000,000.00	21,000,000.00	21,097,020.00	S&P-AA+	Moodys-Aaa	1.89	1,028	08/25/2023	1.670	2.76
Sub Total / Average FHLB Bond	21,000,000.00	21,000,000.00	21,097,020.00			1.89	1,028		1.670	2.76
FHLMC Bond										
FHLMC 1.875 11/17/2020	5,000,000.00	4,997,681.82	5,003,700.00	S&P-AA+	Moodys-Aaa	0.45	17	11/17/2020	2.910	0.04
Sub Total / Average FHLMC Bond	5,000,000.00	4,997,681.82	5,003,700.00			0.45	17		2.910	0.04
Local Government Investment Pool										
Commonwealth of VirginiaLGIP	12,000.08	12,000.08	12,000.08	S&P-AAA	NR	0.00	1	N/A	0.187	0.00
Commonwealth of Virginia LGIP	140,062,074.87	140,062,074.87	140,062,074.87	S&P-AAA	NR	12.62	1	N/A	0.187	0.00
VIP Stable NAV LGIP	163,207,890.22	163,207,890.22	163,207,890.22	S&P-AAA	NR	14.70	1	N/A	0.190	0.00
Sub Total / Average Local Government Investment Pool	303,281,965.17	303,281,965.17	303,281,965.17			27.32	1		0.188	0.00
Money Market										
Access National Bank MM	57,727,557.85	57,727,557.85	57,727,557.85	NR	NR	5.20	1	N/A	0.210	0.00
BB&T MM	10,604,181.56	10,604,181.56	10,604,181.56	NR	NR	0.96	1	N/A	0.010	0.00
John Marshall Bank ICS MM	47,641,719.24	47,641,719.24	47,641,719.24	NR	NR	4.29	1	N/A	0.310	0.00
United Bank ICS Checking MM	28,015,649.47	28,015,649.47	28,015,649.47	NR	NR	2.52	1	N/A	0.200	0.00
United Bank ICS Savings MM	52,029,348.38	52,029,348.38	52,029,348.38	NR	NR	4.69	1	N/A	0.200	0.00
United Bank MM	90,993,456.57	90,993,456.57	90,993,456.57	NR	NR	8.20	1	N/A	0.210	0.00

Issuer	Face Amount Shares	Book Value	Market Value	Credit Rating 1	Credit Rating 2	Portfolio %	Days To Maturity	Maturity Date	YTM @ Cost	Duration To Maturity
Sub Total / Average Money Market	287,011,913.07	287,011,913.07	287,011,913.07			25.85	1		0.216	0.00
Municipal Bond										
FFX CNTY VA GO 0.645 10/1/2025	5,000,000.00	5,042,436.72	4,989,800.00	S&P-AAA	Moody's-Aaa	0.45	1,796	10/01/2025	0.470	4.84
NYC GO 1.58 8/1/2021	20,000,000.00	20,005,867.69	20,169,800.00	S&P-AA	Moody's-Aa1	1.80	274	08/01/2021	1.541	0.75
NYC GO 1.58 8/1/2022	10,000,000.00	10,006,764.19	10,176,900.00	S&P-AA	Moody's-Aa1	0.90	639	08/01/2022	1.541	1.73
Sub Total / Average Municipal Bond	35,000,000.00	35,055,068.60	35,336,500.00			3.15	596		1.388	1.61
Negotiable Certificate Of Deposit										
TD Bank NY 2.5 3/23/2021	15,000,000.00	15,000,000.00	15,067,050.00	S&P-A1+	Moody's-P1	1.35	143	03/23/2021	2.500	0.39
Sub Total / Average Negotiable Certificate Of Deposit	15,000,000.00	15,000,000.00	15,067,050.00			1.35	143		2.500	0.39
Treasury Note										
T-Note 2 11/30/2020	5,000,000.00	5,000,291.22	5,007,100.00	S&P-AA+	Moody's-Aaa	0.45	30	11/30/2020	1.927	0.08
T-Note 2 11/30/2020	6,000,000.00	6,000,760.14	6,008,520.00	S&P-AA+	Moody's-Aaa	0.54	30	11/30/2020	1.842	0.08
T-Note 2.375 12/31/2020	7,000,000.00	7,006,180.26	7,024,920.00	S&P-AA+	Moody's-Aaa	0.63	61	12/31/2020	1.835	0.17
T-Note 2.75 9/15/2021	10,000,000.00	9,980,006.70	10,226,200.00	S&P-AA+	Moody's-Aaa	0.90	319	09/15/2021	2.990	0.87
Sub Total / Average Treasury Note	28,000,000.00	27,987,238.32	28,266,740.00			2.52	141		2.266	0.38
TVA Bond										
TVA 3.875 2/15/2021	5,000,000.00	5,012,006.40	5,052,400.00	S&P-AA+	Moody's-Aaa	0.45	107	02/15/2021	3.017	0.29
TVA 3.875 2/15/2021	13,500,000.00	13,592,648.62	13,641,480.00	S&P-AA+	Moody's-Aaa	1.22	107	02/15/2021	1.500	0.29
Sub Total / Average TVA Bond	18,500,000.00	18,604,655.02	18,693,880.00			1.67	107		1.910	0.29
Total / Average	1,110,211,151.54	1,111,107,463.79	1,112,719,396.47			100	196		0.589	0.38

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

FOR: Chairman Parrish and Members of the NVTA Finance Committee

FROM: Michael Longhi, Chief Financial Officer

DATE: November 13, 2020

SUBJECT: Monthly Revenue Report

1. **Purpose:** To update the Northern Virginia Transportation Authority (NVTA) Finance Committee on monthly revenue receipts and 30% funds distributed to member localities.
2. **Background:** The attached reports reflect funding received and distributed through October 2020.
3. **Comments:**
 - a. **FY2021 Revenues (Attachment A)**
 - i. The Authority has received approximately \$51 million through the October 2020 transfers from the Commonwealth.
 - ii. Actual sales tax revenue for October 2020 (two months of tax receipts annualized) compared to FY2021 budgeted annual sales tax revenue, show a 25.5% positive variance. It is too early in the revenue cycle to rely on the positive variance to be sustained through the remaining 10 months. Nor do we know the future impact of the COVID-19 pandemic as the colder months approach. FY2021 projected revenue is expected to rise and fall throughout the fiscal year as a result of the unpredictable path of the COVID-19 virus and its impact on the economy.
 - iii. The Authority has received three months of Regional Congestion Fees (Grantors Tax) at the reduced rate of \$0.05/100.
 - iv. As of October 31, 2020, the Authority had not received Heavy Truck Registration and Diesel Fuel revenue for FY2021. Per VDOT, these funds cannot be distributed to the Authority until the Governor signs the FY2021 Budget Bill.
 - b. **FY2021 Distribution to localities (Attachment B)**
 - i. Seven of the Authority's member jurisdictions have completed the required annual HB2313 certification to receive FY2021 Local Distribution Funds (30%). The filing deadline is August 1st of each year. If the filing is not received (in correct and accurate form) by March 1st the jurisdiction's Local Distribution Funds are transferred to the Regional Revenue Fund for the year.
 - ii. As of October 2020, \$13.6 million has been distributed in Local 30% Distribution funds for FY2021 to member jurisdictions.

c. FY2015 to FY2021 Year over Year Revenue Comparison (Attachment C).

- i. This chart reflects a month-to-month comparison of sales tax revenue and a year-to-year comparison of fiscal year to date revenues received through October 2020.

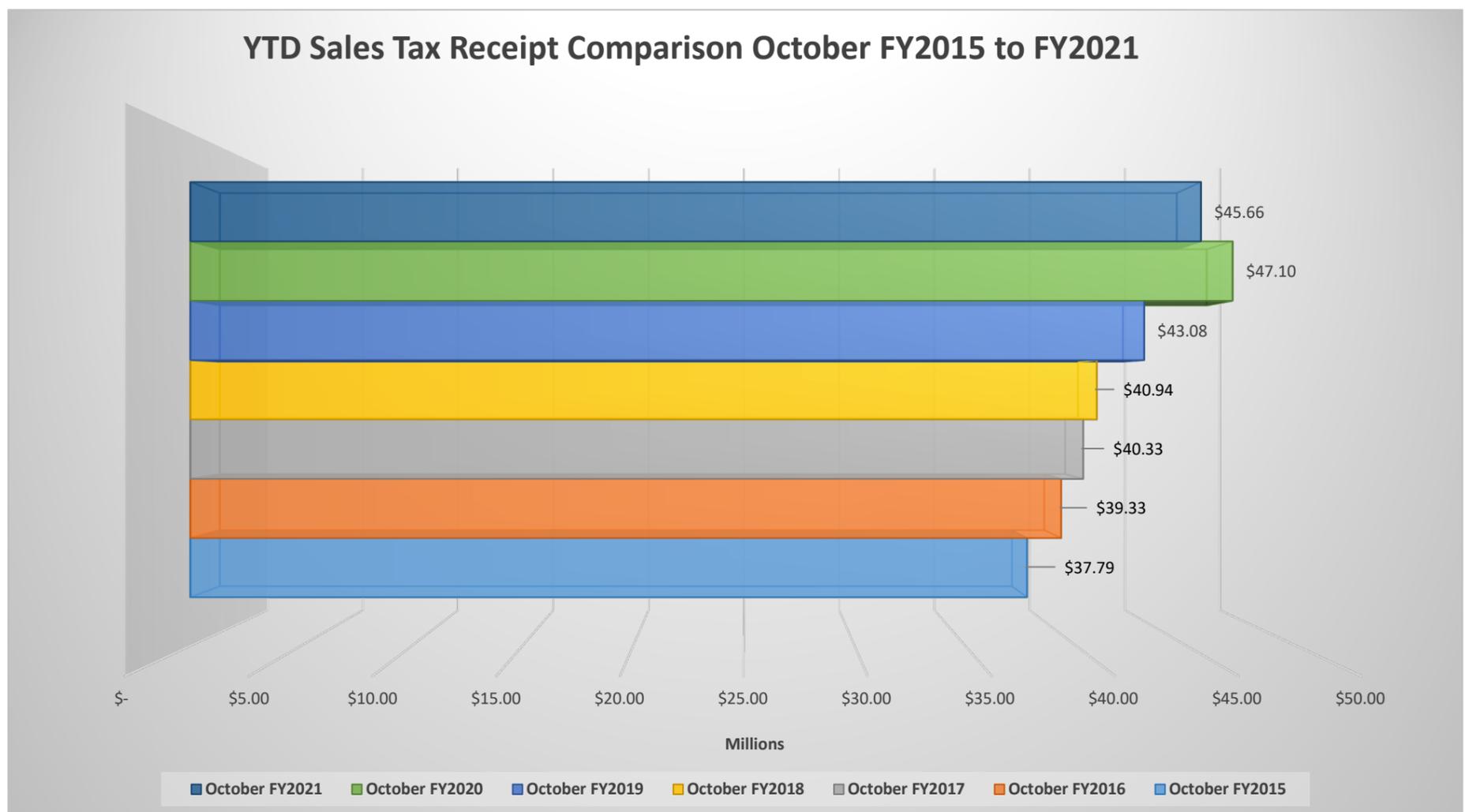
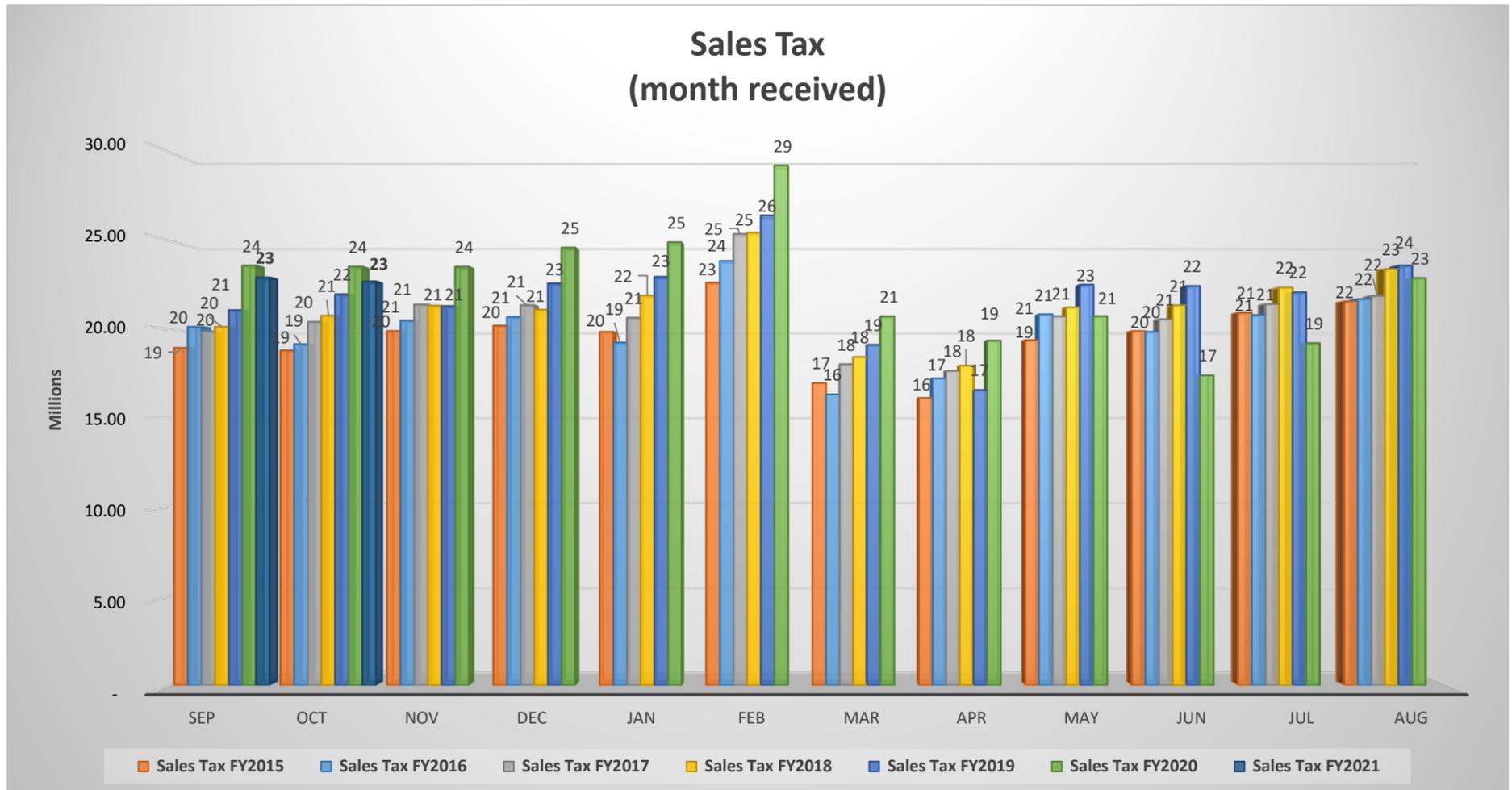
Attachments:

- A. Sales Tax Revenues Received Compared to NVTA Estimates, Through October 2020
- B. FY2020 30% Distribution by Jurisdiction, through October 2020
- C. Month to Month Comparison of Sales Tax Revenue and YTD Receipts for October 2015 to 2020

Attachment A

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY					
SALES TAX REVENUES RECEIVED BY JURISDICTION, COMPARED TO NVTA ESTIMATES					
Based on: Revenue Data Through October 2020					
FYE June 30, 2021					
Regional Sales Tax		Annualized			
Transaction Months	2	Received To Date	Revenue based on YTD Receipts	FY2021 Budget	Annualized - Actual To Budget
City of Alexandria		\$ 2,980,717	\$ 17,884,303	\$ 14,188,675	\$ 3,695,628
Arlington County		3,662,945	21,977,671	21,828,731	148,940
City of Fairfax		1,265,391	7,592,347	5,893,757	1,698,590
Fairfax County		18,780,339	112,682,033	92,335,532	20,346,501
City of Falls Church		531,889	3,191,335	2,401,160	790,175
Loudoun County		9,531,467	57,188,799	42,347,738	14,841,061
City of Manassas		1,120,372	6,722,232	5,020,608	1,701,624
City of Manassas Park		290,080	1,740,479	1,309,724	430,755
Prince William County		7,493,046	44,958,276	32,961,384	11,996,892
Total Sales Tax Revenue		\$ 45,656,246	\$ 273,937,474	\$ 218,287,309	\$ 55,650,165 25.5%
Vehicle License-Registration Fees		Annualized			
Transaction Months	1	Received To Date	Revenue based on YTD Receipts	FY2021 Budget	Annualized - Actual To Budget
City of Alexandria		\$ -	\$ -	\$ 138,367	\$ (138,367)
Arlington County		-	-	212,872	(212,872)
City of Fairfax		-	-	57,476	(57,476)
Fairfax County		-	-	900,450	(900,450)
City of Falls Church		-	-	23,416	(23,416)
Loudoun County		-	-	412,972	(412,972)
City of Manassas		-	-	48,961	(48,961)
City of Manassas Park		-	-	12,772	(12,772)
Prince William County		-	-	321,437	(321,437)
Total Vehicle License-Registration Fees		\$ -	\$ -	\$ 2,128,723	\$ (2,128,723) -100.0%
Regional Congestional Relief Fee		Annualized			
Transaction Months	3	Received To Date	Revenue based on YTD Receipts	FY2021 Budget	Annualized - Actual To Budget
City of Alexandria		\$ 633,907	\$ 2,535,626	\$ 721,500	\$ 1,814,126
Arlington County		521,142	2,084,568	1,110,000	974,568
City of Fairfax		40,093	160,373	299,700	(139,327)
Fairfax County		1,891,668	7,566,673	4,695,300	2,871,373
City of Falls Church		75,883	303,533	122,100	181,433
Loudoun County		1,191,552	4,766,206	2,153,400	2,612,806
City of Manassas		46,704	186,818	255,300	(68,482)
City of Manassas Park		32,665	130,659	66,600	64,059
Prince William County		914,749	3,658,998	1,676,100	1,982,898
Total Regional Congestion Relief Fee		\$ 5,348,363	\$ 64,180,361	\$ 11,100,000	\$ 53,080,361 478.2%
NVTD Transfer from COVA		Annualized			
Transaction Months	1	Received To Date	Revenue based on YTD Receipts	FY2021 Budget	Annualized - Actual To Budget
City of Alexandria		\$ -	\$ -	\$ 1,300,000	\$ (1,300,000)
Arlington County		-	-	2,000,000	(2,000,000)
City of Fairfax		-	-	540,000	(540,000)
Fairfax County		-	-	8,460,000	(8,460,000)
City of Falls Church		-	-	220,000	(220,000)
Loudoun County		-	-	3,880,000	(3,880,000)
City of Manassas		-	-	460,000	(460,000)
City of Manassas Park		-	-	120,000	(120,000)
Prince William County		-	-	3,020,000	(3,020,000)
Total NVTD Transfer from COVA		\$ -	\$ -	\$ 20,000,000	\$ (20,000,000) -100.0%
Total Revenue Received		\$ 51,004,609	\$ 338,117,835	\$ 251,516,032	\$ 86,601,803 34.43%
		\$ 51,004,609			

FY2021 October 2020



NORTHERN VIRGINIA TRANSPORTATION AUTHORITY**MEMORANDUM**

FOR: Chairman Parrish and Members, NVTA Finance Committee

FROM: Michael Longhi, Chief Financial Officer

DATE: November 13, 2020

SUBJECT: Monthly Operating Budget Report

- 1. Purpose:** To update the Northern Virginia Transportation Authority (NVTA) Finance Committee on the Authority's Operating Budget for FY2021.
- 2. Background:** The Authority elected to fund the Operating Budget for FY2021 through transfers from the Regional Revenue Fund.
- 3. Comments:** Through October 31, 2020, the FY2021 Operating Budget has produced the following:
 - a.** The Operating Budget is being funded through quarterly transfers of \$692,305 from the Regional Revenue Fund.
 - b.** As of October 31, 2020, the Authority has utilized 25% of its FY2021 expenditure budget. October represents 33% of the year.
 - c.** Through October 31, 2020, all expense account categories within the operating budget remain within budget.
 - d.** The utilization rate for the budget at 25%, is not linear due to the timing of certain large expenses. As an example, expenditures for the next phase of the Project Implementation, Management and Monitoring system are not expected until the end of FY2021.
 - e.** The attached statement shows the total operating budget income and expenditure activity for FY2021 through October 31, 2020.

Attachment: FY2021 Monthly Operating Budget through October 31, 2020

Attachment

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NORTHERN VIRGINIA TRANSPORTATION AUTHORITY
Income Statement
For the Accounting Period: 10 / 20

Page: 1 of 2
Report ID: LB170A

1000 General Fund

Account Object	Description	----- Current Year -----				%
		Current Month	Current YTD	Budget	Variance	
Expenses						
410000	Personnel Expenses					
110	Salaries-Regular Pay	101,507.06	419,591.83	1,524,073.00	1,104,481.17	28
130	Health & Dental Benefits	12,930.34	66,899.11	247,968.00	181,068.89	27
131	Payroll Taxes	5,575.84	25,705.71	118,210.00	92,504.29	22
132	Retirement VRS	2,204.44	30,105.02	124,506.00	94,400.98	24
133	Life Insurance		4,580.39	20,331.00	15,750.61	23
134	Flex Spending/Dependent Care	57.08	171.24	881.00	709.76	19
135	Workers Comp		1,326.00	1,698.00	372.00	78
137	Disability Insurance	309.51	7,461.16	18,196.00	10,734.84	41
	Total Account	122,584.27	555,840.46	2,055,863.00	1,500,022.54	27
420000	Professional Services					
210	Audit & Accounting Services		12,000.00	29,500.00	17,500.00	41
220	Bank Service		175.95	750.00	574.05	23
230	Insurance		7,458.00	6,385.00	-1,073.00	117
240	Payroll Services	119.18	880.98	2,606.00	1,725.02	34
260	Public Outreach & Regional Event Support	37.87	9,854.11	89,093.00	79,238.89	11
261	Legal/Bond Counsel Services			10,000.00	10,000.00	
262	Financial Advisory Services	8,750.00	8,750.00	35,875.00	27,125.00	24
263	Bond Trustee Fees			2,700.00	2,700.00	
264	Legislative Services	8,069.24	14,169.24	70,000.00	55,830.76	20
265	Investment Custody Svc	5,160.00	5,160.00	25,000.00	19,840.00	21
	Total Account	22,136.29	58,448.28	271,909.00	213,460.72	21
430000	Technology/Communication					
310	Acctg & Financial Report Systems	1,846.25	26,380.55	111,347.00	84,966.45	24
330	IT Support Svc Incl Hosting	2,441.62	7,845.11	24,295.00	16,449.89	32
335	GIS/Project Mgt/Modeling	1,733.33	-5,777.01	136,679.00	142,456.01	-4
340	Phone Service & Web Ex Chgs	974.33	3,999.00	11,136.00	7,137.00	36
350	Web Develop & Hosting	382.50	2,815.91	9,756.00	6,940.09	29
	Total Account	7,378.03	35,263.56	293,213.00	257,949.44	12
440000	Administrative Expenses					
410	Advertisement			1,500.00	1,500.00	
411	Dues & Subscriptions	113.96	1,864.55	10,544.00	8,679.45	18
412	Duplication & Printing	1,524.85	2,167.70	14,610.00	12,442.30	15
414	Hosted Meeting Expenses	-66.98	128.77	5,000.00	4,871.23	3
415	Mileage/Transportation			11,450.00	11,450.00	
417	Office Lease	28,736.01	70,870.89	173,256.00	102,385.11	41
418	Office Supplies	169.29	723.75	8,065.00	7,341.25	9
419	Postage & Delivery			700.00	700.00	
420	Professional Develop & Training	326.25	1,037.55	23,650.00	22,612.45	4
	Total Account	30,803.38	76,793.21	248,775.00	171,981.79	31
	Total Expenses	182,901.97	726,345.51	2,869,760.00	2,143,414.49	25

1000 General Fund

Account Object	Description	----- Current Year -----				%
		Current Month	Current YTD	Budget	Variance	
	Net Income from Operations	-182,901.97	-726,345.51			
Other Revenue						
383000	Transfer Operating Budget from Regional Revenue			2,769,220.00	-2,769,220.00	
	Total Other Revenue	0.00	0.00	2,769,220.00	-2,769,220.00	
Other Expenses						
521000	Transfers					
820	Transfer to Operating Reserve			567,952.00	567,952.00	
825	Transf to Equip Reserve			26,986.00	26,986.00	
	Total Account			594,938.00	594,938.00	
	Total Other Expenses	0.00	0.00	594,938.00	594,938.00	
	Net Income	-182,901.97	-726,345.51			