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 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 October 15, 2020 Finance Committee Meeting Electronically — Mayor Parrish, Chairman
Recommended Action: Adoption of Resolution

III. Summary Minutes of the September 17, 2020 Meeting
Recommended Action: Approval [with abstentions from those who were not present]

Presentation

IV. Audit Presentation — Mr. Garber, PBMares, LLP

Information/Discussion Items

V. Investment Portfolio Report — Mr. Longhi, CFO

VI. Monthly Revenue Report — Mr. Longhi, CFO

VII. Monthly Operating Budget Report — Mr. Longhi, CFO

Adjournment

VIII. Adjournment

Next Scheduled Meeting November 19, 2020 1:00PM (Room B)
3040 Williams Drive, Suite 200, Fairfax, Virginia

II.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

FINANCE COMMITTEE

RESOLUTION FINDING NEED TO CONDUCT

OCTOBER 15, 2020 MEETING ELECTRONICALLY

October 15, 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 October 15, 2020, to discuss and transact the business of the Committee listed on the October 15, 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 October 15, 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 October 15, 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 15th day of October, 2020.

Northern Virginia Transportation Authority
The Authority for Transportation in Northern Virginia

FINANCE COMMITTEE
Thursday, September 17, 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 Parrish, Chairman

- Mayor Parrish called the meeting to order at 1:00 PM.
- Attendees:
  - ✓ Authority Members: Mayor Parrish; Mayor Rishell; Chairman McKay; Board Member Cristol
  - ✓ Other Authority Members: Delegate Watts; Delegate Roem (1:15 PM); 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 MacIsaac (Arlington County); Daniel Robinson (Fairfax County); Joanna Anderson (City of Alexandria)
  - ✓ Other Attendees: Jurisdictional and agency staff and the public attended the meeting via the Authority's YouTube channel

II. Summary Minutes of the June 18, 2020 Meeting

Recommended Action: Approval [with abstentions from those who were not present]

Mayor Rishell moved approval of the minutes of the meeting; seconded by Board Member Cristol. Motion carried unanimously.

Action Items

III. Resolution Finding the Need to Conduct the September 17, 2020 Finance Committee Meeting Electronically Mayor Parrish, Chairman

Recommended Action: Adoption of Resolution

Board Member Cristol made the motion to adopt Resolution to Find the Need to Conduct Meeting by Electronic Communication Means during the Governor's declared State of Emergency during COVID-19 Pandemic; seconded by Mayor Rishell. Motion carried unanimously.

DRAFT

IV. Investment Policy Revisions

Mr. Longhi, CFO

Recommended Action: Recommend Authority Approval of Policy Revisions

Mr. Longhi provided an update on the proposed Investment Policy revisions by noting:

- The current Investment Policy was adopted on December 11, 2014, and was revised twice in 2019.
- The proposed changes were reviewed by the Council of Counsels and the policy revision has nine objectives:
    - Add Fitch Ratings, as one of at least two of three rating agencies;
    - Add International Bank of Reconstruction and Development (IBRD) and Asian as well as African Development Bank (ADB) bonds issued by the World Bank, with 36-month maturity limit and limited to a maximum of 15% of the portfolio;
    - Add/update State Code citations;
    - Delete the State Code appendix, replacing it with embedded code references;
    - Updating policy language (such as: GASB-40, CFO for treasurer, internal policy references);
    - Add language to address a security downgrade;
    - Update language/processes from manual paperwork to e-confirms and e-statements;
    - Extending the maturity period of qualified bonds issued by Virginia cities and counties from 36 to 60 months;
    - Reduce the maximum percent of the portfolio permitted to be invested in Virginia municipal bonds from 75% to 30%;
- Mr. Longhi noted the proposed draft, if recommended by the Finance Committee will be presented for consideration at the Authority's October 2020 meeting.

Mayor Rishell moved the Finance Committee recommend Authority approval of the Investment Policy Revisions, seconded by Chairman McKay. Motion carried unanimously.

V. Conflict of Interest Policy Revisions

Mr. Longhi, CFO

Recommended Action: Recommend Authority Approval of Policy Revisions

Mr. Longhi provided an update on the Conflict of Interest Policy by noting the following objectives:

- To make the Statement of Economic Interest (Statement) reporting cycle once a year instead of twice.
- Update procedural wording for Statement filing and staff recusal.
- Correct/Update references to the Code of Virginia.
- The current policy underwent numerous revisions with NVTA's Council of Counsels and staff resulting in the track change version becoming illegible. Therefore, in the interest of clarity, the current Policy is proposed to be repealed and replaced with the current draft.

- Mr. Longhi noted that with the Finance Committee recommendation, the proposed replacement policy will be presented for consideration at the Authority's October 2020 meeting.

Board Member Cristol moved the Finance Committee recommend Authority approval of Policy Revisions, seconded by Mayor Rishell. Motion carried unanimously.

VI. Legislative Services Contract

Mr. Longhi, CFO

Recommended Action: Recommend Authority Approval of Legislative Services Contract

- Mr. Longhi noted that the current contract with McGuireWoods Consulting is expiring this fall, a Request for Proposal (RFP) was issued on July 22, 2020 for Legislative Services.
- Mr. Longhi noted that only one firm responded to the RFP after a statewide competitive solicitation.
- McGuireWoods Consulting, was the sole respondent.
- Since only one proposal was submitted, NVTA staff conducted a required price/cost analysis. The analysis and negotiation with McGuire Woods Consulting resulted in validation of the $75,000/year base, and a reduction in the annual escalation percentage.
- The RFP proposal was evaluated by:
    - NVTA - Executive Director
    - NVTA – Chief Financial Officer
    - Loudoun County - Legislative Liaison
    - Arlington County - Legislative Director
    - Fairfax County - Department of Transportation, Chief – Coordination Section
- Mr. Longhi noted that with Finance Committee approval, the contract with McGuireWoods Consulting LLC will be submitted for Authority consideration at the October 2020 meeting.
- Mayor Parrish expressed an appreciation of the work Ms. Baynard has provided to the Authority Members and the Staff.
- Board Members Cristol also expressed an appreciation of the work of Ms. Baynard and asked how the process of advertisement took place as there were no other bidders?
- Mr. Longhi explained that the Legislative Services RFP was posted on eVA which is a state wide electronic procurement marketplace as well as posted on the Authority's website.
- Mr. Longhi explained that Legislative Services are often not competitively bid and are often wrapped into Legal Advisory services.
- Delegate Watts added her appreciation for Ms. Baynard's efforts by noting that her knowledge is very valuable.

Chairman McKay moved the Finance Committee recommend approval of the proposed Legislative Service Agreement with McGuireWoods Consulting LLC, seconded by Mayor Rishell. Motion carried unanimously.

Information/Discussion Items

VII. Policy 29 Exception Report Mr. Longhi, CFO

- Mr. Longhi provided a detailed updated on the Policy 29 Exception Report by noting NVTA has 65 active Standard Project Agreements (SPAs) and 35 that are awaiting activation. There are 42 completed SPAs.
- Mr. Longhi noted that exception notices were sent on 17 projects. Of those 17 projects, 10 were able to document and demonstrate progress resulting in inclusion in this report being unnecessary. If a project had been reported previously, and is still in an exception status, the likelihood of inclusion in this report increased.
- Warning notices were delivered on an additional 17 projects. The warnings notices are a courtesy provided to project sponsors that they have a project which is at risk of being on the next exception report.
- Of these 17 projects, 13 will need to make substantive project expense drawdowns in October 2020, in order to remove the exception status. These 13 projects all received FY2020 appropriations. A total of 14 projects received FY2020 appropriations.
- Project sponsors with exceptions or warnings were offered an opportunity to request de-appropriation of funding to a future fiscal to avoid the policy exception.
- Mr. Longhi noted that:
    - Town of Herndon previously had three projects in exception status. Two projects are showing progress consistent with previously reported plans.
    - The East Elden Street project has fallen short of previous project timing objectives. The Town and VDOT report expenditures starting in June. Mr. Longhi noted that the town and VDOT are preparing expense reimbursements.
    - The Leesburg Rt. 7 Battlefield Interchange Project is reported for the first time. Reimbursements were delayed while agreements between the Town and VDOT were finalized. However, it is important to note VDOT progressed the project during this time using its own cash flow.
    - Fairfax County currently has five projects (1 new, 4 repeats) presented.
    - The report included statements from project sponsors for each of the projects.

VIII. Finance Activities Report Mr. Longhi, CFO

- Mr. Longhi provided an update on the Reimbursement Parameter Study by noting;
    - Overhead rates are being submitted for reimbursement with almost 80%-100% of reimbursement. NVTA staff have been working with the jurisdictions to redefine what is eligible for project reimbursement.
    - NVTA staff has made significant progress in developing the parameter study and have plans to conduct a workshop with the Jurisdictions and the Agencies.
    - Ms. Hynes asked if legislation defines what constitutes the valid expenditures, to which Mr. Longhi added that the legislation states the funds should be used for project reimbursements and not for any ongoing operations of the Jurisdictional or Agency.

- Ms. Hynes noted that this issue had surfaced on the Commonwealth Transportation Board (CTB) meeting and that they have similar concerns as NVTA.
- Ms. Backmon noted that NVTA is seeking a consensus on the appropriate level of overhead charges.

- Mr. Longhi provided an update on the Annual Independent Audit and noted that the Audit is progressing on time.
  - Mr. Longhi expressed appreciation Ms. Teal's work on completing the audit and invited Ms. Teal to update the Committee with details, Ms. Teal informed that the Audit was conducted 100% electronically without any problems.
  - Ms. Teal noted that NVTA moved from being a mostly paper driven organization to an electronic organization nine months into the fiscal year.
  - Ms. Teal noted that proper checks and balances, and internal controls have made it easier for the Auditors to complete the Audit. All the information is stored on cloud servers and the approvals are done as certified electronic signatures via the Adobe electronic signature.
  - Ms. Teal and Mr. Longhi noted that the Auditors have not mentioned any comments, findings or non-routine recommendations.
- Mr. Longhi informed the Committee that NVTA has issued a Request for Proposal (RFP) for Economic Analysis in addition to the RFP for Legislative Services. He further added that NVTA received 14 expressions of interest, out of which four resulted in proposals and the NVTA staff are conducting proposal interviews.
- Mr. Longhi noted that policy revisions reflecting changes to the two revenue streams from the 2020 General Assembly Session have been drafted. The drafts will be presented to the Finance Committee at the first meeting after the conclusion of the special session.
- Mr. Longhi presented a Revenue Project Funding Summary, illustrating the NVTA FY 2014-2025 Funding Recap. The first table showed the Local Distribution (30%) from FY2014/20 at $620 million, and Regional Revenue (70%) at $2.5 billion. When adding the total of Other Funding Recipients like the NVTC, VRE, PRTC, WMATA and DRPT the grand total is $3.1 billion.

IX. Investment Portfolio Report Mr. Longhi, CFO

- Mr. Longhi noted NVTA has a well-diversified portfolio with investment holdings spread across a number of qualified categories which will be harder to maintain in the current market scenario as Corporations are not issuing Corporate Notes or Commercial Paper.
- Given the change in market dynamics - the Federal Reserve has dropped rates near zero because of the pandemic and longer-dated maturities now pay suboptimal rates. As such, NVTA intends to focus on shorter-term investments until the positive differences between the LGIP rates and Treasuries, Agencies and Corporates plays out (October/November 2020).
- The NVTA portfolio is showing declines while still retaining value compared to the benchmarks. Over time NVTA's portfolio performance will move (decline)

with the market. However, the portfolio is well positioned to take early advantage of rising rates

- Mr. Longhi noted that NVTA's Yield Curve shows that NVTA is trending down with the market but is not at the market level yet.

X. Monthly Revenue Report Mr. Longhi, CFO

- Mr. Longhi noted that NVTA closed out the Fiscal Year 2020 and the June 2020 sales tax revenue plus accruals resulted in a 1.5% positive increase compared to FY2020 original budget projections.
- Mr. Longhi noted that the COVID-19 revised revenue estimates were built around a reduction in Gross Domestic Product (GDP), which was refined to reflect regional GDP. He noted positive news that Northern Virginia's sales tax has shown to be more resilient than the state or nation as a whole.
- Mr. Longhi noted that NVTA is not recommending any changes to the revenue estimates.

XI. Monthly Operating Budget Report Mr. Longhi, CFO

- Mr. Longhi noted that NVTA closed out the Fiscal Year 2020 with a positive budget balance and that NVTA ended up saving some money in the Operating Budget due to COVID-19. Although there were some unexpected expenses related to working remotely, such as purchasing new technology or new cell phone related services. But these expenses are well within the existing budget.

Other Matters

- Ms. Backmon informed the Committee members that Ms. Duker has resumed work after maternity leave.

Adjournment: 1:56 PM

XII. Adjournment

Next Scheduled Meeting October 15, 2020 1:00PM (Room B)

3040 Williams Drive, Suite 200, Fairfax, Virginia

V.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

M E M O R A N D U M

TO: Chairman Parrish and Members, NVTA Finance Committee

FROM: Michael Longhi, Chief Financial Officer

DATE: October 9, 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 September 30, 2020.

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

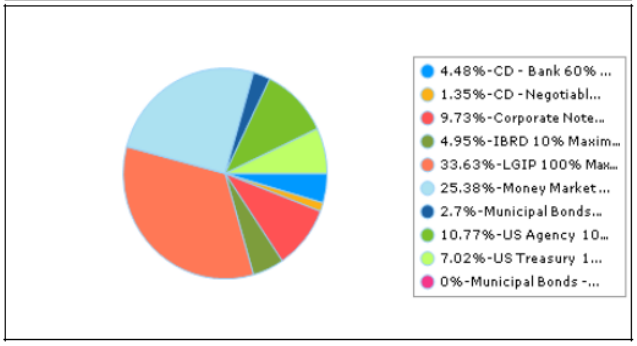
Northern Virginia Transportation Authority
Distribution by Asset Category - Book Value
Report Group: Regional Revenue

Begin Date: 8/31/2020, End Date: 9/30/2020

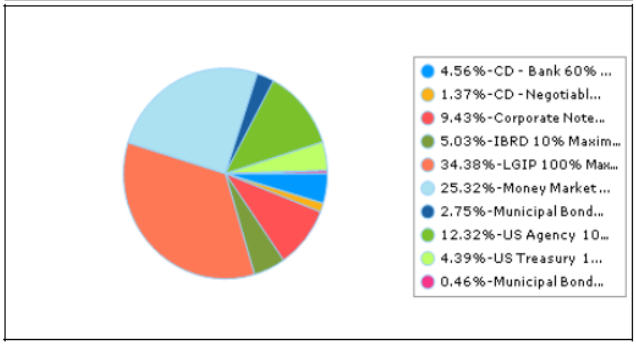
Asset Category Allocation

Asset Category	Book Value 8/31/2020	% of Portfolio 8/31/2020	Book Value 9/30/2020	% of Portfolio 9/30/2020
CD - Bank 60% Maximum	49,815,273.30	4.48	49,815,273.30	4.56
CD - Negotiable 25% Maximum	15,000,000.00	1.35	15,000,000.00	1.37
Corporate Notes 50% Maximum	108,096,340.00	9.73	103,092,009.77	9.43
IBRD 10% Maximum	55,016,848.78	4.95	55,015,847.46	5.03
LGIP 100% Maximum	373,827,632.32	33.63	375,903,900.86	34.38
Money Market 60% Maximum	282,051,985.96	25.38	276,819,141.52	25.32
Municipal Bonds - US 75% Maximum	30,014,583.91	2.70	30,013,623.89	2.75
US Agency 100% Maximum	119,693,477.80	10.77	134,667,492.78	12.32
US Treasury 100% Maximum	77,977,730.72	7.02	47,978,777.10	4.39
Municipal Bonds - Virginia 75% Maximum	0.00	0.00	5,043,169.20	0.46
Total / Average	1,111,493,872.79	100.00	1,093,349,235.88	100.00

Portfolio Holdings as of 8/31/2020



Portfolio Holdings as of 9/30/2020



3) Current Period Reports:

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

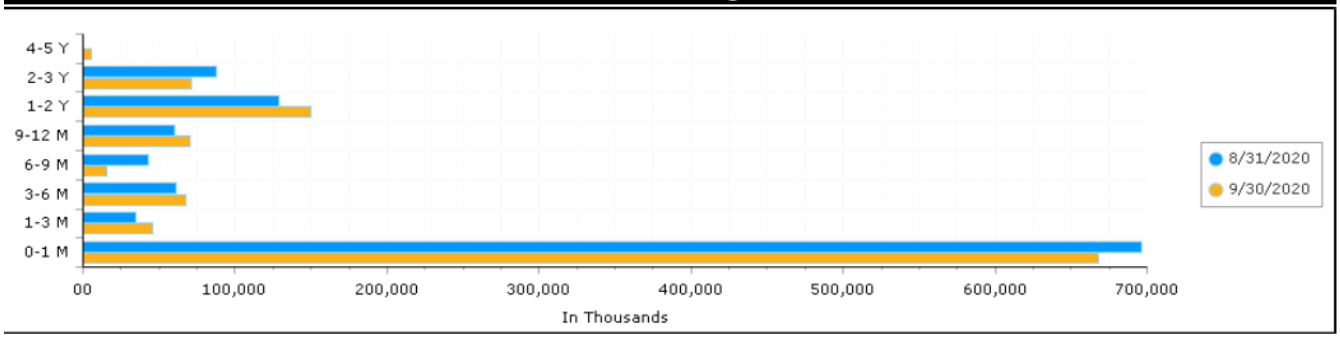
Northern Virginia Transportation Authority
Distribution by Maturity Range - Book Value
Report Group: Regional Revenue

Begin Date: 8/31/2020, End Date: 9/30/2020

Maturity Range Allocation

Maturity Range	Book Value 8/31/2020	% of Portfolio 8/31/2020	Book Value 9/30/2020	% of Portfolio 9/30/2020
0-1 Month	695,888,245.67	62.61	667,719,036.42	61.07
1-3 Months	34,953,809.39	3.14	45,473,888.40	4.16
3-6 Months	61,168,389.69	5.50	68,016,074.87	6.22
6-9 Months	42,937,873.73	3.86	15,573,440.70	1.42
9-12 Months	60,270,904.63	5.42	70,246,976.92	6.42
1-2 Years	128,601,038.84	11.57	149,734,368.87	13.70
2-3 Years	87,673,610.84	7.89	71,542,280.50	6.54
4-5 Years	0.00	0.00	5,043,169.20	0.46
Total / Average	1,111,493,872.79	100.00	1,093,349,235.88	100.00

Portfolio Holdings



b. The <u>liquidity</u> of the portfolio is reflected in the portfolio's duration of .33 (1.0 = 1 year) and the maturity schedule shown above.

NVTA Investment Benchmarks	Sep-20 Month End
Fed Funds Rate	0.09%
Treasuary 90 Day T Bill	0.10%
Local Government Investment Pool	0.22%
Virginia Non-Arbitrage Program	0.30%
NVTA Performance	**0.66%**

Source: Bloomberg/NVTA Statements

c. The <u>yield</u> on the portfolio at the end of September 2020 was .661. 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;

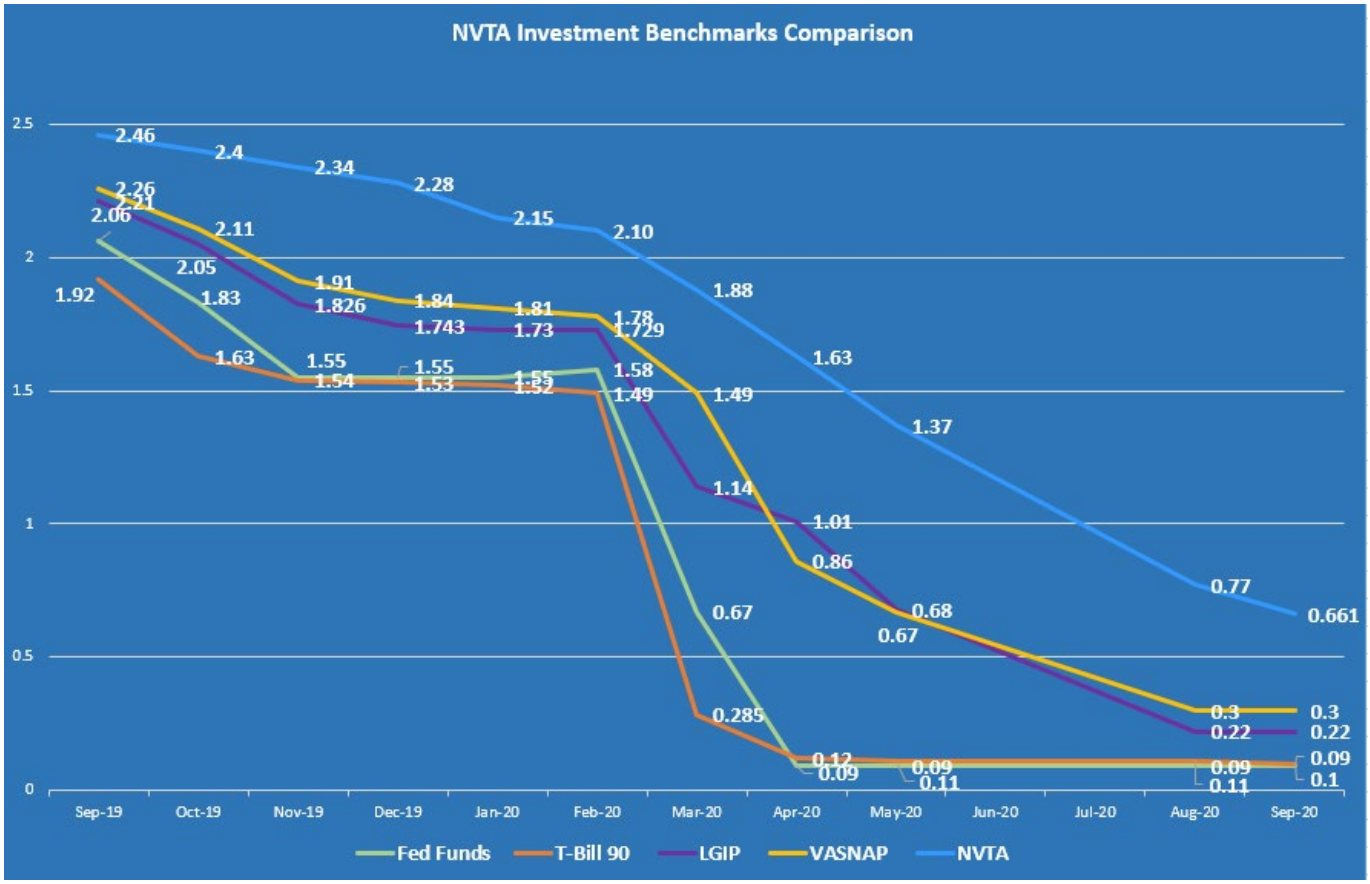
- **i)** Local Government Investment Pools (remains at 34%)
- **ii)** Collateralized bank money market accounts (remains at 25%)
- **iii)** AAA/AA rated investment grade corporate bonds (14% from 15%)
- **iv)** Treasuries and Agencies (17% from 16%)

b) Liquidity:

The NVTA Portfolio average duration was .33 – approximately one third of a year – reflecting a strategy to use local government investment pools to delay buying into the low market rates caused by the Federal Reserve's economic intervention.

c) Yield:

- **i)** Given the change in market dynamics - the Federal Reserve has dropped rates near zero because of the pandemic – longer-dated maturities pay suboptimal rates. As such, NVTA intends to focus on shorter-term investments once the positive differences between the LGIP rates and Treasuries, Agencies and Corporates plays out (October/November 2020).
- **ii)** The NVTA portfolio is showing declines while still retaining valued 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.

Attachment

Northern Virginia Transportation Authority

The Authority for Transportation in Northern Virginia

Portfolio Holdings Compliance - GASB 40 Report - As of 9/30/2020

Issuer	Face Amount Shares	Book Value	Market 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 Bank1.7 12/26/2020	9,500,000.00	9,500,000.00	9,500,000.00	NR	NR	0.87	87	12/26/2020	1.700	0.24
United Bank1.9 1/14/2021	10,000,000.00	10,000,000.00	10,000,000.00	NR	NR	0.92	106	01/14/2021	1.900	0.29
United Bank 0.2 9/2/2021	30,315,273.30	30,315,273.30	30,315,273.30	NR	NR	2.77	337	09/02/2021	0.200	0.92
Sub Total / Average Certificate Of Deposit	49,815,273.30	49,815,273.30	49,815,273.30			4.56	243		0.827	0.67
Corporate Bond										
Apple Corp.1.7 9/11/2022	16,145,000.00	16,114,276.54	16,582,206.60	S&P-AA+	Moodys-Aa1	1.48	711	09/11/2022	1.800	1.92
Apple Corp.Var. Corp 2/9/2022	5,011,000.00	5,035,812.90	5,041,015.89	S&P-AA+	Moodys-Aa1	0.46	497	02/09/2022	0.743	0.00
Apple Corp. 2 11/13/2020	5,000,000.00	4,995,832.72	5,010,450.00	S&P-AA+	Moodys-Aa1	0.46	44	11/13/2020	2.718	0.12
Berkshire Hathaway2.2 3/15/2021	7,386,000.00	7,365,631.53	7,439,326.92	S&P-AA	Moodys-Aa2	0.68	166	03/15/2021	2.833	0.46
Berkshire Hathaway2.2 3/15/2021	10,000,000.00	10,006,146.66	10,072,200.00	S&P-AA	Moodys-Aa2	0.92	166	03/15/2021	2.061	0.46
Berkshire Hathaway2.75 3/15/2023-23	10,000,000.00	10,506,048.25	10,533,900.00	S&P-AA	Moodys-Aa2	0.92	896	03/15/2023	0.665	2.39
Chevron Corp. 2.1 5/16/2021	5,560,000.00	5,532,698.09	5,616,600.80	S&P-AA	Moodys-Aa2	0.51	228	05/16/2021	2.923	0.62
Chevron Corp. 2.1 5/16/2021	5,000,000.00	5,034,960.00	5,050,900.00	S&P-AA	Moodys-Aa2	0.46	228	05/16/2021	0.973	0.62
Exxon Mobil Corp Var. Corp 3/6/2022	1,000,000.00	1,003,550.66	1,004,440.00	S&P-AA	Moodys-Aa1	0.09	522	03/06/2022	0.618	0.00
Exxon Mobil Corp Var. Corp 3/6/2022	7,500,000.00	7,525,281.68	7,533,300.00	S&P-AA	Moodys-Aa1	0.69	522	03/06/2022	0.618	0.00
Exxon Mobil Corp Var. Corp 8/16/2022	10,000,000.00	10,029,676.94	10,046,800.00	S&P-AA	Moodys-Aa1	0.92	685	08/16/2022	0.610	0.00
IBRD 1.75 1/27/2023-21	30,000,000.00	30,002,347.46	30,124,500.00	S&P-AAA	Moodys-Aaa	2.75	849	01/27/2023	1.746	2.28
IBRD ADBVar. Corp 12/15/2021	25,000,000.00	25,013,500.00	24,977,750.00	S&P-AAA	Moodys-Aaa	2.29	441	12/15/2021	0.260	0.00
Microsoft Corp 1.55 8/8/2021	5,000,000.00	4,947,108.29	5,054,000.00	S&P-AAA	Moodys-Aaa	0.46	312	08/08/2021	2.850	0.85
Proctor and Gamble Co. 1.9 10/23/2020	5,000,000.00	4,997,432.49	5,005,200.00	S&P-AA-	Moodys-Aa3	0.46	23	10/23/2020	2.746	0.06
WalmartVar. Corp 6/23/2021	5,000,000.00	5,005,782.61	5,008,350.00	S&P-AA	Moodys-Aa2	0.46	266	06/23/2021	0.453	0.00
Walmart Corp 1.9 12/15/2020	5,000,000.00	4,991,770.41	5,017,150.00	S&P-AA	Moodys-Aa2	0.46	76	12/15/2020	2.722	0.21
Sub Total / Average Corporate Bond	157,602,000.00	158,107,857.23	159,118,090.21			14.42	505		1.458	0.92
FFCB Bond										
FFCBVar. FFCB 8/1/2022	25,000,000.00	25,000,000.00	24,983,750.00	S&P-AA+	Moodys-Aaa	2.29	670	08/01/2022	0.160	0.00

Issuer	Face Amount Shares	Book Value	Market Value Market Value	Credit Rating 1	Credit Rating 2	Portfolio %	Days To Maturity	Maturity Date	YTM @ Cost	Duration To Maturity
FFCBVar. FFCB 9/13/2021	5,000,000.00	5,000,000.00	5,005,250.00	S&P-AA+	Moodys-Aaa	0.46	348	09/13/2021	0.259	0.00
FFCB 0.23 8/3/2022	20,000,000.00	20,000,000.00	19,910,400.00	S&P-AA	Moodys-Aaa	1.83	672	08/03/2022	0.230	1.84
FFCB Var. FFCB 10/27/2021	20,000,000.00	19,998,632.73	20,000,000.00	S&P-AA+	Moodys-Aaa	1.83	392	10/27/2021	0.145	0.00
FFCB Var. FFCB 11/7/2022	10,000,000.00	10,033,884.79	10,069,400.00	S&P-AA+	Moodys-Aaa	0.92	768	11/07/2022	0.520	0.00
FFCB Var. FFCB 5/16/2022	10,000,000.00	10,006,545.08	10,031,300.00	S&P-AA+	Moodys-Aaa	0.92	593	05/16/2022	0.370	0.00
Sub Total / Average FFCB Bond	90,000,000.00	90,039,062.60	90,000,100.00			8.24	593		0.241	0.41
FHLB Bond										
FHLB 1.67 8/25/2023-21	21,000,000.00	21,000,000.00	21,118,860.00	S&P-AA+	Moodys-Aaa	1.92	1,059	08/25/2023	1.670	2.84
Sub Total / Average FHLB Bond	21,000,000.00	21,000,000.00	21,118,860.00			1.92	1,059		1.670	2.84
FHLMC Bond										
FHLMC 1.875 11/17/2020	5,000,000.00	4,993,454.55	5,011,450.00	S&P-AA+	Moodys-Aaa	0.46	48	11/17/2020	2.910	0.13
Sub Total / Average FHLMC Bond	5,000,000.00	4,993,454.55	5,011,450.00			0.46	48		2.910	0.13
Local Government Investment Pool										
Commonweath of VirginiaLGIP	11,998.18	11,998.18	11,998.18	S&P-AAA	NR	0.00	1	N/A	0.218	0.00
Commonweath of Virginia LGIP	157,639,793.66	157,639,793.66	157,639,793.66	S&P-AAA	NR	14.43	1	N/A	0.218	0.00
VIP Stable NAV LGIP	218,252,109.02	218,252,109.02	218,252,109.02	S&P-AAA	NR	19.97	1	N/A	0.224	0.00
Sub Total / Average Local Government Investment Pool	375,903,900.86	375,903,900.86	375,903,900.86			34.40	1		0.222	0.00
Money Market										
Access National Bank MM	57,717,291.74	57,717,291.74	57,717,291.74	NR	NR	5.28	1	N/A	0.240	0.00
BB&T MM	464,173.24	464,173.24	464,173.24	NR	NR	0.04	1	N/A	0.010	0.00
John Marshall Bank ICS MM	47,628,996.63	47,628,996.63	47,628,996.63	NR	NR	4.36	1	N/A	0.330	0.00
United Bank ICS Checking MM	28,010,892.14	28,010,892.14	28,010,892.14	NR	NR	2.56	1	N/A	0.200	0.00
United Bank ICS Savings MM	52,020,513.21	52,020,513.21	52,020,513.21	NR	NR	4.76	1	N/A	0.200	0.00
United Bank MM	90,977,274.56	90,977,274.56	90,977,274.56	NR	NR	8.33	1	N/A	0.230	0.00
Sub Total / Average Money Market	276,819,141.52	276,819,141.52	276,819,141.52			25.33	1		0.240	0.00
Municipal Bond										
FFX CNTY VA GO 0.645 10/1/2025	5,000,000.00	5,043,169.20	5,019,200.00	S&P-AAA	Moodys-Aaa	0.46	1,827	10/01/2025	0.470	4.43
NYC GO 1.58 8/1/2021	20,000,000.00	20,006,531.55	20,153,000.00	S&P-AA	Moodys-Aa1	1.83	305	08/01/2021	1.541	0.83
NYC GO 1.58 8/1/2022	10,000,000.00	10,007,092.34	10,149,000.00	S&P-AA	Moodys-Aa1	0.92	670	08/01/2022	1.541	1.81
Sub Total / Average Municipal Bond	35,000,000.00	35,056,793.09	35,321,200.00			3.20	627		1.388	1.63
Negotiable Certificate Of Deposit										
TD Bank NY 2.5 3/23/2021	15,000,000.00	15,000,000.00	15,080,100.00	S&P-A1+	Moodys-P1	1.37	174	03/23/2021	2.500	0.48
Sub Total / Average Negotiable Certificate Of Deposit	15,000,000.00	15,000,000.00	15,080,100.00			1.37	174		2.500	0.48
Treasury Note										
T-Note 1.375 10/31/2020	10,000,000.00	9,990,692.96	10,010,400.00	S&P-AA+	Moodys-Aaa	0.92	31	10/31/2020	2.504	0.08
T-Note 1.625 10/15/2020	10,000,000.00	9,998,561.55	10,005,800.00	S&P-AA+	Moodys-Aaa	0.92	15	10/15/2020	1.981	0.04
T-Note 2 11/30/2020	5,000,000.00	5,000,592.15	5,015,500.00	S&P-AA+	Moodys-Aaa	0.46	61	11/30/2020	1.927	0.17

Issuer	Face Amount Shares	Book Value	Market Value Market Value	Credit Rating 1	Credit Rating 2	Portfolio %	Days To Maturity	Maturity Date	YTM @ Cost	Duration To Maturity
T-Note 2 11/30/2020	6,000,000.00	6,001,545.61	6,018,600.00	S&P-AA+	Moodys-Aaa	0.55	61	11/30/2020	1.842	0.17
T-Note 2.375 12/31/2020	7,000,000.00	7,009,321.05	7,038,990.00	S&P-AA+	Moodys-Aaa	0.64	92	12/31/2020	1.835	0.25
T-Note 2.75 9/15/2021	10,000,000.00	9,978,063.78	10,249,200.00	S&P-AA+	Moodys-Aaa	0.92	350	09/15/2021	2.990	0.95
Sub Total / Average Treasury Note	48,000,000.00	47,978,777.10	48,338,490.00			4.39	110		2.256	0.30
TVA Bond										
TVA 3.875 2/15/2021	5,000,000.00	5,015,484.88	5,069,100.00	S&P-AA+	Moodys-Aaa	0.46	138	02/15/2021	3.017	0.38
TVA 3.875 2/15/2021	13,500,000.00	13,619,490.75	13,686,570.00	S&P-AA+	Moodys-Aaa	1.24	138	02/15/2021	1.500	0.38
Sub Total / Average TVA Bond	18,500,000.00	18,634,975.63	18,755,670.00			1.69	138		1.910	0.38
Total / Average	1,092,640,315.68	1,093,349,235.88	1,095,282,275.89			100	184		0.661	0.33

VI.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

M E M O R A N D U M

FOR: Chairman Parrish and Members of the NVTA Finance Committee

FROM: Michael Longhi, Chief Financial Officer

DATE: October 9, 2020

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 September 2020. September receipts represent the first month of receipts for FY2021.

3. **Comments:**
   a. **FY2021 Revenues (Attachment A)**
      i. The Authority has received approximately $26.5 million through the September 2020 transfers from the Commonwealth.
      ii. Actual revenue (one month of sales tax receipts annualized) compared to FY2021 budgeted revenue annual sales tax revenues through September 2020 show a 26% positive variance. It is too early in the revenue cycle to rely on the positive variance to be sustained through the remaining 11 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 two months of Regional Congestion Fees (Grantors Tax) at the reduced rate of $0.05/100.
      iv. The Authority has not yet received Heavy Truck Registration and Diesel Fuel revenue for FY2021. Per VDOT, these funds cannot be distributed to the Authority until the 2020 General Assembly Special Session.

   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%).
      ii. As of September 2020, $6.5 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 September 2020.

Attachments:

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

Attachment A

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY
SALES TAX REVENUES RECEIVED BY JURISDICTION, COMPARED TO NVTA ESTIMATES
Based on: Revenue Data Through September 2020
FYE June 30, 2021

Regional Sales Tax		**Received**	**Annualized Revenue based**	**FY2021**	**Annualized - Actual**	
Transaction Months	**1**	**To Date**	**on YTD Receipts**	**Budget**	**To Budget**	
City of Alexandria		$ 1,501,394	$ 18,016,726	$ 14,188,675	$ 3,828,051	
Arlington County		1,728,019	20,736,225	21,828,731	(1,092,506)	
City of Fairfax		800,566	9,606,789	5,893,757	3,713,032	
Fairfax County		9,276,649	111,319,785	92,335,532	18,984,253	
City of Falls Church		290,697	3,488,369	2,401,160	1,087,209	
Loudoun County		4,857,118	58,285,421	42,347,738	15,937,683	
City of Manassas		554,579	6,654,949	5,020,608	1,634,341	
City of Manassas Park		156,804	1,881,651	1,309,724	571,927	
Prince William County		3,774,870	45,298,441	32,961,384	12,337,057	
Total Sales Tax Revenue		$ 22,940,696	$ 275,288,355	$ 218,287,309	$ 57,001,046	26.1%

Vehicle License-Registration Fees		**Received**	**Annualized Revenue based**	**FY2021**	**Annualized - Actual**	
Transaction Months	**1**	**To Date**	**on YTD Receipts**	**Budget**	**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		**Received**	**Revenue based**	**FY2021**	**Annualized - Actual**	
Transaction Months	**2**	**To Date**	**on YTD Receipts**	**Budget**	**To Budget**	
City of Alexandria		$ 490,588	$ 2,943,528	$ 721,500	$ 2,222,028	
Arlington County		314,939	1,889,636	1,110,000	779,636	
City of Fairfax		27,768	166,611	299,700	(133,089)	
Fairfax County		1,246,640	7,479,841	4,695,300	2,784,541	
City of Falls Church		67,619	405,713	122,100	283,613	
Loudoun County		715,616	4,293,698	2,153,400	2,140,298	
City of Manassas		31,418	188,510	255,300	(66,790)	
City of Manassas Park		28,709	172,251	66,600	105,651	
Prince William County		617,309	3,703,852	1,676,100	2,027,752	
Total Regional Congestion Relief Fee		$ 3,540,607	$ 42,487,279	$ 11,100,000	$ 31,387,279	282.8%

NVTD Transfer from COVA		**Received**	**Revenue based**	**FY2021**	**Annualized - Actual**	
Transaction Months	**1**	**To Date**	**on YTD Receipts**	**Budget**	**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		$ 26,481,303	$ 317,775,635	$ 251,516,032	$ 66,259,603	26.34%
		$ 26,481,303				

Attachment B

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY
FY2020 30% DISTRIBUTION BY JURISDICTION

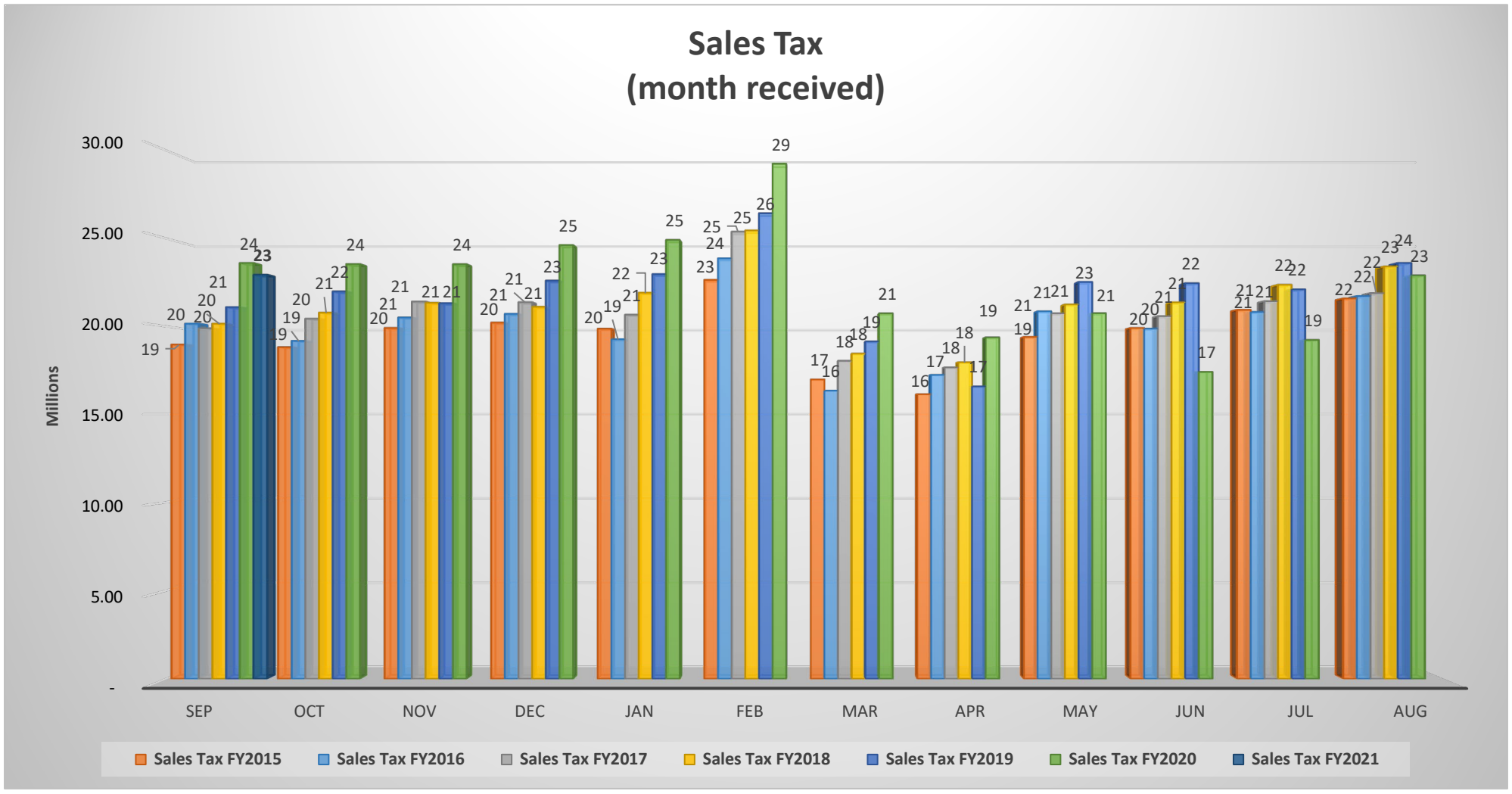
Based on: Revenue Data Through September 2020

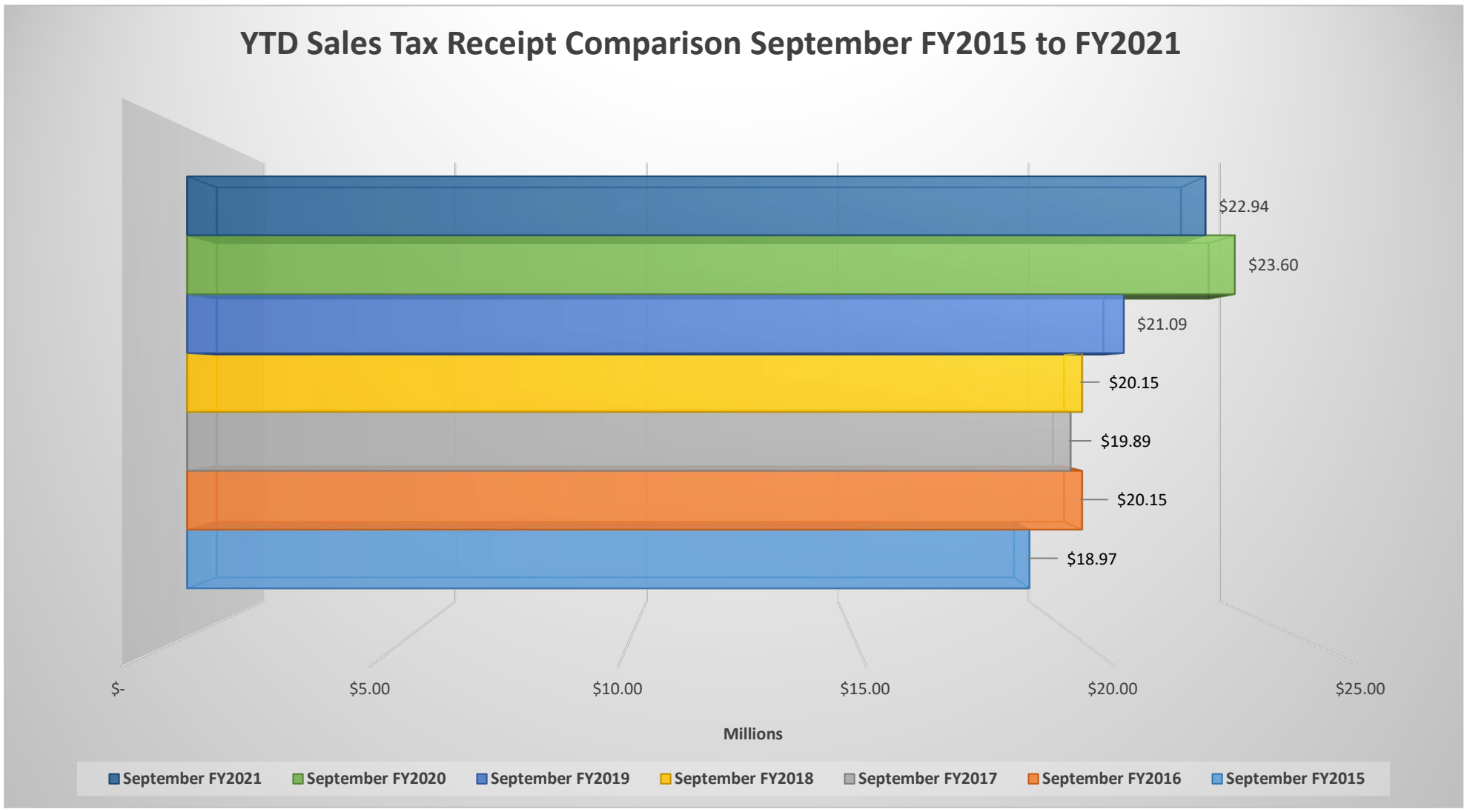
Jurisdiction	Vehicle License-Registration Fee	Regional Sales Tax	Regional Congestion Relief Fee	NVTD Transfer From COVA	CoVa NVTA Interest	Cumulative Total	30% Funds	8/31/2020 Accrued Interest (1) (+)	Prior Distributions	**Current Month Distribution**	Total Funds Transferred
City of Alexandria	$ -	$ 1,501,393.81	$ 490,588.05	$ -	$ -	$ 1,991,981.86	$ 597,594.56	$ 20.29	$ -	$ 597,614.85	
Arlington County	$ -	$ 1,728,018.71	$ 314,939.30	$ -	$ -	$ 2,042,958.01	$ 612,887.40	$ 20.29	$ -	$ 612,907.69	
City of Fairfax	$ -	$ 800,565.75	$ 27,768.45	$ -	$ -	$ 828,334.20	$ 248,500.26	$ 7.61	$ -	$ 248,507.87	
Fairfax County	$ -	$ 9,276,648.71	$ 1,246,640.20	$ -	$ -	$ 10,523,288.91	$ 3,156,986.67	$ 101.42	$ -	$ 3,157,088.09	$ 3,157,088.09
City of Falls Church	$ -	$ 290,697.45	$ 67,618.75	$ -	$ -	$ 358,316.20	$ 107,494.86	$ 2.54	$ -	$ 107,497.40	$ 107,497.40
Loudoun County	$ -	$ 4,857,118.38	$ 715,616.35	$ -	$ -	$ 5,572,734.73	$ 1,671,820.42	$ 53.25	$ -	$ 1,671,873.67	$ 1,671,873.67
City of Manassas	$ -	$ 554,579.12	$ 31,418.35	$ -	$ -	$ 585,997.47	$ 175,799.24	$ 5.07	$ -	$ 175,804.31	$ 175,804.31
City of Manassas Park	$ -	$ 156,804.25	$ 28,708.50	$ -	$ -	$ 185,512.75	$ 55,653.83	$ 2.54	$ -	$ 55,656.37	$ 55,656.37
Prince William County	$ -	$ 3,774,870.11	$ 617,308.65	$ -	$ -	$ 4,392,178.76	$ 1,317,653.63	$ 43.11	$ -	$ 1,317,696.74	$ 1,317,696.74
Total Revenue	$ -	$ 22,940,696.29	$ 3,540,606.60	$ -	$ -	$ 26,481,302.89	$ 7,944,390.87	$ 256.12	$ -	$ 7,944,646.99	$ 6,485,616.58

Interest 8/31/2020

Attachment C

FY2020 September 2020





VII.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

M E M O R A N D U M

FOR: Chairman Parrish and Members, NVTA Finance Committee

FROM: Michael Longhi, Chief Financial Officer

DATE: October 9, 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 September 30, 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 September 30, 2020, the Authority has utilized 20% of its FY2021 expenditure budget.
   - **c.** Through September 30, 2020, all expense account categories within the operating budget remain within budget.
   - **d.** The attached statement shows the total operating budget income and expenditure activity for FY2021 through September 30, 2020.

Attachment: FY2021 Monthly Operating Budget through September 30, 2020

Attachment

1000 General Fund

Account	Object	Description	Current Month	Current YTD	Budget	Variance	%
		Expenses					
410000		Personnel Expenses					
	110	Salaries-Regular Pay	100,795.52	318,084.77	1,524,073.00	1,205,988.23	21
	130	Health & Dental Benefits	12,930.34	53,968.77	247,968.00	193,999.23	22
	131	Payroll Taxes	5,586.94	20,129.87	118,210.00	98,080.13	17
	132	Retirement VRS	15,259.62	27,900.58	124,506.00	96,605.42	22
	133	Life Insurance	2,947.08	4,580.39	20,331.00	15,750.61	23
	134	Flex Spending/Dependent Care	57.08	114.16	881.00	766.84	13
	135	Workers Comp		1,326.00	1,698.00	372.00	78
	137	Disability Insurance	3,158.42	7,151.65	18,196.00	11,044.35	39
		Total Account	140,735.00	433,256.19	2,055,863.00	1,622,606.81	21
420000		Professional Services					
	210	Audit & Accounting Services	12,000.00	12,000.00	29,500.00	17,500.00	41
	220	Bank Service	175.95	175.95	750.00	574.05	23
	230	Insurance		7,458.00	6,385.00	-1,073.00	117
	240	Payroll Services	180.60	761.80	2,606.00	1,844.20	29
	260	Public Outreach & Regional Event Support	325.00	9,816.24	59,093.00	49,276.76	17
	261	Legal/Bond Counsel Services			10,000.00	10,000.00	
	262	Financial Advisory Services			35,875.00	35,875.00	
	263	Bond Trustee Fees			2,700.00	2,700.00	
	264	Legislative Services	2,000.00	6,100.00	70,000.00	63,900.00	9
	265	Investment Custody Svc			25,000.00	25,000.00	
		Total Account	14,681.55	36,311.99	241,909.00	205,597.01	15
430000		Technology/Communication					
	310	Acctg & Financial Report Systems	1,846.25	24,534.30	111,347.00	86,812.70	22
	330	IT Support Svc Incl Hosting	1,629.68	5,403.49	24,295.00	18,891.51	22
	335	GIS/Project Mgt/Modeling	3,466.66	3,466.66	136,679.00	133,212.34	3
	340	Phone Service & Web Ex Chgs	797.42	3,024.67	11,136.00	8,111.33	27
	350	Web Develop & Hosting	382.50	2,433.41	9,756.00	7,322.59	25
		Total Account	8,122.51	38,862.53	293,213.00	254,350.47	13
440000		Administrative Expenses					
	410	Advertisement			1,500.00	1,500.00	
	411	Dues & Subscriptions	58.38	1,750.59	10,544.00	8,793.41	17
	412	Duplication & Printing		642.85	14,610.00	13,967.15	4
	414	Hosted Meeting Expenses		195.75	5,000.00	4,804.25	4
	415	Mileage/Transportation			11,450.00	11,450.00	
	417	Office Lease		42,134.88	173,256.00	131,121.12	24
	418	Office Supplies	0.99	554.46	8,065.00	7,510.54	7
	419	Postage & Delivery			700.00	700.00	
	420	Professional Develop & Training	120.00	711.30	23,650.00	22,938.70	3
		Total Account	179.37	45,989.83	248,775.00	202,785.17	18
		Total Expenses	163,718.43	554,420.54	2,839,760.00	2,285,339.46	20

1000 General Fund

Account Object	Description	Current Year Current Month	Current Year Current YTD	Current Year Budget	Current Year Variance	Current Year %
	Net Income from Operations	-163,718.43	-554,420.54			
	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	-163,718.43	-554,420.54			