Northern Virginia Transportation Authority
The Authority for Transportation in Northern Virginia

FINANCE COMMITTEE
Thursday November 21, 2019 – 1:00 PM
3040 Williams Drive, Suite 200
Fairfax, VA 22031

AGENDA

I. Call to Order/Welcome — Mayor Parrish, Chairman

II. Summary Minutes of the October 17, 2019 Meeting
Recommended Action: Approval [with abstentions from those who were not present]

Presentation

III. NVTA Community Bank Program — Mr. Stavros, Investment and Debt Manager; Ms. Anna McDonald, United Bank

Information/Discussion Items

IV. Policy 29 Status Report — Mr. Longhi, CFO

V. Financial Activities Report — Mr. Longhi, CFO

VI. Investment Portfolio Report — Mr. Stavros, Investment & Debt Manager

VII. Monthly Revenue Report — Mr. Longhi, CFO

VIII. Operating Budget Report — Mr. Longhi, CFO

Adjournment

IX. Adjournment

Next Scheduled Meeting December 19, 2019 at 1:00PM (Room B)
or January 16, 2020 at 1:00PM (Room B)
3040 Williams Drive, Suite 200, Fairfax, Virginia

Northern Virginia Transportation Authority
The Authority for Transportation in Northern Virginia

FINANCE COMMITTEE
Thursday October 17, 2019 – 1:00 PM
3040 Williams Drive, Suite 200
Fairfax, VA 22031

MEETING SUMMARY

I. Call to Order/Welcome

- Chairman Parrish called the meeting to order at 1:07 PM.
- Attendees:
  - ✓ Authority Members: Mayor Parrish, Chairman Nohe (Arrived 1:15 PM); Chairman Bulova; Mayor Rishell, Mayor Wilson (Arrived 1:25 PM);
  - ✓ Other Authority Members: Board Member Cristol
  - ✓ Staff: Monica Backmon (Executive Director); Michael Longhi (CFO); Richard Stavros (Investment & Debt Manager); Peggy Teal (Assistant Finance Officer); Dev Priya Sen (Financial Analyst)
  - ✓ Council of Counsels: Ellen Posner (Fairfax County – Department of Transportation); Rob Dickerson (Prince William County)
  - ✓ Other Attendees: Michael Garber (PBMares, L.L.P); Tarrence Moorer (Alexandria); Rich Roisman (Arlington County); Penny Newquist (Loudoun); Sarah Sade (Loudoun); Jessica Futrell (Loudoun); Noelle Dominguez (Fairfax County)

II. Summary Minutes of the September 19, 2019 Meeting

- Mayor Rishell moved approval of the minutes of the meeting; seconded by Chairman Bulova. Motion carried unanimously

Action Items

III. FY2019 Financial Statement and Compliance Audit — Mr. Garber, PBMares, LLP

- Mr. Garber presented the FY2019 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 Authority Board Members, reviewing various sections of both reports.
- Mr. Garber drew the Board's attention to the Regional Revenue Fund, highlighting the report showing effectively all funds are restricted to transportation projects already approved by the Authority.
- Mayor Parrish noted the importance of communicating the point to the Commonwealth's collective leadership in Richmond and in jurisdictions that these monies are committed to

transportation projects. Mayor Parrish thanked Mr. Garber for pointing out this information specifically.

- Mr. Garber noted significant work had been done in adopting various GASB standards this year. Mr. Garber thanked Ms. Teal and the finance team for doing a great job in employing the new GASB standards in the financial statements.

- Chairman Bulova moved the Finance Committee recommend Authority acceptance of the draft Northern Virginia Transportation Authority Financial and Compliance Audit Reports and Independent Audit Report to Authority Board Members for the fiscal year ended June 30, 2019, seconded by Mayor Rishell. Motion carried unanimously.

IV. Revisions to Policy 19 – Local Distribution (30% Funds) Mr. Longhi, CFO

- Mr. Longhi discussed revisions to Policy 19 – which is the policy for the distribution of 30 percent funds. The revisions were necessary as part of the implementation of two new bills (SB1468 and SB1716).
- Noting the policy had not been updated since adoption in 2014, Mr. Longhi highlighted other changes in the language that were needed, such as reflecting NVTA's loss of the grantors and TOT taxes in 2018, as well as improving the clarity of the language of the annual certification process.
- The biggest change to the policy, Mr. Longhi noted, was that the Authority would distribute the SB1716 funds effectively in the same manner as monthly sales tax, whereas if the jurisdiction received 20% of sales tax it would receive 20% of the new funding.
- Mr. Longhi added this policy was the result of several consultations with RJACC to consider various approaches, where NVTA presented historical analysis that showed no material difference between monthly and annual distributions.
- Mr. Longhi added that the policy changes were coordinated with the Council of Counsels and Bond Counsel as well as the Authority's Financial Advisor, PFM.
- Calling for a motion, Mayor Parrish noted that it was appropriate that NVTA allowed stakeholders to review the proposed changes amongst various groups, as ultimately the Finance Committee has to make a recommendation to the Authority.

- Chairman Bulova moved approval; seconded by Mayor Rishell. Motion carried unanimously.

V. Revisions to Policy 20 – Regional Revenue (70% Funds) Mr. Longhi, CFO

- Mr. Longhi noted that the background for the policy modifications is the same for Policy 20 as for Policy 19, which are necessary as part of the same two bills (SB1468 and SB1716).
  - ✓ Specifically, the Policy 20 revisions are a result of SB1468, which provides the Authority flexibility to pay operating and administrative expenses through assessments to member jurisdictions or via a transfer from the Regional Revenue Fund (70% Revenues).
  - ✓ In consultation with Council of Counsels, Bond Counsel and NVTA's Financial Adviser, Mr. Longhi noted, the wording presented is consistent with NVTA's

master bond indenture, and captured the fact that the additional funds from SB1716 (I-81 funds) are not bondable.

- ✓ Mayor Parrish asked if the funds need to be separately reported?
- ✓ In response, Mr. Longhi noted that as a result of the SB1716 (I-81) funds not being bondable, those monies will have to be accounted for separately and presented separately in the Financial Statements.

- Mayor Rishell moved approval; seconded by Chairman Nohe. Motion carried unanimously.

Information/Discussion Items

VI. Project Reimbursement Parameters Mr. Longhi, CFO

- Mr. Longhi presented a study proposal to provide clarity and transparency on Regional Revenue Funds project reimbursements related to direct and indirect costs. The study is to be completed in six months with periodic updates to the Finance Committee.
  - ✓ Mr. Longhi noted some jurisdictions are submitting reimbursements for wages with additional costs added on ranging from 15% to 127%.
  - ✓ Some of these reimbursement requests have included previously deferred pension contributions, overtime, and for non-productive times such as sick leave, vacation and holiday pay.
  - ✓ The goal of the study, Mr. Longhi added, is to provide a transparent, consistent standard for all the jurisdictions.
  - ✓ Mayor Wilson asked if there is a consistent federal or state approach, and if there is a dominant approach?
  - ✓ In response, Mr. Longhi answered that NVTA has done spot research over the years for practices employed by state and federal transportation funding organizations, but no consistent, definitive or dominant guidance has been found to-date.
  - ✓ Mr. Longhi observed that standards for reimbursement vary widely because there are very few entities like the Authority.
  - ✓ The study would work with federal and state agencies as well as RJACC.
  - ✓ Mayor Wilson noted that given the diversity of funding sources that many projects use, NVTA should have a consistent standard.
  - ✓ Chairman Bulova thanked the NVTA finance staff for bringing the proposal forward.

VII. Policy 29 Status Report - Update Mr. Longhi, CFO

- In an update to the September Policy 29 Status Report, Mr. Longhi stated that no new projects had been identified for Policy 29 non-compliance.
  - ✓ With respect to Arlington County, Mr. Longhi noted the County had put more local money into the project (Ballston Metrorail West Entrance). However, the cost of the project grew larger than the contribution, which has resulted in a continued funding deficit.
  - ✓ Mr. Longhi noted the project is on a trajectory that could result in NVTA staff making a project cancellation recommendation in November. Arlington County requested additional time before the staff recommendation.

- ✓ Board Member Cristol clarified that the status of the award that is in non-compliance of Policy 29 is not for the project funding but rather $12 million for the design of the project. Board Member Cristol asked if Policy 29 requires a project to show how it will be funded for its next phase in order to be in compliance.
- ✓ Mr. Longhi answered that the project originally landed on the list because it had not spent down the $12 million in funding substantively.
- ✓ Board Member Cristol acknowledged that Arlington County was non-compliant and noted the County was in the process of identifying funding that would bring the project out of non-compliance.
- ✓ Mr. Longhi responded that what NVTA has done with other jurisdictions in non-compliance of Policy 29 was to establish a path forward to project completion. Using Herndon as an example, Mr. Longhi noted the Town came forward with very aggressive project schedules to make up for lapsed time.
- ✓ The Town also came forward with their project partner VDOT (Virginia Department of Transportation) with a clear commitment that they had the resources, capability and willingness to move through an accelerated project, Mr. Longhi added.
- ✓ Mr. Longhi noted that the Town made clear that they would not request any additional funding from the Authority to resolve the issues with the project.
- ✓ Ms. Backmon noted that when reviewing the Arlington County project the NVTA staff considered the worst-case scenario, whether the project was still viable if the Authority took action to cancel the $12 million, and could the project still make its recently advanced timelines given the lack of full funding for construction.
- ✓ Board Member Cristol noted that the challenge to the project is that the County needs the funding for the design, which cannot advance without the $12 million. Board Member Cristol reiterated the County's commitment to exit Policy 29 and follow the needed progress on the project, as well as solidifying construction commitments.
- ✓ Referring to the Herndon-VDOT example, Board Member Cristol asked, absent WMATA signing an agreement putting the project in its Capital Improvement Program, what commitment would be required in a letter from WMATA?
- ✓ Mr. Longhi responded that WMATA would need to indicate that it could support the entire project schedule as identified by the County.
- ✓ Mr. Longhi repeated NVTA's concern that WMATA has indicated that the Silverline Phase 2, Potomac Yards, Safe Track and other projects in Virginia are their top priority.
- ✓ And while in early conversations the County had indicated that it had taken over control over the project, Mr. Longhi noted, significant engineering and complex construction challenges specific to the Ballston Station would require WMATA's review and involvement to complete the project.
- ✓ Chairman Nohe noted that the issue for the NVTA is if the Design is funded but WMATA or another institution does not fund the construction, then what happens to the Authority's $12 million dollars spent for Design.
- ✓ Chairman Nohe added that the construction of the 2nd entrance is what provides congestion relief, not the design of the project.

- ✓ Mayor Rishell asked what level of oversight is implied by the word "support" in letters (referenced by Board Member Cristol) between WMATA and Arlington.
- ✓ Ms. Backmon answered that the letter from WMATA needs to state that WMATA can support the project timeline.
- ✓ Ms. Backmon further reiterated NVTA's concern is that with so many other priorities, can WMATA commit to the project schedule that the County has identified.
- ✓ Board Member Cristol noted that the County had been explicit with WMATA and received their agreement to provide the following; 1) some design support, 2) some operational support, and oversight and review of Arlington's contractor. Board Member Cristol added that the oversight would be supervisory in nature, and the County would be leading the project.
- ✓ With respect to WMATA's CIP, Board Member Cristol stated that WMATA could not make the commitment of putting the project in its CIP until there is a project coordination agreement, which is contingent on the Design funding.
- ✓ Ms. Backmon added that NVTA staff met with the County and DRPT, which also has Smart Scale funding on the project, to find the best path forward.
- ✓ Mayor Parrish noted that the expectation is that staff will continue to work on these projects and report next month.

VIII. Investment Portfolio Report Mr. Stavros, Investment & Debt Manager

- Mr. Stavros gave a report and comments on NVTA's current investment activity and performance, and affirmed the portfolio was in compliance with the Investment Policy, and the investments were acquired on the basis of safety, liquidity and yield.
- Mr. Stavros highlighted page 4 of the report, where NVTA conducted a special year-to-date analysis to evaluate how NVTA's portfolio had fared against its benchmarks in what has become a more challenging rate environment in the wake of two Federal Reserve rate cuts.
  - ✓ Mr. Stavros reported that NVTA had been able to preserve value and had outperformed its benchmarks over the last six months (March-to-September 2019).
  - ✓ Quantifying the value, NVTA took an average of its four benchmarks (Fed Funds, T-Bill 90, LGIP, VASNAP) and found the difference between NVTA's yield (2.46%) and the average of the 4 benchmarks (2.11%) was 35 basis points.
  - ✓ As such, NVTA preserved $1.75 million in income over the six-month period, compared with had the portfolio followed the downward trend of the benchmarks. The performance was attributed to steps taken earlier in the year to increase safety and yield through purchasing U.S. Treasuries.
  - ✓ Mr. Stavros stressed that over time the portfolio performance will move (decline) with the market.
  - ✓ Conversely, if the current trend in falling rates were to reverse, Mr. Stavros added, the portfolio has sufficient liquidity to take advantage of new, higher rate investment opportunities, though current forecasts call for more rate declines.

IX. Monthly Revenue Report Mr. Longhi, CFO

- Mr. Longhi reported the initial receipt of funds from sales tax, SB1716 and Wayfair out-of-state internet sales.
  - ✓ With respect to its largest funding source, sales tax, Mr. Longhi noted Mr. Stavros would initiate the regional revenue estimate process in November.
  - ✓ Mr. Longhi noted NVTA's has had an effective collaborative effort with jurisdictions on forecasting sales tax, and noted the Authority's own in-house sales tax estimation process has also been very precise.
  - ✓ However, Mr. Longhi noted that NVTA would be seeking more guidance from jurisdictions on the impact of the Internet sales tax and noted there is no local experience on SB1716 funds.
  - ✓ With respect to the SB1716 funds, Mr. Longhi discussed that revenues had not been on a positive trend. Noting the Commonwealth gave guidance that NVTA would receive $9 million in the first year, Mr. Longhi highlighted the revenues to-date (four months into the fiscal year) appear to be far short of those projections using a straight-line calculation revenue to date should be $3 million averaging $750,000 per month. Actual revenue received is under $500,000 for four months.
  - ✓ Overall guidance from the Commonwealth projects the SB1716 revenues at $9 million in the first year, $13 million in the second, and $20 million in the third. Mr. Longhi added that NVTA would reach out to the Commonwealth for additional information on potential processing delays or other causes.
  - ✓ Mr. Longhi noted his hope that the funding from SB1716 is clarified in the next few months as NVTA staff will be working on PayGo calculations to present to the Finance Committee.

X. Operating Budget Report Mr. Longhi, CFO

- The Committee received a report and was briefed on the Authority's Operating Budget.

Meeting Adjourned: 2:15 PM
Next Meeting November 21, 2019

IV.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

FOR: Chairman Parrish and Members of the NVTA Finance Committee

FROM: Michael Longhi, Chief Financial Officer

DATE: November 15, 2019

SUBJECT: Policy 29 - Project Activation, Monitoring and De-Appropriation, November 2019 Status Report

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1. **Purpose:** To update the Northern Virginia Transportation Authority (NVTA) Finance Committee on the status of project compliance with Policy 29 - Project Activation, Monitoring and De-Appropriation for November 2019.

2. **Background:** No new projects have been identified for Policy 29 discrepancies.

3. **Report Analysis:** Three project sponsors; Arlington County, the Town of Herndon and Fairfax County have reportable project(s) in the attached analysis. To recap the analysis:
   A. Arlington County has one project out of compliance with Policy 29 (Ballston Metrorail West Entrance). The project status is effectively unchanged from prior reports with:
      a. An unclear path for additional County funding to close the project funding deficit. On November 7th, County staff reported that they should have more refined cost estimates shortly.
      b. WMATA commitment to the Arlington project schedule has not been documented. Arlington staff presented a draft WMATA letter which covered the project concerns raised by NVTA staff. It is reported that WMATA staff are reviewing that draft.

      Unless the funding issues and WMATA project capacity issue are clarified prior to the next Authority meeting, NVTA staff recommend the project be cancelled. Such cancellation will not preclude a future project application when key issues are addressed.
   B. Town of Herndon reports continued progress on the projects listed earlier. Significant current progress is reported on clearing legal requirements to proceed with property acquisitions.
   C. Fairfax County has 12 projects out of compliance with Policy 29. Given the large number of documents received, length of time involved and ongoing revisions required it is taking Authority staff a lengthy time to review due to current

workloads related to regular duties. We are diligently working through the new and revised documents to provide feedback to County staff.

4. **WMATA Projects:** During the preparation of the Policy 29 analysis, two WMATA projects were reviewed. These projects are Orange Line Traction Power Upgrades and Blue Line Traction Power Upgrades. While not included in the Policy 29 violation analysis, the reviewed raised separate questions related to:
    A. Compliance with NVTA Resolution 14-8.
    B. Compliance with project scope.
    C. Internal cost allocations.

    WMATA presented a letter on September 18, 2019. NVTA staff responded WMATA's letter on October 22 (attached) and had a conference call with WMATA staff on October 29th.

    WMATA staff committed to providing additional information on funding compliance with NVTA resolution 14-8. Additionally, WMATA has categorized the project compliance issues (8 car trains) as a FY2021 budget decision. NVTA staff are reviewing the General Manager's FY2021 Budget Presentation for reference to 8 car trains. Technical issues related to cost allocations were also discussed.

Attachment: Letter to WMATA CFO dated October 22, 2019.

Northern Virginia Transportation Authority
The Authority for Transportation in Northern Virginia

October 22, 2019

VIA Email and First-Class Mail

Dennis Anosike
Chief Financial Officer
Washington Metropolitan Area Transit Authority
600 Fifth Street, NW
Washington DC 20001

Dear Mr. Anosike:

Thank you for your September 18, 2019 letter. As noted below, compliance with NVTA resolution 2014-8 could be determined with additional documentation. Additionally, delivery of eight-car train service appears to be an open issue. Project reimbursement requests are the subject of a NVTA study which will seek to result in parameters being set for all funded projects.

Compliance with NVTA Resolution 2014-8
Thank you for the tables presented in Attachment A to your September 18, 2019 letter. The tables appear to be part of a summary presentation and not actual financial statements. Therefore, they do not substantiate the source category of the funds. To be more specific, are the funds from Maryland (MD) and the District of Columbia (DC) specifically awarded by those jurisdictions to the Blue and Orange Line Traction Power Upgrade Projects, or are they from non-project specific sources attributed to MD and DC?

Delivery of Eight Car Train Service
The scope of the Orange Line Traction Power Upgrades is to enable 100 percent eight car trains. The scope of the of the Blue Line Traction Power Upgrades is to operate eight-car trains on a continuous and consistent basis. Concerns related to the delivery of eight car train service have been raised by reports that WMATA may not be able to commit to such a service level as envisioned in the above project scopes. Your September 18th letter notes the commitment to run 100% eight car trains is part of the FY2021 budget process. NVTA project scopes must reduce congestion. For these two projects, the goal of congestion reduction is achieved through the deployment of eight-car trains.

Project Reimbursement Requests
As noted in your letter, project reimbursements have been suspended as NVTA staff reviewed specific charges and cost allocations. Many of the WMATA cost allocations appear to be based upon a Federal Transit Administration (FTA) process related to indirect cost rates and fringe

benefit calculation methods. When taken as a percent, both of the FTA rates are not comparable to what we are seeing requested from other project sponsors. While the FTA information is a data point, it is not definitive guidance for expenditure reimbursements related to the use of NVTA funds. NVTA is embarking on a formal study on these issues which will be inclusive guidance for all Regional Revenue Fund (70%) projects. Progress on this study will be discussed at the Regional Jurisdiction and Agency Coordinating Committee meetings which WMATA representatives regularly attend.

We appreciate the WMATA staff time and look forward to continuing to work through these items, not only with WMATA but also NVTA's regional jurisdictions as well as other transit agencies.

Sincerely,

Michael Longhi
Chief Financial Officer

V.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

FOR: Chairman Parrish and Members of the NVTA Finance Committee

FROM: Michael Longhi, Chief Financial Officer

DATE: November 15, 2019

SUBJECT: Financial Activities Report - November

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1. **Purpose:** To update the Northern Virginia Transportation Authority (NVTA) Finance Committee on various topics not otherwise addressed in the November 2019 agenda.

1. **Discussion:**
   A. **FY 2021 Operating, Regional Revenue, Local Distribution Budget Guidance Preparation.** NVTA staff expect to present the first budget guidance Discussion Item to the Finance Committee in January 2020.

   B. **Revenue Estimate Update.** The revenue estimate update process started in November. The process will confirm existing estimates, with an additional focus on the increase in Sales Tax related to internet and other remote sales. The revenue estimate process will feed in an update of the PayGo analysis for the Two-Year Program Update.

   C. **SB1716 Revenue Shortfall.** Inquiries have been made as to the rationale for the actual revenue received through SB1716 falling dramatically short of the Commonwealth's projections. Follow up discussions will occur as needed to clarify the expected revenue levels. This effort supports the PayGo analysis.

   D. **TransAction Contract Amendments 4 and 5.** The two contract amendments approved by the Authority were based on estimated final costs. Those costs have now been finalized and are within the approved TransAction budget. Since the costs are within budget no additional Committee or Authority action is required. The final costs and basis are:
      i. **Amendment 4 - Technical Analysis Services.** This amendment supports the technical analysis for the FY2024/25 Two Year Update to the Six Year Program related to congestion reduction estimates, TransAction project ratings and long-term benefits analysis.
         a. Technical Analysis Cost. This cost is largely driven by the number and mix (size/complexity/mode) of projects. Thirteen more projects than anticipated

were submitted, with a significantly higher level of size and complexity. This resulted in additional costs of $22,400.00.

b. Baseline for Long Term Benefit Analysis. The need to update the TransAction 2040 Baseline for completed projects (23) was identified. This additional cost is $10,800.00. There was an incremental $720.00 cost increase due to recently completed projects.

c. Final Amendment 4 Costs. The current cost for Amendment 4 is $155,100. This is $33,920.00 higher than the original estimate of $121,180. This amount includes a $9,000.00 contingency that may not be required.

ii. **Amendment 5 – Tracking Survey.** In finalizing the 2019 Tracking Survey, the need to include several new questions was identified. These needs were triggered by:

a. Strategic Plan implementation of a Communications Plan resulting in greater social media components.

b. Regional changes for bikes, scooters, the Bus Transformation Project, pricing incentive tradeoffs, housing choice and affordability drivers.

c. Including questions related to these issues resulted in a cost increase of $8,100.00. This moves the base cost for Amendment 5 from $48,766.00 to $56,866.00.

VI.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman Parrish and Members, NVTA Finance Committee

FROM: Richard Stavros, Investment & Debt Manager

DATE: November 15, 2019

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, 2019.

2) **Background:** This report is on investment activity through October 2019 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.

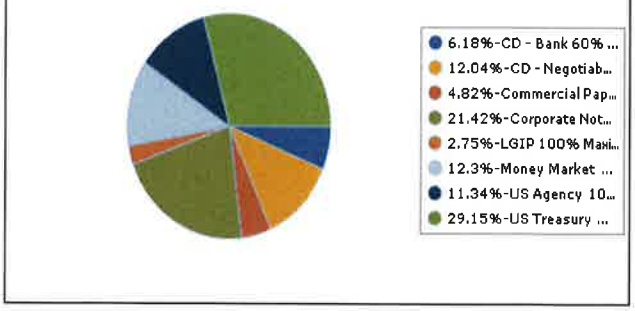
Northern Virginia Transportation Authority
Distribution by Asset Category - Book Value
Report Group: Regional Revenue

Begin Date: 9/30/2019, End Date: 10/31/2019

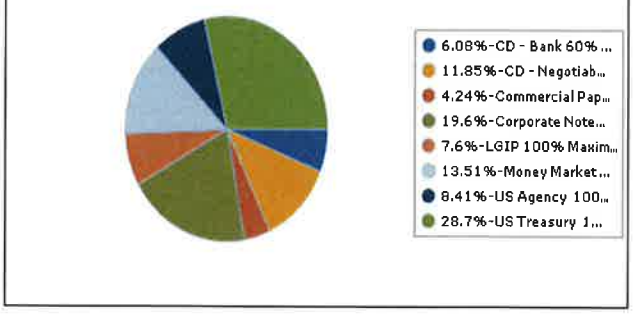
Asset Category Allocation

Asset Category	Book Value 9/30/2019	% of Portfolio 9/30/2019	Book Value 10/31/2019	% of Portfolio 10/31/2019
CD - Bank 60% Maximum	65,134,723.53	6.18	65,134,723.53	6.08
CD - Negotiable 25% Maximum	127,001,441.91	12.04	127,001,192.20	11.85
Commercial Paper 30% / 5% Maximum	50,867,657.78	4.82	45,467,293.33	4.24
Corporate Notes 50% Maximum	225,868,474.86	21.42	209,949,962.11	19.60
LGIP 100% Maximum	28,953,428.03	2.75	81,424,268.79	7.60
Money Market 60% Maximum	129,706,369.94	12.30	144,781,639.89	13.51
US Agency 100% Maximum	119,575,304.27	11.34	90,099,145.47	8.41
US Treasury 100% Maximum	307,310,010.38	29.15	307,438,445.87	28.70
Total / Average	1,054,417,410.70	100.00	1,071,296,671.19	100.00

Portfolio Holdings as of 9/30/2019



Portfolio Holdings as of 10/31/2019



3) Current Period Reports:

a. The <u>safety</u> of the portfolio is reflected in the actual composition of the portfolio as shown above:

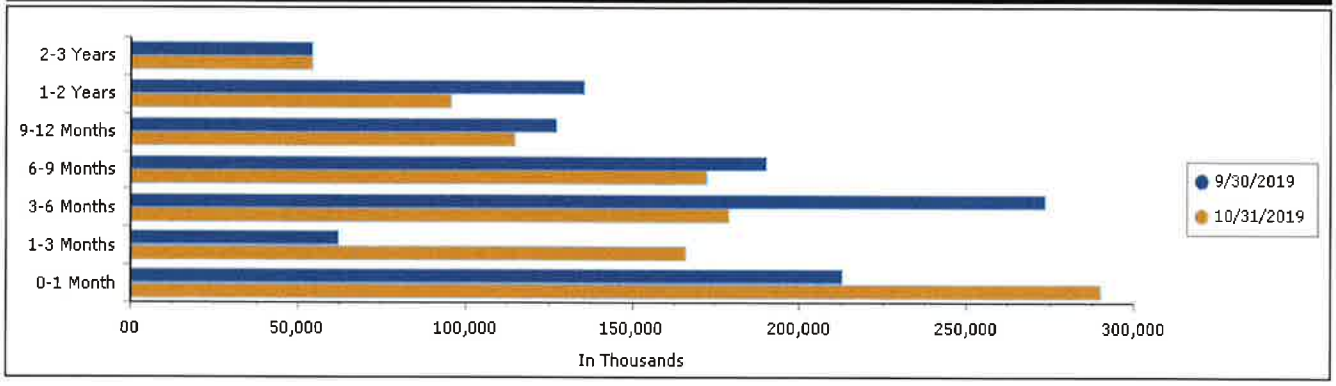
Northern Virginia Transportation Authority
Distribution by Maturity Range - Book Value
Report Group: Regional Revenue

Begin Date: 9/30/2019, End Date: 10/31/2019

Maturity Range Allocation

Maturity Range	Book Value 9/30/2019	% of Portfolio 9/30/2019	Book Value 10/31/2019	% of Portfolio 10/31/2019
0-1 Month	212,622,237.56	20.16	290,028,851.35	27.07
1-3 Months	61,895,962.76	5.87	165,870,271.58	15.48
3-6 Months	273,313,158.39	25.92	178,651,152.52	16.68
6-9 Months	190,125,373.00	18.03	172,257,426.61	16.08
9-12 Months	126,985,257.50	12.04	114,805,715.93	10.72
1-2 Years	135,211,072.72	12.82	95,427,095.79	8.91
2-3 Years	54,264,348.77	5.15	54,256,157.41	5.06
Total / Average	1,054,417,410.70	100.00	1,071,296,671.19	100.00

Portfolio Holdings



b. The <u>liquidity</u> of the portfolio is reflected in the portfolio's duration of .43 (1.0 = 1 year) and the maturity schedule shown above:

NVTA Investment Benchmarks	Oct-19 Month End
Fed Funds Rate	1.83%
Treasury 90 Day T Bill	1.63%
Local Government Investment Pool	2.05%
Virginia Non-Arbitrage Program	2.11%
NVTA Performance	2.40%

Source: Bloomberg, Statements

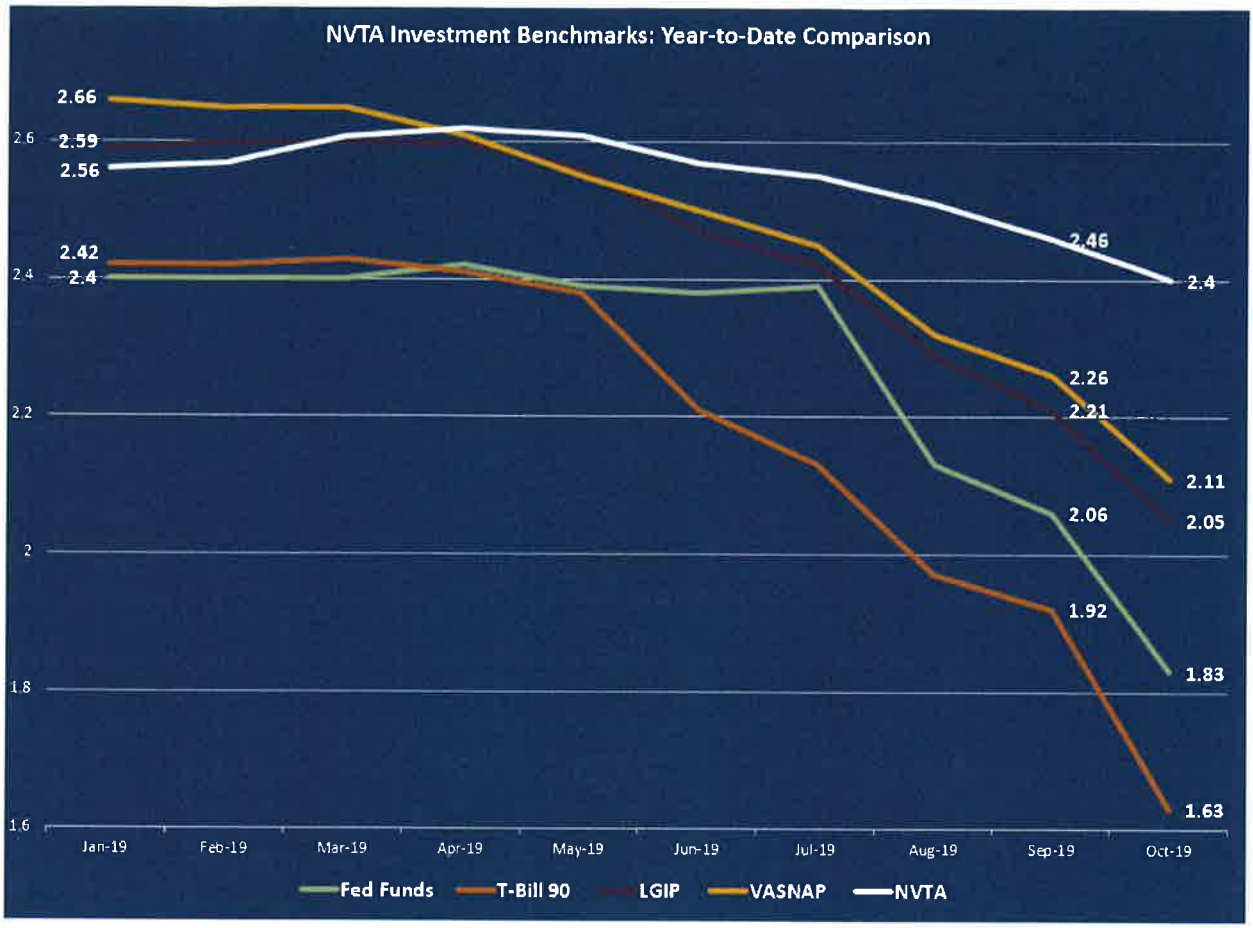
c. The <u>yield</u> on the portfolio at the end of October 2019 was 2.40%. The NVTA's Investment Policy specifies the benchmarks shown above for yield performance comparison:

4) Portfolio Analysis & Statistics Overview

a) **Safety:** The portfolio is invested primarily in;
   i) AAA/AA rated U.S. Treasury and Agency Bonds
   ii) AAA/AA rated investment grade corporate bonds
   iii) Collateralized bank money market accounts.

b) **Liquidity**:
   i) Since our last report on October 17, the NVTA Portfolio average duration has fallen to .43 from .51 or less than 6 months – reflecting U.S. Treasury purchases and recent maturities.
   ii) As noted previously, analysis of forward transportation project liabilities (reimbursements) associated with the Six Year Program found that the portfolio has the flexibility to extend modestly to 2-3 year maturities (5.1% of the portfolio presently).

c) **Yield:**
   i) **Third Fed Rate Cut of 2019**: On October 30, the Federal Reserve cut rates for the third time this year, lowering rates by 25 basis points to a range of 1.5% to 1.75% in response to slowing U.S. economic growth. The Fed's target policy is now a total of 75 basis points lower from its first rate cut in mid-summer.
   ii) **Year-to-Date Performance:** In response to the change in rates and economic sentiment, NVTA conducted a review in October 2019 of the portfolio's performance since the beginning of the year as compared to its policy benchmarks as a way to review our rate strategy, see chart below, updated for November.
      - **Value Preservation**: NVTA's Regional Portfolio continues to outperform its benchmarks over the last 7 months. This performance is attributed to steps taken earlier in the year to increase safety by purchasing US Treasuries. Furthermore, more shorter dated portfolio benchmarks have been impacted more severely by the third Fed rate cut, see chart.
      - **Rate Strategy Implications:** While there are still many safe, liquid and fair yielding investments, staff acknowledges that over time NVTA's portfolio performance will move (decline) with the market.



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

Portfolio Holdings Compliance - GASB 40 Report - As of 10/31/2019

Issuer	Face Amount / Shares	Book Value	Market Value	Credit Rating 1	Credit Rating 2	Portfolio %	Maturity Date	YTM @ Cost	Duration To Maturity
John Marshall Bank1.94 1/23/2020	10,000,000.00	10,000,000.00	10,000,000.00	NR	NR	0.93	01/23/2020	1.940	0.23
John Marshall Bank2.17 11/7/2019	17,500,000.00	17,500,000.00	17,500,000.00	NR	NR	1.63	11/07/2019	2.170	0.02
United Bank2.6 4/30/2020	15,000,000.00	15,000,000.00	15,000,000.00	NR	NR	1.40	04/30/2020	2.600	0.50
United Bank2.75 1/17/2020	10,000,000.00	10,000,000.00	10,000,000.00	NR	NR	0.93	01/17/2020	2.750	0.21
United Bank 2.7 3/5/2020	12,634,723.53	12,634,723.53	12,634,723.53	NR	NR	1.18	03/05/2020	2.700	0.35
Sub Total / Average CD	65,134,723.53	65,134,723.53	65,134,723.53			6.07		2.426	0.26
Commercial Paper									
JP Morgan Securities 0 5/29/2020	20,000,000.00	19,789,000.00	19,713,066.66	S&P-A1	Moodys-P1	1.86	05/29/2020	1.824	0.58
JP Morgan Securities 0 6/19/2020	12,000,000.00	11,851,520.00	11,828,920.00	S&P-A1	Moodys-P1	1.12	06/19/2020	1.948	0.63
JP Morgan Securities 0 6/19/2020	14,000,000.00	13,826,773.33	13,800,406.66	S&P-A1	Moodys-P1	1.30	06/19/2020	1.948	0.63
Sub Total / Average Commercial Paper	46,000,000.00	45,467,293.33	45,342,393.32			4.29		1.894	0.61
Corporate Bond									
ADP 2.25 9/15/2020	5,000,000.00	4,988,809.07	5,019,100.00	S&P-AA	Moodys-Aa3	0.47	09/15/2020	2.512	0.87
Apple Corp 1.8 11/13/2019	15,000,000.00	14,996,519.85	15,000,300.00	S&P-AA+	Moodys-Aa1	1.40	11/13/2019	2.470	0.03
Apple Corp 1.8 11/13/2019	4,995,000.00	4,993,811.16	4,995,099.90	S&P-AA+	Moodys-Aa1	0.47	11/13/2019	2.488	0.03
Apple Corp 1.8 11/13/2019	10,000,000.00	9,997,917.31	10,000,200.00	S&P-AA+	Moodys-Aa1	0.93	11/13/2019	2.400	0.03
Apple Corp.1.9 2/7/2020	5,403,000.00	5,389,564.03	5,403,756.42	S&P-AA+	Moodys-Aa1	0.50	02/07/2020	2.840	0.27
Apple Corp.Var. Corp 8/9/2022	5,011,000.00	5,048,072.95	5,048,983.38	S&P-AA+	Moodys-Aa1	0.47	08/09/2022	2.685	0.00
Apple Corp. 2 11/13/2020	5,000,000.00	4,964,104.55	5,015,450.00	S&P-AA+	Moodys-Aa1	0.47	11/13/2020	2.718	1.02
Berkshire Hathaway2.2 3/15/2021	7,386,000.00	7,324,526.49	7,433,787.42	S&P-AA	Moodys-Aa2	0.69	03/15/2021	2.833	1.36
Berkshire Hathaway2.2 3/15/2021	10,000,000.00	10,018,551.08	10,064,700.00	S&P-AA	Moodys-Aa2	0.93	03/15/2021	2.061	1.36
BlackRock 5 12/10/2019	1,097,000.00	1,099,575.12	1,100,389.73	S&P-AA-	Moodys-Aa3	0.10	12/10/2019	2.804	0.11
Chevron Corp.1.961 3/3/2020	5,000,000.00	4,982,813.14	5,000,750.00	S&P-AA	Moodys-Aa2	0.47	03/03/2020	2.998	0.34
Chevron Corp. 1.991 3/3/2020	7,500,000.00	7,486,036.04	7,503,075.00	S&P-AA	Moodys-Aa2	0.70	03/03/2020	2.549	0.34
Chevron Corp. 2.1 5/16/2021	5,560,000.00	5,492,583.45	5,587,410.80	S&P-AA	Moodys-Aa2	0.52	05/16/2021	2.923	1.51
Chevron Corp. 2.193 11/15/2019	8,950,000.00	8,948,758.13	8,950,537.00	S&P-AA	Moodys-Aa2	0.83	11/15/2019	2.540	0.04

Exxon Mobil Corp 1.912 3/6/2020	8,663,000.00	8,643,887.13	8,664,039.56	S&P-AA+	Moodys-Aaa	0.81	03/06/2020	2.566	0.35
Exxon Mobil Corp 1.912 3/6/2020	5,000,000.00	4,981,988.61	5,000,600.00	S&P-AA+	Moodys-Aaa	0.47	03/06/2020	2.973	0.35
Exxon Mobil Corp Var. Corp 3/6/2022	1,000,000.00	1,005,829.34	1,006,010.00	S&P-AA+	Moodys-Aaa	0.09	03/06/2022	2.482	0.00
Exxon Mobil Corp Var. Corp 3/6/2022	7,500,000.00	7,541,506.52	7,545,075.00	S&P-AA+	Moodys-Aaa	0.70	03/06/2022	2.482	0.00
Exxon Mobil Corp Var. Corp 8/16/2022	10,000,000.00	10,044,190.48	10,051,800.00	S&P-AA+	Moodys-Aaa	0.93	08/16/2022	2.304	0.00
Johnson and Johnson2.95 9/1/2020	5,000,000.00	5,019,352.43	5,044,500.00	S&P-AAA	Moodys-Aaa	0.47	09/01/2020	2.472	0.83
Microsoft Corp 1.55 8/8/2021	5,000,000.00	4,890,317.52	4,992,250.00	S&P-AAA	Moodys-Aaa	0.47	08/08/2021	2.850	1.75
Microsoft Corp 1.85 2/12/2020	5,000,000.00	4,985,418.14	5,000,800.00	S&P-AAA	Moodys-Aaa	0.47	02/12/2020	2.900	0.28
Microsoft Corp 1.85 2/6/2020	1,196,000.00	1,193,874.36	1,196,299.00	S&P-AAA	Moodys-Aaa	0.11	02/06/2020	2.530	0.26
Microsoft Corp 1.85 2/6/2020	5,000,000.00	4,986,538.46	5,001,250.00	S&P-AAA	Moodys-Aaa	0.47	02/06/2020	2.878	0.26
Microsoft Corp 1.85 2/6/2020	3,000,000.00	2,992,137.37	3,000,750.00	S&P-AAA	Moodys-Aaa	0.28	02/06/2020	2.851	0.26
National Australia Bank 2.25 1/10/2020	5,000,000.00	4,993,224.10	5,003,400.00	S&P-AA-	Moodys-Aa3	0.47	01/10/2020	2.970	0.19
Proctor and Gamble Co 1.9 11/1/2019	2,386,000.00	2,385,936.22	2,386,000.00	S&P-AA-	Moodys-Aa3	0.22	11/01/2019	2.897	0.00
Proctor and Gamble Co. 1.9 10/23/2020	5,000,000.00	4,960,036.16	5,009,100.00	S&P-AA-	Moodys-Aa3	0.47	10/23/2020	2.746	0.97
Toyota 2.15 3/12/2020	5,057,000.00	5,050,390.82	5,062,006.43	S&P-AA-	Moodys-Aa3	0.47	03/12/2020	2.515	0.36
Toyota 2.15 3/12/2020	5,000,000.00	4,993,061.42	5,004,950.00	S&P-AA-	Moodys-Aa3	0.47	03/12/2020	2.537	0.36
Toyota Motor Credit corpVar. Corp 5/17/2022	10,000,000.00	10,036,666.41	10,020,200.00	S&P-AA-	Moodys-Aa3	0.93	05/17/2022	2.524	0.00
Toyota Motor Credit corp Var. Corp 1/11/2022	4,607,000.00	4,648,884.70	4,647,173.04	S&P-AA-	Moodys-Aa3	0.43	01/11/2022	2.674	0.00
Toyota Motor Credit corp Var. Corp 1/11/2022	900,000.00	908,182.38	907,848.00	S&P-AA-	Moodys-Aa3	0.08	01/11/2022	2.674	0.00
Toyota Motor Credit corp. 2.2 1/10/2020	5,000,000.00	4,995,069.44	5,002,900.00	S&P-AA-	Moodys-Aa3	0.47	01/10/2020	2.720	0.19
Toyota Motor Credit corp. 2.2 1/10/2020	5,000,000.00	4,993,267.24	5,002,900.00	S&P-AA-	Moodys-Aa3	0.47	01/10/2020	2.910	0.19
WalmartVar. Corp 6/23/2021	5,000,000.00	5,013,065.22	5,016,200.00	S&P-AA	Moodys-Aa2	0.47	06/23/2021	2.389	0.00
Walmart Corp 1.9 12/15/2020	5,000,000.00	4,955,495.27	5,011,800.00	S&P-AA	Moodys-Aa2	0.47	12/15/2020	2.722	1.11
Sub Total / Average Corporate Bond	210,211,000.00	209,949,962.11	210,701,390.68			19.59		2.612	0.41
FFCB Bond									
FFCBVar. FFCB 9/13/2021	5,000,000.00	5,000,000.00	4,996,100.00	S&P-AA+	Moodys-Aaa	0.47	09/13/2021	2.137	0.00
FFCB 1.85 3/3/2022	5,000,000.00	4,998,826.92	4,998,950.00	S&P-AA+	Moodys-Aaa	0.47	03/03/2022	1.860	2.29
FFCB 2.7 11/5/2019	5,000,000.00	5,000,000.00	5,000,850.00	S&P-AA+	Moodys-Aaa	0.47	11/05/2019	2.700	0.01
FFCB 2.85 4/15/2020	5,000,000.00	5,000,000.00	5,027,950.00	S&P-AA+	Moodys-Aaa	0.47	04/15/2020	2.850	0.46
Sub Total / Average FFCB Bond	20,000,000.00	19,998,826.92	20,023,850.00			1.86		2.387	0.69
FHLB Bond									
FHLB 0 12/10/2019	5,000,000.00	4,985,166.67	4,990,950.00	S&P-AA+	Moodys-Aaa	0.47	12/10/2019	2.744	0.11
FHLB 2.125 2/11/2020	10,000,000.00	9,988,524.62	10,012,700.00	S&P-AA+	Moodys-Aaa	0.93	02/11/2020	2.541	0.28
FHLB 2.375 3/3/2020	5,000,000.00	4,993,297.30	5,016,700.00	S&P-AA+	Moodys-Aaa	0.47	03/03/2020	2.781	0.42
FHLB 2.4 2/15/2022-20	10,000,000.00	10,023,997.71	10,023,300.00	S&P-AA+	Moodys-Aaa	0.93	02/15/2022	2.291	2.22
FHLB 2.875 9/11/2020	5,000,000.00	4,998,201.99	5,053,400.00	S&P-AA+	Moodys-Aaa	0.47	09/11/2020	2.917	0.85
Sub Total / Average FHLB Bond	35,000,000.00	34,989,188.29	35,097,050.00			3.26		2.587	0.91
FHLMC Bond									

FHLMC 1.5 1/17/2020	5,000,000.00	4,986,972.34	4,998,400.00	S&P-AA+	Moodys-Aaa	0.47	01/17/2020	2.750	0.21
FHLMC 1.875 11/17/2020	5,000,000.00	4,947,772.73	5,013,350.00	S&P-AA+	Moodys-Aaa	0.47	11/17/2020	2.910	1.03
FHLMC Step 6/30/2021-18	5,000,000.00	4,941,456.63	4,999,300.00	S&P-AA+	Moodys-Aaa	0.47	06/30/2021	3.501	1.64
FHLMC Step 9/30/2021-17	4,903,000.00	4,811,940.42	4,896,920.28	S&P-AA+	Moodys-Aaa	0.46	09/30/2021	3.582	1.89
Sub Total / Average FHLMC Bond	19,903,000.00	19,688,142.12	19,907,970.28			1.86		3.184	1.19
FNMA Bond									
FNMA 1.25 3/27/2020	10,435,000.00	10,369,913.14	10,417,156.15	S&P-AA+	Moodys-Aaa	0.97	03/27/2020	2.825	0.41
Sub Total / Average FNMA Bond	10,435,000.00	10,369,913.14	10,417,156.15			0.97		2.825	0.41
Local Government Investment Pool									
Commonweath of VirginiaLGIP	440,248.00	440,248.00	440,248.00	S&P-AAA	NR	0.04	N/A	2.046	0.00
Commonweath of Virginia LGIP	21,315,168.87	21,315,168.87	21,315,168.87	S&P-AAA	NR	1.99	N/A	2.046	0.00
VIP Stable NAV LGIP	59,668,851.92	59,668,851.92	59,668,851.92	S&P-AAA	NR	5.56	N/A	2.040	0.00
Sub Total / Average LGIP	81,424,268.79	81,424,268.79	81,424,268.79			7.59		2.042	0.00
Money Market									
Access National Bank MM	57,127,012.52	57,127,012.52	57,127,012.52	NR	NR	5.32	N/A	2.090	0.00
BB&T MM	6,432,352.68	6,432,352.68	6,432,352.68	NR	NR	0.60	N/A	1.870	0.00
John Marshall Bank ICS MM	19,568,980.47	19,568,980.47	19,568,980.47	NR	NR	1.82	N/A	2.240	0.00
United Bank MM	61,653,294.22	61,653,294.22	61,653,294.22	NR	NR	5.75	N/A	2.070	0.00
Sub Total / Average Money Market	144,781,639.89	144,781,639.89	144,781,639.89			13.49		2.092	0.00
Negotiable Certificate Of Deposit									
CIBC NY Office2.53 3/27/2020	15,000,000.00	15,001,192.20	15,041,850.00	S&P-A1	Moodys-P1	1.40	03/27/2020	2.510	0.41
CIBC NY Office2.64 4/15/2020	30,000,000.00	30,000,000.00	30,105,600.00	S&P-A1	Moodys-P1	2.80	04/15/2020	2.640	0.46
Rabobank NY2.05 7/17/2020	17,000,000.00	17,000,000.00	17,019,040.00	S&P-A1	Moodys-P1	1.58	07/17/2020	2.050	0.71
TD Bank NY 2.05 6/26/2020	10,000,000.00	10,000,000.00	10,010,900.00	S&P-A1+	Moodys-P1	0.93	06/26/2020	2.050	0.66
TD Bank NY 2.08 7/15/2020	10,000,000.00	10,000,000.00	10,013,600.00	S&P-A1+	Moodys-P1	0.93	07/15/2020	2.080	0.71
TD Bank NY 2.68 3/12/2020	15,000,000.00	15,000,000.00	15,047,850.00	S&P-A1+	Moodys-P1	1.40	03/12/2020	2.680	0.37
TD Bank NY 2.81 1/22/2020	30,000,000.00	30,000,000.00	30,068,400.00	S&P-A1+	Moodys-P1	2.80	01/22/2020	2.810	0.23
Sub Total / Average Negotiable CD	127,000,000.00	127,001,192.20	127,307,240.00			11.84		2.500	0.46
Treasury Note									
T-Note 1.375 1/15/2020	20,000,000.00	19,950,239.70	19,990,600.00	S&P-AA+	Moodys-Aaa	1.86	01/15/2020	2.593	0.21
T-Note 1.375 1/15/2020	20,000,000.00	19,950,071.02	19,990,600.00	S&P-AA+	Moodys-Aaa	1.86	01/15/2020	2.597	0.21
T-Note 1.375 1/15/2020	20,000,000.00	19,950,239.70	19,990,600.00	S&P-AA+	Moodys-Aaa	1.86	01/15/2020	2.593	0.21
T-Note 1.375 10/31/2020	10,000,000.00	9,890,116.93	9,976,200.00	S&P-AA+	Moodys-Aaa	0.93	10/31/2020	2.504	1.00
T-Note 1.375 4/30/2020	10,000,000.00	9,944,376.53	9,988,300.00	S&P-AA+	Moodys-Aaa	0.93	04/30/2020	2.514	0.50
T-Note 1.5 5/15/2020	10,000,000.00	9,945,228.50	9,994,500.00	S&P-AA+	Moodys-Aaa	0.93	05/15/2020	2.537	0.54
T-Note 1.5 5/15/2020	15,000,000.00	14,920,356.21	14,991,750.00	S&P-AA+	Moodys-Aaa	1.40	05/15/2020	2.505	0.54
T-Note 1.5 6/15/2020	10,000,000.00	9,936,436.72	9,994,900.00	S&P-AA+	Moodys-Aaa	0.93	06/15/2020	2.542	0.62
T-Note 1.5 8/15/2020	10,000,000.00	9,922,182.19	9,991,000.00	S&P-AA+	Moodys-Aaa	0.93	08/15/2020	2.506	0.79

T-Note 1.5 8/15/2020	10,000,000.00	9,961,092.53	9,991,000.00	S&P-AA+	Moodys-Aaa	0.93	08/15/2020	2.000	0.79
T-Note 1.5 8/15/2020	5,000,000.00	4,980,938.63	4,995,500.00	S&P-AA+	Moodys-Aaa	0.47	08/15/2020	1.990	0.79
T-Note 1.625 10/15/2020	10,000,000.00	9,966,436.17	10,003,900.00	S&P-AA+	Moodys-Aaa	0.93	10/15/2020	1.981	0.95
T-Note 1.625 12/31/2019	10,000,000.00	9,987,018.37	9,996,800.00	S&P-AA+	Moodys-Aaa	0.93	12/31/2019	2.414	0.17
T-Note 1.625 7/31/2020	5,000,000.00	4,986,796.67	5,000,400.00	S&P-AA+	Moodys-Aaa	0.47	07/31/2020	1.983	0.75
T-Note 1.875 12/31/2019	10,000,000.00	9,990,615.38	10,000,900.00	S&P-AA+	Moodys-Aaa	0.93	12/31/2019	2.450	0.17
T-Note 1.875 12/31/2019	10,000,000.00	9,988,812.50	10,000,900.00	S&P-AA+	Moodys-Aaa	0.93	12/31/2019	2.561	0.17
T-Note 2 11/30/2020	5,000,000.00	5,003,844.12	5,020,500.00	S&P-AA+	Moodys-Aaa	0.47	11/30/2020	1.927	1.07
T-Note 2 11/30/2020	6,000,000.00	6,010,033.78	6,024,600.00	S&P-AA+	Moodys-Aaa	0.56	11/30/2020	1.842	1.07
T-Note 2.25 3/31/2020	10,000,000.00	9,989,050.33	10,026,200.00	S&P-AA+	Moodys-Aaa	0.93	03/31/2020	2.518	0.42
T-Note 2.25 3/31/2020	10,000,000.00	9,988,741.88	10,026,200.00	S&P-AA+	Moodys-Aaa	0.93	03/31/2020	2.526	0.42
T-Note 2.375 12/31/2020	7,000,000.00	7,043,261.84	7,060,130.00	S&P-AA+	Moodys-Aaa	0.65	12/31/2020	1.835	1.15
T-Note 2.375 4/30/2020	10,000,000.00	9,992,462.35	10,037,100.00	S&P-AA+	Moodys-Aaa	0.93	04/30/2020	2.528	0.50
T-Note 2.5 6/30/2020	10,000,000.00	9,999,002.92	10,056,300.00	S&P-AA+	Moodys-Aaa	0.93	06/30/2020	2.514	0.66
T-Note 2.625 7/31/2020	10,000,000.00	10,008,672.50	10,074,600.00	S&P-AA+	Moodys-Aaa	0.93	07/31/2020	2.506	0.74
T-Note 2.625 8/31/2020	5,000,000.00	5,026,748.80	5,041,800.00	S&P-AA+	Moodys-Aaa	0.47	08/31/2020	1.971	0.83
T-Note 2.75 9/15/2021	10,000,000.00	9,957,067.69	10,218,800.00	S&P-AA+	Moodys-Aaa	0.93	09/15/2021	2.990	1.83
T-Note 2.75 9/30/2020	10,000,000.00	9,992,800.03	10,101,600.00	S&P-AA+	Moodys-Aaa	0.93	09/30/2020	2.831	0.91
T-Note 2.75 9/30/2020	10,000,000.00	10,021,656.30	10,101,600.00	S&P-AA+	Moodys-Aaa	0.93	09/30/2020	2.507	0.91
T-Note 2.75 9/30/2020	5,000,000.00	5,040,849.35	5,050,800.00	S&P-AA+	Moodys-Aaa	0.47	09/30/2020	1.845	0.91
T-Note 2.75 9/30/2020	5,000,000.00	5,041,026.18	5,050,800.00	S&P-AA+	Moodys-Aaa	0.47	09/30/2020	1.841	0.91
T-Note 3.5 5/15/2020	10,000,000.00	10,052,270.05	10,100,000.00	S&P-AA+	Moodys-Aaa	0.93	05/15/2020	2.508	0.53
Sub Total / Average Treasury Note	308,000,000.00	307,438,445.87	308,888,880.00			28.71		2.433	0.61
TVA Bond									
TVA 3.875 2/15/2021	5,000,000.00	5,053,075.00	5,141,500.00	S&P-AA+	Moodys-Aaa	0.47	02/15/2021	3.017	1.26
Sub Total / Average TVA Bond	5,000,000.00	5,053,075.00	5,141,500.00			0.47		3.017	1.26
Total / Average	1,072,889,632.21	1,071,296,671.19	1,074,168,062.64			100		2.401	0.43

VII.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

FOR: Chairman Parrish and Members of the NVTA Finance Committee

FROM: Michael Longhi, Chief Financial Officer

DATE: November 15, 2019

SUBJECT: Monthly Revenue Report

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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 2019. October receipts represent two months of FY2020 Sales Tax receipts.

3. **Comments:**
   a. **FY2020 Revenues (Attachment A)**
      i. The Authority has received approximately $47.1 million through the October 2019 transfers from the Commonwealth.
      ii. Actual revenue (two months of sales tax receipts) to estimate comparison of annual sales tax revenues through October 2019 show a 6.3% positive variance in receipts compared to the FY2020 adopted revenue projections.
      iii. It is too early in the revenue cycle to rely on the positive variance to be sustained through the remaining 10 months. Monthly receipts will be monitored closely to determine if the increase is attributable to the newly taxed internet sales.
      iv. Revenue related to Heavy Truck Registration and Diesel Fuel (SB1716) has not materialized at the level expected to support Commonwealth projections for FY2020. However, it is extremely early in the cycle for this first-time revenue source. VDOT is preparing an analysis of the receipts and should be sharing the results before the end of the month.
      v. Tracking of current fiscal year revenue on an actual to projection basis has been substantially improved through the use of a statistical packet called Palisade's Stat Tools. The tool was previously back tested against prior revenues to confirm its utility and accuracy. Reports from the tool are included in Attachment D.

   b. **FY2020 Distribution to localities (Attachment B)**
      i. Seven jurisdictions have completed the required annual HB2313 certification to receive FY2020 Local Distribution Funds (30%). The two remaining jurisdictions have been contacted and are aware of the deadlines.
      ii. As of October 2019, approximately $12.4 million of the $14.3 million of 30% local distribution funds have been distributed to member jurisdictions.

c. **FY2015 to FY2020 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 2019.

Attachments:

A. Sales Tax Revenues Received Compared to NVTA Estimates, Through October 2019
B. FY2020 30% Distribution by Jurisdiction, through October 2019
C. Month to Month Comparison of Sales Tax Revenue and YTD Receipts for October 2015 to 2019
D. Palisade's Stat Tool Analysis of FY2020 Revenue Actual to Projections

Attachment A

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY
SALES TAX REVENUES RECEIVED BY JURISDICTION, COMPARED TO NVTA ESTIMATES
Based on: Revenue Data Through October 2019
FYE June 30, 2020

Regional Sales Tax Transaction Months	2	Received To Date	Annualized Revenue based on YTD Receipts	FY2020 Budget	Annualized - Actual To Budget	
City of Alexandria		$ 3,035,648	$ 18,213,886	$ 16,379,177	$ 1,834,709	
Arlington County		4,732,046	28,392,277	25,943,302	2,448,975	
City of Fairfax		1,268,787	7,612,725	7,506,931	105,794	
Fairfax County		19,816,134	118,896,802	114,583,396	4,313,406	
City of Falls Church		561,479	3,368,872	2,777,700	591,172	
Loudoun County		9,356,549	56,139,292	52,470,000	3,669,292	
City of Manassas		1,071,316	6,427,899	5,202,000	1,225,899	
City of Manassas Park		273,180	1,639,083	1,469,727	169,356	
Prince William County		6,981,599	41,889,596	39,514,160	2,375,436	
Total Sales Tax Revenue		$47,096,738	$ 282,580,431	$265,846,393	$ 16,734,038	6.3%

Attachment B

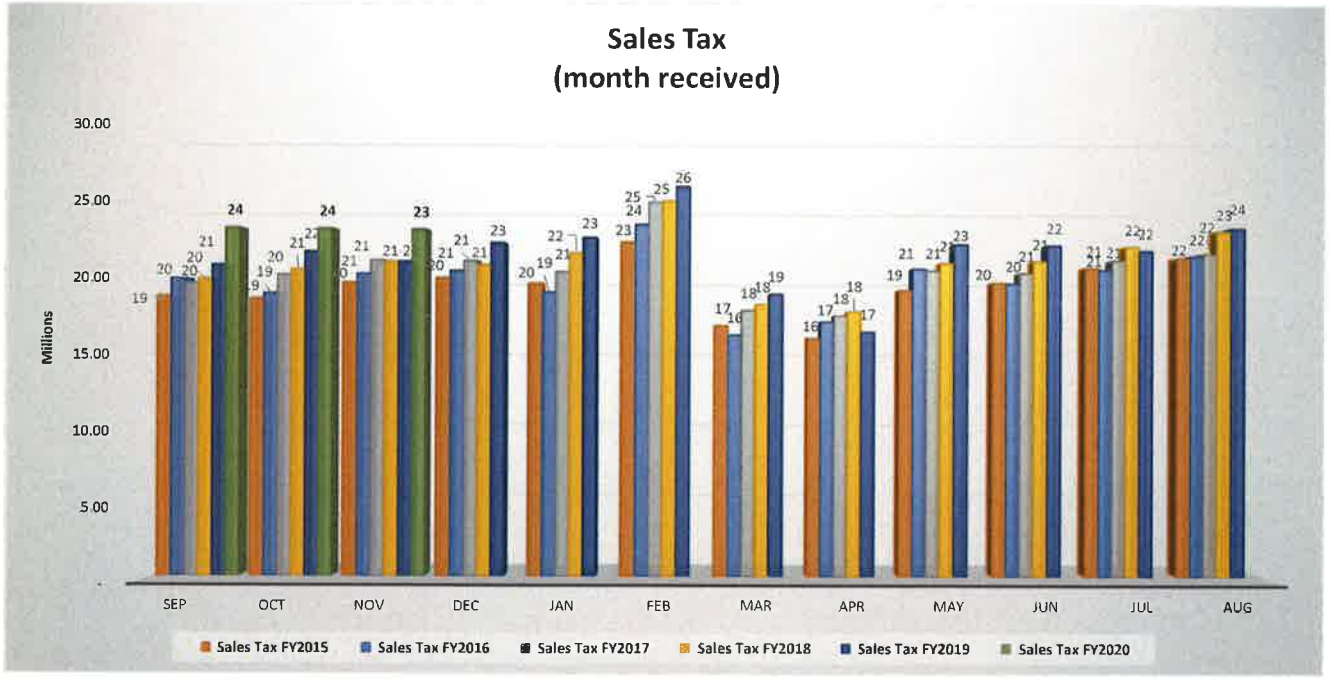
NORTHERN VIRGINIA TRANSPORTATION AUTHORITY
FY2020 30% DISTRIBUTION BY JURISDICTION

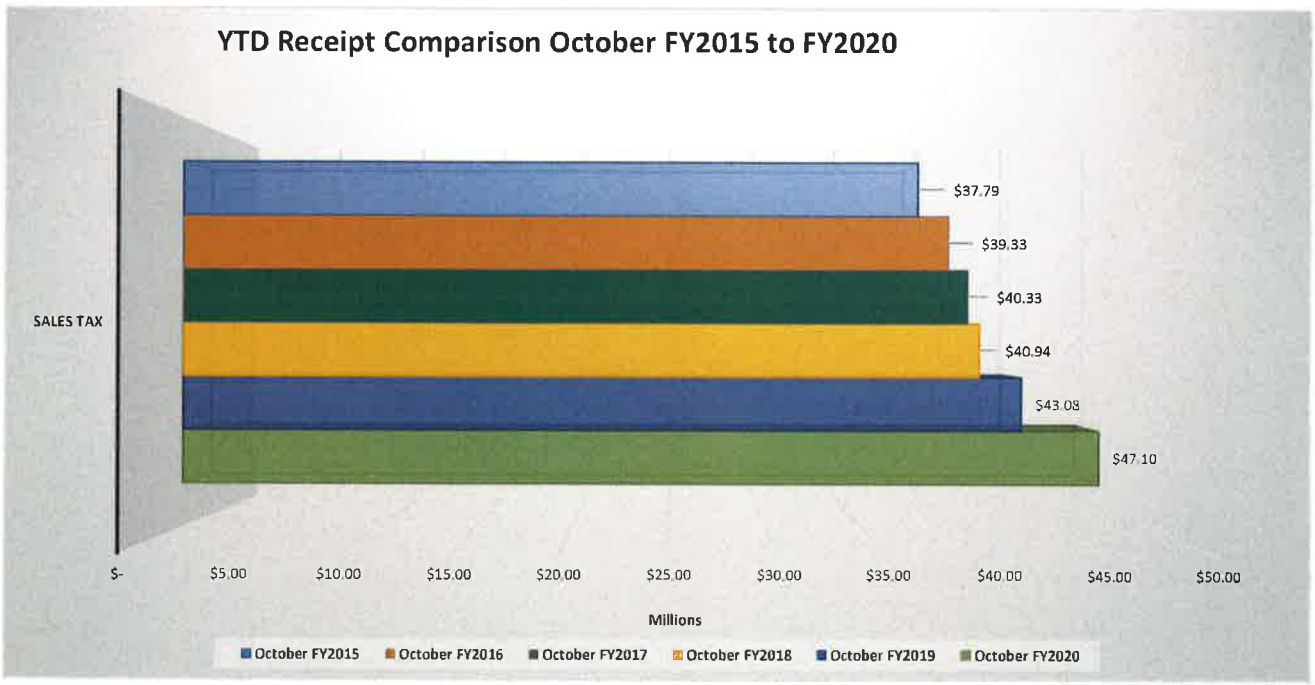
Based on: Revenue Data Through October 2019

Jurisdiction	Vehicle License-Registration Fee	Regional Sales Tax		NVTA Fund Interest	Cumulative Total	30% Funds	9/30/2019 Accrued Interest (1) (+)	9/30/2019 Prior Distributions	**Current Month Distribution**	Total Funds Transferred
City of Alexandria	$ -	$ 3,035,647.70	$ -	$ -	$ 3,035,647.70	$ 910,694.31	$ 229.26	$455,664.35	$ 455,259.22	$ 910,923.57
Arlington County	$ -	$ 4,732,046.16	$ -	$ -	$ 4,732,046.16	$ 1,419,613.85	$ 382.10		$ 1,419,995.95	
City of Fairfax	$ -	$ 1,268,787.42	$ -	$ -	$ 1,268,787.42	$ 380,636.23	$ 114.63		$ 380,750.86	
Fairfax County	$ -	$19,816,133.61	$ -	$ -	$19,816,133.61	$ 5,944,840.08	$ 1,604.84	$2,984,237.62	$ 2,962,207.30	$ 5,946,444.92
City of Falls Church	$ -	$ 561,478.70	$ -	$ -	$ 561,478.70	$ 168,443.61	$ 38.21	$86,315.59	$ 82,166.23	$ 168,481.82
Loudoun County	$ -	$ 9,356,548.63	$ -	$ -	$ 9,356,548.63	$ 2,806,964.59	$ 764.20	$1,380,247.99	$ 1,427,480.80	$ 2,807,728.79
City of Manassas	$ -	$ 1,071,316.42	$ -	$ -	$ 1,071,316.42	$ 321,394.93	$ 76.42	$165,949.64	$ 155,521.71	$ 321,471.35
City of Manassas Park	$ -	$ 273,180.45	$ -	$ -	$ 273,180.45	$ 81,954.14	$ 38.21	$40,318.53	$ 41,673.82	$81,992.35
Prince William County	$ -	$ 6,981,599.40	$ -	$ -	$ 6,981,599.40	$ 2,094,479.82	$ 573.15	$1,046,365.59	$ 1,048,687.38	$ 2,095,052.97
Total Revenue	$ 428,773.50	$47,096,738.49	$ -	$ -	$47,525,511.99	$14,257,653.60	$ 3,821.02	$6,159,099.31	$ 8,102,375.32	$ 12,332,095.77

Interest earned through 9/30/2019

FY2020 October 2019 **Attachment C**





ATTACHMENT D

NVTA Sales Tax Revenue Forecast: Model vs Actual vs Projection

FY	*Forecasting Data*	Monthly Actual	Model Factors			Monthly Model Forecast	Statistical Variance	End of Year Model Forecast	NVTA Projected	Actual YTD
			Level	Trend	Season					
	Sep-2017	$20,154,895	$20,929,358	46,015	0.98	$20,478,439	-323,543			$20,154,895
	Oct-2017	$20,786,302	$20,976,003	46,645	0.99	$20,744,601	41,702			$40,941,198
	Nov-2017	$21,343,035	$21,022,842	46,838	1.01	$21,329,914	13,121			$62,284,233
	Dec-2017	$21,115,955	$21,062,414	39,572	1.03	$21,614,762	-498,808			$83,400,188
	Jan-2018	$21,915,159	$21,110,539	48,125	1.01	$21,336,444	578,714			$105,315,346
	Feb-2018	$25,453,243	$21,158,197	47,658	1.20	$25,490,890	-37,647			$130,768,589
	Mar-2018	$18,454,178	$21,210,882	52,684	0.86	$18,166,074	288,104			$149,222,767
	Apr-2018	$17,961,788	$21,272,100	61,219	0.82	$17,491,997	469,790			$167,184,555
	May-2018	$21,248,451	$21,331,946	59,846	1.00	$21,340,319	-91,868			$188,433,006
	Jun-2018	$21,365,954	$21,393,953	62,007	0.99	$21,222,512	143,441			$209,798,960
	Jul-2018	$22,367,630	$21,458,019	64,065	1.04	$22,224,964	142,666			$232,166,590
FY18	Aug-2018	$23,408,269	$21,527,724	69,706	1.07	$23,004,812	403,457	**$254,445,729**	**$253,421,494**	**$255,574,859**
	Sep-2018	$21,094,228	$21,596,928	69,203	0.98	$21,127,127	-32,899			$21,094,228
	Oct-2018	$21,988,381	$21,674,602	77,675	0.99	$21,427,759	560,622			$43,082,609
	Nov-2018	$21,319,899	$21,741,226	66,623	1.01	$22,070,206	-750,308			$64,402,508
	Dec-2018	$22,602,475	$21,811,206	69,980	1.03	$22,372,028	230,447			$87,004,983
	Jan-2019	$22,970,789	$21,893,697	82,491	1.01	$22,124,303	846,486			$109,975,772
	Feb-2019	$26,427,801	$21,975,593	81,896	1.20	$26,475,802	-48,001			$136,403,572
	Mar-2019	$19,145,454	$22,061,847	86,254	0.86	$18,895,629	249,825			$155,549,026
	Apr-2019	$16,589,175	$22,118,482	56,634	0.82	$18,219,641	-1,630,466			$172,138,201
	May-2019	$22,525,822	$22,180,247	61,765	1.00	$22,182,392	343,430			$194,664,024
	Jun-2019	$22,453,420	$22,247,847	67,601	0.99	$22,066,003	387,417			$217,117,444
	Jul-2019	$22,103,784	$22,300,856	53,008	1.04	$23,115,257	-1,011,473			$239,221,228
FY19	Aug-2019	$23,605,507	$22,349,832	48,976	1.07	$23,893,896	-288,389	**$263,970,043**	**$258,926,224***	**$262,826,735**
	Sep-2019	$23,603,918	$22,424,670	74,838	0.98	$21,911,055	1,692,863			$23,603,918
	Oct-2019	$23,492,821	$22,518,257	93,588	0.99	$22,251,966	1,240,854			$47,096,738
	Nov-2019					$22,942,338				
	Dec-2019					$23,292,833				
	Jan-2020					$23,052,334				
	Feb-2020					$27,579,857				
	Mar-2020					$19,691,208				
	Apr-2020					$18,986,068				
	May-2020					$23,180,975				
	Jun-2020					$23,082,839				
	Jul-2020					$24,197,812				
FY20	Aug-2020	*Current Fiscal Year Projection				$25,069,967		**$275,239,253**	**$265,846,393***	

NVTA Sales Tax Revenue Forecast 2014-2019: Model Observations

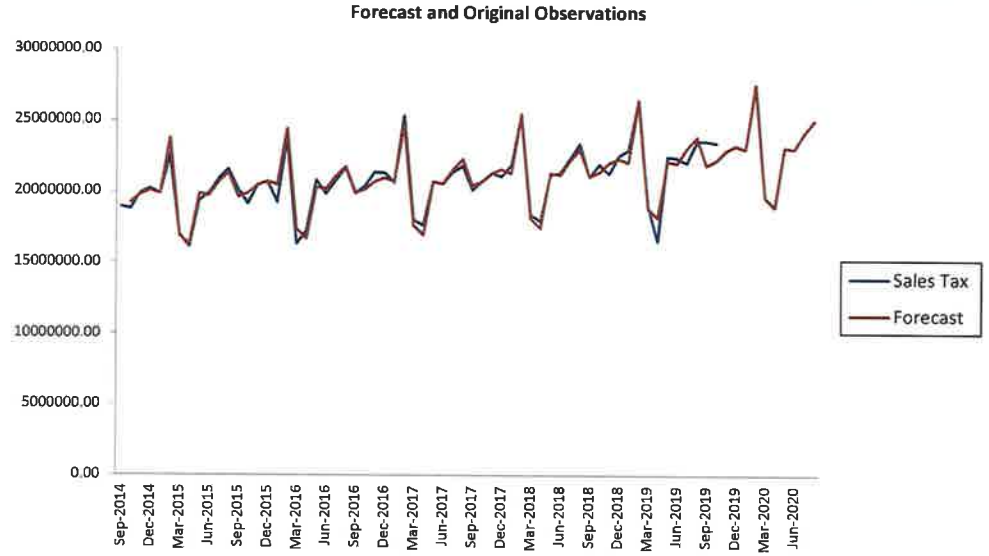
Winters' Exponential Smoothing Forecast

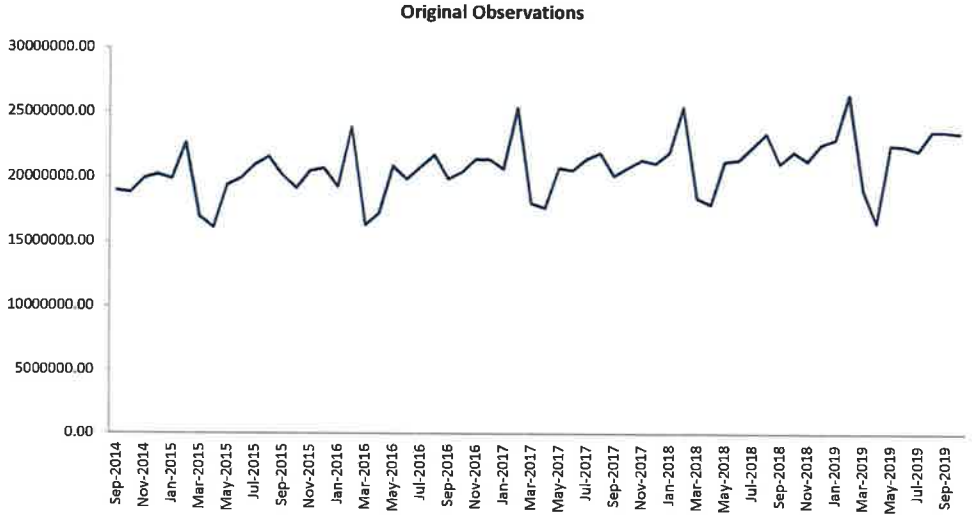
Forecasting Constants (Optimized)	
Level (Alpha)	0.015
Trend (Beta)	1.000
Season (Gamma)	0.000

Winters' Exponential	
Mean Abs Err	$413,151.90
Root Mean Sq Err	$567,906.18
Mean Abs Per% Err	2.02%

Description:

The Holt-Winters models three aspects
of a time series: a typical value (average),
a slope (trend) over time,
and a cyclical repeating pattern (seasonality).
Holt Winters uses exponential smoothing
to encode values from the past and
use them to predict "typical" values
for the present and future.





VIII.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

FOR: Chairman Parrish and Members, NVTA Finance Committee

FROM: Michael Longhi, Chief Financial Officer

DATE: November 15, 2019

SUBJECT: NVTA Operating Budget

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1. **Purpose:** To update the Northern Virginia Transportation Authority (NVTA) Finance Committee on the Authority's Operating Budget for FY2020.

2. **Background:** SB1468 (2019) patroned by Senator Black, provides the Authority flexibility to pay operating and administrative expenses through assessments to member jurisdictions or via a transfer from the Regional Revenue Fund (70% revenues). The Authority elected for the FY2020 operating budget to be funded through transfers from the Regional Revenue Fund.

3. **Comments:** Through October 31, 2019, the FY2020 Operating Budget has produced the following results:

   a. The operating revenue is being funded through quarterly transfers of $740,948 from the Regional Revenue fund.
   b. October 2019 represents 33% of the fiscal year. Through October 31, 2019, the Authority has utilized 27% of its FY2020 expenditure budget with all account categories remaining within budget. The lower than budgeted FY2020 expenditures is attributed to the Project Implementation, Monitoring and Management System budget of $150,232. Invoicing for this system will follow the development and implementation phases.
   c. The attached statement shows the total operating budget income and expenditure activity for FY2020 through October 31, 2019.

Attachment: FY2020 Operating Budget through October 31, 2019

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY
Income Statement
For the Accounting Period: 10 / 19

1000 General Fund

Account	Object	Description	Current Year Current Month	Current Year Current YTD	Budget	Variance	%
Expenses							
410000		Personnel Expenses					
	110	Salaries-Regular Pay	107,232.32	428,763.90	1,474,032.00	1,045,268.10	29
	130	Health & Dental Benefits	13,085.30	68,039.50	243,109.00	175,069.50	28
	131	Payroll Taxes	6,125.59	27,783.55	112,878.00	85,094.45	25
	132	Retirement VRS	9,281.34	34,516.92	120,377.00	85,860.08	29
	133	Life Insurance	1,510.89	5,512.01	19,223.00	13,710.99	29
	134	Flex Spending/Dependent Care	82.66	165.32	874.00	708.68	19
	135	Workers Comp		1,474.00	1,621.00	147.00	91
	137	Disability Insurance	457.55	6,889.94	16,654.00	9,764.06	41
		Total Account	137,775.65	573,145.14	1,988,768.00	1,415,622.86	29
420000		Professional Services					
	210	Audit & Accounting Services	12,000.00	12,000.00	29,500.00	17,500.00	41
	220	Bank Service			750.00	750.00	
	230	Insurance		6,072.00	6,081.00	9.00	100
	240	Payroll Services	58.39	744.87	2,606.00	1,861.13	29
	260	Public Outreach & Regional Event Support	420.00	5,694.29	66,750.00	61,055.71	9
	261	Legal/Bond Counsel Services			25,000.00	25,000.00	
	262	Financial Advisory Services	8,750.00	8,750.00	35,000.00	26,250.00	25
	263	Bond Trustee Fees			2,700.00	2,700.00	
	264	Legislative Services	7,150.00	13,250.00	62,000.00	48,750.00	21
	265	Investment Custody Svc	5,020.00	5,020.00	25,000.00	19,980.00	20
		Total Account	33,398.39	51,531.16	255,387.00	203,855.84	20
430000		Technology/Communication					
	310	Acctg & Financial Report Systems	4,988.29	22,310.49	98,631.00	76,320.51	23
	320	HW SW & Peripheral Purchase	529.98	9,413.06	5,600.00	-3,813.06	168
	330	IT Support Svc Incl Hosting	1,587.03	7,698.00	23,374.00	15,676.00	33
	335	GIS/Project Mgt/Modeling		-500.00	150,232.00	150,732.00	
	340	Phone Service	1,945.48	3,406.79	10,716.00	7,309.21	32
	350	Web Develop & Hosting	682.50	2,195.51	9,756.00	7,560.49	23
		Total Account	9,733.28	44,523.85	298,309.00	253,785.15	15
440000		Administrative Expenses					
	410	Advertisement		195.00	1,500.00	1,305.00	13
	411	Dues & Subscriptions	867.12	6,791.69	10,544.00	3,752.31	64
	412	Duplication & Printing	1,882.28	3,874.87	16,640.00	12,765.13	23
	413	Furniture & Fixture	656.14	7,802.12	8,100.00	297.88	96
	414	Hosted Meeting Expenses	927.51	1,912.40	3,780.00	1,867.60	51
	415	Mileage/Transportation	351.69	708.15	11,450.00	10,741.85	6
	417	Office Lease	54,908.70	67,155.89	190,561.00	123,405.11	35
	418	Office Supplies	426.39	1,777.60	8,065.00	6,287.40	22
	419	Postage & Delivery	61.85	157.30	700.00	542.70	22
	420	Professional Develop & Training	1,474.63	4,200.75	23,650.00	19,449.25	18
		Total Account	61,556.31	94,575.77	274,990.00	180,414.23	34

1000 General Fund

Account Object	Description	Current Year Current Month	Current Year Current YTD	Budget	Variance	%
	Total Expenses	242,463.63	763,775.92	2,817,454.00	2,053,678.08	27
	Net Income from Operations	-242,463.63	-763,775.92			
Other Revenue						
383000	Transfer Operating Budget from Regional Revenue		740,948.25	2,963,793.00	-2,222,844.75	25 25
	Total Other Revenue	0.00	740,948.25	2,963,793.00	-2,222,844.75	25
Other Expenses						
521000	Transfers					
820	Transfer to Operating Reserve			563,491.00	563,491.00	
825	Transf to Equip Reserve			26,986.00	26,986.00	
	Total Account			590,477.00	590,477.00	
	Total Other Expenses	0.00	0.00	590,477.00	590,477.00	
	Net Income	-242,463.63	-22,827.67			