



Northern Virginia Transportation Authority
The Authority for Transportation in Northern Virginia

FINANCE COMMITTEE
Friday, April 17, 2015 1:30PM
3040 Williams Drive, Suite 200
Fairfax, VA 22031

AGENDA

- I. Call to Order/Welcome** Chairman York
- II. Summary Minutes of the February 20, 2015 Meeting**
*Recommended action: Approval [with abstentions
from those who were not present]*

Action Items

- III. Budget Adjustment – FY2014 Regional Revenue Fund** Mr. Longhi, CFO
Recommended action: Recommend NVTA Approval of Adjustment
- IV. Draft FY2016 – Regional Revenue Fund Budget** Mr. Longhi, CFO
*Recommended action: Recommend NVTA Approval of Budget, Subject to Policy
Adoption for the Use of Contingency and Reserve Funds*

Information/Discussion Items

- V. TransAction Update – Procurement Status** Mr. Jasper, NVTA
- VI. NVTA Advisory Panel – Regional Revenue Fund, Contingency and Reserve
Policy Development** Ms. Backmon, ED
- VII. Draft Policy – Standard Project Agreement Activation** Ms. Backmon, ED
- VIII. Financial Activities Update – (no written report)** Mr. Longhi, CFO
- IX. NVTA Monthly Revenue Report** Mr. Longhi, CFO
- X. NVTA Operating Budget Report** Mr. Longhi, CFO

Adjournment

XI. Adjournment

Next Meeting: May 15, 2015 1:30 PM
3040 Williams Drive, Suite 200, Fairfax, Virginia



Northern Virginia Transportation Authority

The Authority for Transportation in Northern Virginia

FINANCE COMMITTEE
Friday, February 20, 2015 1:30PM
3040 Williams Drive, Suite 200
Fairfax, VA 22031

MEETING SUMMARY

I. Call to Order/Welcome

Chairman York

- Chairman York called the meeting to order at 1:34pm.
- Attendees:
 - ✓ Members: Chairman York; Chair Hynes (arrived 1:38pm); Chairman Bulova, Council Member Rishell.
 - ✓ Staff: Monica Backmon (Executive Director); Michael Longhi (CFO); Peggy Teal (Assistant Finance Officer); Camela Speer (Clerk).
 - ✓ Council of Counsel: Ellen Posner (Fairfax County).
 - ✓ Other Staff: Tom Biesiadny (Fairfax County); Mark Thomas (Fairfax County); JoAnne Carter (PFM); Rob Whitfield (Fairfax County Tax Payers Alliance).

II. Summary Minutes of the January 16, 2015 Meeting

- Chairman Bulova moved to approve the minutes of January 16, 2015; seconded by Council Member Rishell. Motion carried unanimously.

Action Items

III. Approval of Audit Service Agreement

Mr. Longhi, CFO

- Mr. Longhi updated the Finance Committee (in its role as Audit Committee) that the Authority can utilize an existing contract rider option contained in the Audit Services contract between PBMares and the Fairfax Water Authority.
- It was asked what the next steps were and if this recommendation would go to the Authority. Mr. Longhi answered that the necessary documentation will be developed and presented to the Finance Committee next month, but that this decision can be made by the Committee and does not require Authority approval.
- Chairman Bulova moved to approve the Audit Service agreement with PBMares LLP for fiscal years 2015 and 2016; seconded by Council Member Rishell. Motion carried unanimously.

Information/Discussion Items

IV. FY2016 - Operating Budget Draft Review

Ms. Backmon, ED

- Ms. Backmon briefed the Committee on the draft FY2016 Operating Budget. She noted:

(Chair Hynes arrived.)

- ✓ Previous guidance from the Committee has been incorporated.
- ✓ The projected carry over from the FY2015 budget will lower the cost to member jurisdictions. The carry over includes the 20% operating reserve required by the Debt Policy.
- ✓ One time expenses in the FY2015 budget for the office relocation are not needed in FY2016.
- ✓ There are no anticipated changes in staffing levels. Annual compensation increases will be based on member jurisdiction compensation levels in FY2016 budgets.
- ✓ Staff benefit package is still being completed.
- ✓ Professional development costs have been incorporated as several staff members have professional certifications that require ongoing professional development, particularly in finance and investment activities.
- ✓ Staff is in the process of examining several public outreach options, including taping and streaming Authority meetings. Explained the video concept and noted that we are planning to pair it with the Authority's 15th anniversary in a few years. It will be an educational video about the Authority.
- A question was raised as to whether there was a preset way to determine compensation increases. Mr. Longhi responded that last year it was based on jurisdictional increases. This year we have estimated for a set percentage until we get this year's jurisdictional budget numbers. Actual compensation changes for individual employees are performance based, within the budget set by the Authority. It was suggested that staff include guidance statements for how compensation increases are developed and acknowledged that using the average of what jurisdictions are doing makes sense for budgeting. There was general agreement for this concept.
- It was noted that WMATA streams the audio of meetings and suggested the Authority do the same. There was general agreement for this idea.
- It was asked if the budget includes staff development for transportation, in addition to investment and financing. Ms. Backmon replied that it does.
- Ms. Backmon added that is a spreadsheet in the meeting packet that reflects the FY2016 costs to member jurisdictions, noting these costs are lower than last year.
- The question was raised as to whether the draft budget as presented was complete. Mr. Longhi responded that was and is ready to present as an information item to the Authority at its next meeting.
- It was suggested that the Committee should make a recommendation on the budget and then present it to the Authority. It was noted that this should be done with the

understanding that the proposed staff compensation increase of 4.5% is a cap and will be adjusted based on information available prior to the Authority meeting.

- Chairman Bulova moved to forward and endorse the FY2016 Draft Operating Budget to the Authority, with the caveat that the amount budgeted for staff compensation increases will be predicated on jurisdictional increases; seconded by Council Member Rishell.
- Mr. Longhi added that the Authority budget has been under preparation for some time and that jurisdictional numbers are just being made public this week, noting not all member jurisdictions have released budget drafts yet.
- Motion carried unanimously.

V. FY2016 - 30% Revenue Budget Draft Review

Mr. Longhi, CFO

- Mr. Longhi updated the Committee on the Draft FY2016 30% Revenue Budget. He noted the Authority will continue to follow HB 2313 (2013) guidance and 30% funds will be distributed as quickly as practical.
- It was suggested the Committee approve this draft budget and present it to the Authority for approval at its next meeting.
- Chair Hynes moved to forward and endorse the FY2016 Draft 30% Revenue Budget to the Authority; seconded by Chairman Bulova. Motion carried unanimously.

VI. FY2016 - 70% Regional Revenue Budget Draft Review

Mr. Longhi, CFO

- Mr. Longhi briefed the Committee on the Draft Regional Revenue Budget. He reviewed the existing reserves, required in the Authority Debt Policy.
 - ✓ Operating Reserve is set at 20% of the adopted operating budget and is contained in the operational budget.
 - ✓ Debt Service Reserve is funded through bond proceeds and protects the bondholders.
 - ✓ Working Capital Reserve equals at least six (6) months of budgeted regional revenue funds. This is to protect projects from revenue disruptions.
- It was clarified that the Working Capital Reserve is set aside unless needed and would be replenished if used.
- Mr. Longhi reviewed the assumptions in the Draft Regional Revenue Budget.
 - ✓ Carryover from FY2015 is not available as FY2015-16 project selection is not complete.
 - ✓ HB 2313 revenues will continue to be estimated conservatively.
 - ✓ TransAction update is estimated at approximately \$2.5 million.
 - ✓ A contingency fund is included to support already approved projects which may request additional funds due to unforeseen circumstances. Research indicated that this percentage should be based on experience, but the Authority

does not have that experience yet. Proposed number is 3.8 % of the revenue stream.

- Discussion followed and the following points were made:
 - ✓ When jurisdictions apply for a project, it is expected that they are building in a necessary contingency amount. It was suggested this fund would duplicate the contingency funds already built into projects.
 - ✓ Construction costs can change quickly and this is the kind of challenge we need to be prepared for.
 - ✓ Agreed cost overruns would most likely happen in the right of way and construction phases.
 - ✓ If contingency fund is based on a percentage of the whole revenue stream, we may be overstating.
- Mr. Longhi noted that contingencies are being included in projects proposals, but from the Authority's perspective this fund would be for cost overruns that the initial project budget cannot absorb.
- It was commented that 3.8% is a good number and can be adjusted as needed. If we don't use it, it rolls over.
- Mr. Longhi noted that this represents about \$7 million.
- Ms. Backmon stated that the Authority will still have the right to approve any uses of the contingency fund when projects apply for additional money. Mr. Longhi added that the project agreements state that additional costs must be approved by the Authority.
- Mr. Longhi noted that there was a discussion to develop policies for this fund. As prior policies with regional impact have been developed with the collaboration of member jurisdictions, we want to do this for these policies as well.
- Chairman York introduced the Transportation Project Reserve. He suggested this reserve would be targeted to allow the Authority to be better prepared for mega projects. Noting that this reserve would be built by taking a percentage of the annual regional revenue and setting it aside for future mega projects.
- It was asked if this refers to projects that may move up in ratings. Mr. Longhi responded that projects would still have to meet the HB 2313 requirements.
- Examples for how this fund could be used were cited as the interchange at Rt. 28 and Rt. 66, I-66 improvements and WMATA capital improvements, all of which will have huge budgets. It was suggested the Authority start to set aside some cash each year to have available for projects like these.
- It was asked if this is for projects that have not been approved yet.
- It was noted that the Authority is currently developing a Six Year Plan. Once we get through the next TransAction update, more projects will be available to be submitted. Therefore, if a regionally significant project comes up, why do we need to save for it when it can come through the regular stream?
- Mr. Longhi noted that this may also give the Authority the opportunity to leverage other funds.
- Discussion followed with the following points being made:
 - ✓ There have been comments from the public that suggest we should not spend every last penny and should save some money for larger projects that may come up.

- ✓ We are already building reserves on the back of FY2015 and FY2016, therefore when these reserves are filled, we will have more cash in future years.
- ✓ Other reserves will roll over at approximately the same level. As currently conceived, this one would continue grow.
- ✓ It was noted that we are taking \$33 million as the last major installment to fund the Working Capital Reserve. Therefore, we will have \$33 million more in FY2017 than in FY2016. It was asked why we should constrain FY2016 more.
- ✓ Once the Capital Reserve is funded the budget will stay relatively level.
- ✓ There is a convergence of budget streams. The total revenue is \$351 million. PIWG has recommended \$338 million in the proposed project list. This leaves \$14 million for the Authority to choose more projects to fund, allowing flexibility. Were the reserve to be set, it would define the amount that moves through for project funding approval. The \$12 million in this reserve is already accounted for in determining the \$351 million funding level.
- ✓ A positive variance in FY2015 project funding will be in addition to this reserve.
- ✓ Might be better to have money not programmed than to take money of the top before programming. There are projects that scored well, why not fund more projects.
- ✓ Policy could be that any leftover funds would be placed in a reserve, but not taken out before programming.
- ✓ This money could be used for future project allocation.
- ✓ We should not spend all available money each year and need to save for mega projects.
- ✓ When the issue of how to fund 8 car trains is resolved, we will need money like this for that project.
- ✓ It may take many years of growth for this reserve to make any difference in a mega project.
- ✓ We currently anticipate that existing projects being recommended will have continued requests. These projects could consume all available FY2017 revenues, without funding any new projects.
- It was suggested that this issue be discussed at the next Authority meeting. Need to discuss reserve fund versus carryover funds and how this fund is going to be used.
- It was noted that in the future mega projects could consume all funding and then no small projects would get funded. It was suggested that we do not want to get to a point where we cannot fund projects.
- There was general agreement to bring this for discussion at the Authority meeting.

VII. NVTA Monthly Revenue Report

Mr. Longhi, CFO

- Mr. Longhi briefed the Committee on the Monthly Revenue Report and noted that revenues are on track. He noted that:
 - ✓ Distribution is continuing to the localities.

- ✓ At this time, only one jurisdiction has not completed its annual certification and we have assurance that they will meet the March deadline.
- ✓ The positive variance shown may shrink as we are seeing fluctuations in the transient occupancy tax.
- Mr. Longhi noted that the Authority had received a letter from the Virginia Department of Taxation that outlines the uses of the fees they have taken. They did not take any fees in February and the Department has committed to keeping us informed of new fees.

VIII. NVTA Operating Budget Report

Mr. Longhi, CFO

- Mr. Longhi presented the Operating Budget Report to the Committee. He noted that it is projected to have left over funds.
- Mr. Longhi noted that the installation of the GL system has started.
- Ms. Backmon added that on the Authority will appoint of the Chairman and the Vice Chairman of the Finance Committee at the next meeting Authority meeting.

Adjournment

IX. Adjournment

- Meeting adjourned at 2:28pm.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman York and Members of the NVTA Finance Committee
FROM: Michael Longhi, Chief Financial Officer
DATE: April 17, 2015
SUBJECT: Budget Adjustment – 70% Regional Revenue Fund Budget

1. **Purpose:** Budget adjustment to cancel a FY2014 appropriation of \$7 million in Regional Revenue Funds. This action will make those funds available for Regional Revenue Fund purposes.
2. **Suggested Motion:** *Based on the voluntary request from the Washington Metropolitan Area Transit Authority (WMATA) to withdraw its FY2014 funding request of \$7 million for new buses, I move the Finance Committee recommend to the Authority cancellation the FY2014 appropriation.*
3. **Background:**
 - a. In July 2014, the Authority appropriated \$7 million in FY2014 for a WMATA project designed to provide new bus service in Northern Virginia.
 - b. On April 8, 2015, the Authority received a letter from WMATA requesting withdrawal of the funding application (copy attached).
 - c. The Authority needs to take budget action to release the FY2014 appropriation of \$7 million.
 - d. As all regional revenues are considered restricted use funds (meaning they can only be used in accord with HB2313), removal of the appropriation will result in an increase of regional revenue funds currently available for future project appropriation by the Authority.

April 8, 2015



Ms. Monica Backmon
Executive Director
Northern Virginia Transportation Authority
3040 Williams Drive, Suite 200
Fairfax, VA 22031

Dear Ms. Backmon:

In July of 2013, the Northern Virginia Transportation Authority (NVTA) approved a regional multimodal transportation project list for FY 2014. The approval list included two projects for the Washington Metropolitan Area Transit Authority (WMATA): (1) \$7 million for new buses to provide new bus service in Northern Virginia and (2) \$5 million for traction power upgrades in Northern Virginia to support the eight car train program. WMATA greatly appreciates the NVTA's approval of these projects.

After consulting extensively with our regional funding partners, WMATA and the Virginia members of the WMATA Board are requesting to withdraw the application for \$7 million in FY 14 funding for new buses. This decision was not reached easily and followed considerable coordination and substantial efforts to move the item forward. Ultimately, WMATA leadership and the Virginia members of the WMATA Board have decided that the best decision is to withdraw the application and allow NVTA to provide the funds to other transportation projects in Northern Virginia.

WMATA is a true partnership and it looks to all of its funding jurisdictions to provide guidance on transportation policy priorities. This requires a commitment from all jurisdictions on regional capital projects before moving forward with initiatives. The NVTA policy that all funding partners must pay or officially commit to pay their portion of a larger project before funds are released precludes us from moving forward at this time. This policy requires WMATA to negotiate funding commitments with Maryland and the District of Columbia on a larger project in order to receive NVTA funds. Given the current budget climate and limited financial ability to support projects that increase capacity, we were unable to reach regional consensus on funding the \$7 million for new buses to provide new bus service in Northern Virginia.

WMATA remains committed to working with NVTA on advancing future funds that will support capital transit projects improving capacity in Northern Virginia. WMATA and the jurisdictions are currently working to move forward with the \$5 million for traction power in Virginia to support the eight car train program and will update you on that progress as it unfolds.

**Washington
Metropolitan Area
Transit Authority**

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*A District of Columbia,
Maryland and Virginia
Transit Partnership*

Ms. Monica Backmon
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Sincerely,



Jim Corcoran
WMATA Board of Directors
Virginia Principal Director, Commonwealth of Virginia



William Euille
WMATA Board of Directors
Virginia Alternate Director, City of Alexandria



Catherine Hudgins
WMATA Board of Directors
Virginia Principal Director, Fairfax County



Mary Hynes
WMATA Board of Directors
Virginia Alternate Director, Arlington County

IV.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman York and Members of the NVTA Finance Committee

FROM: Michael Longhi, Chief Financial Officer

SUBJECT: Draft FY2016 Regional Revenue Budget

DATE: April 17, 2015

1. **Purpose:** Discussion of the draft proposed FY2016 Regional Revenue Budget as outlined below.
2. **Suggested Motion:** *I move the Finance Committee recommend the Authority approval of the draft FY2016 Regional Revenue Fund budget, subject to policy adoption for the use of contingency and reserve funds.*
3. **Background:** Regional Revenues (70% funds) are considered restricted funds and can only be used in accord with HB2313 (2013). After meeting debt service obligations, regional revenues are largely programmed through the Authority's approval of specific projects on a PayGo basis. Any unused funds from one fiscal year are available for use in a future fiscal year. The Finance Committee provided guidance to Authority staff on the budget development during prior meetings.
4. **Assumptions:**
 - a. **FY2015 Year End Performance.** Carryover from FY2015 is not available at this time as the project selection process for FY2015-16 is expected in April 2015.
 - b. **Revenue Projection.** HB2313 revenues will continue to be estimated conservatively. The FY2016 revenue amounts previously projected will continue to be utilized.
 - c. **Professional Services.** Professional services for Regional Revenues are related to legal, regulatory and financial advisory services for bond financing
 - d. **TransAction Update.** The Authority will be updating TransAction 2040. The current estimate for the update is \$2.5 million.
 - e. **NVTA Advisory Panel.** The Executive Director is forming an advisory panel to develop policy recommendations related to the establishment of a Contingency for Approved Projects and a Transportation Projects Reserve, within the Regional Revenue Fund. The advisory panel will address the following items, for future review and comment by the Finance Committee, prior to a recommendation being made to the Authority:
 - i. Funding level
 - ii. Funding methodology
 - iii. Utilization of funds
 - iv. Replenishment of utilized funds
 - v. Finance Committee review of established policies
 - f. **Contingency for Approved Projects.** This new contingency fund is targeted to support already approved projects requesting additional funds due to unforeseeable circumstances. The draft proposed FY2016 budget sets initial funding as 3.8% of annual

revenue. No contingency funds will be utilized until policies for such use are established by the Authority.

- g. Transportation Projects Reserve.** This reserve is targeted to ensure funds are available to advance regionally significant projects. Project approvals must meet all HB2313 and all other legislative requirements. This reserve may also be used to set aside resources for projects which additional funding leverage may not have been previously available or potential projects which require multiple years of allocations so as to not draw a disproportionate amount of resources in a single year. The draft proposed FY2016 budget sets the initial funding for this reserve at \$12 million. No reserve funds will be utilized until policies for such use are established by the Authority.

5. Next Steps.

- a.** The proposed Regional Revenue Fund budget detail is attached. This report has been modified from prior versions to reflect the increase in available funds of \$7 million related to the withdrawal of the FY2014 WMATA Bus Project.
- b.** With any additional guidance from the Finance Committee, the draft budget can be reported to the Authority for review and adoption in April.
- c.** The Authority adoption of the FY2015-16 Two Year Program will effectively appropriate funds for approved projects.
- d.** The Finance Committee will receive reports on the progress of the Advisory Panel on a regular basis until contingency and reserve policies are established.

Attachment: Draft FY2016 70% Regional Revenue Budget

**Northern Virginia Transportation Authority
DRAFT FY 2016 70% Regional Revenue Budget**

	Adopted FY2015	Current FY2015 Projections	Proposed FY2016
Revenue 70% Regional Funds			
Sales Tax	\$ 159,651,238.00	\$ 159,651,238.00	\$ 162,929,774.00
TOT	\$ 17,680,608.00	\$ 17,680,608.00	\$ 17,942,679.00
Grantor's Tax	\$ 25,832,566.00	\$ 25,832,566.00	\$ 26,041,735.00
State/Federal Grants	\$ -	\$ -	\$ -
Bond or LOC Proceeds	\$ -	\$ -	\$ -
Reimbursable Expenditures	\$ 300,000.00	\$ -	\$ -
Interest Earned	\$ 52,500.00	\$ 120,000.00	\$ 70,000.00
Revenue Variance (Regional Funds)	\$ -	\$ -	\$ -
Total Revenue with Debt Proceeds	\$ 203,516,912.00	\$ 203,284,412.00	\$ 206,984,188.00
Expenditures			
Debt Service - Principal	\$ 6,000,000.00	\$ 1,485,000.00	\$ 1,504,739.14
Debt Service - Interest	\$ -	\$ 2,310,000.00	\$ 3,238,550.00
Professional Services - Bond Issuance Costs	\$ 300,000.00	\$ 125,000.00	\$ 300,000.00
Working Capital Reserve (WCR)	\$ 66,028,434.00	\$ 67,721,472.00	\$ 33,860,736.00
WCR Required Incremental Adjustment	\$ -	\$ -	\$ 1,909,886.00
TransAction Update	\$ -	\$ -	\$ 2,500,000.00
NEW Contingency for Approved Projects (3.8%)	\$ -	\$ -	\$ 7,865,399.14
NEW Transportation Projects Reserve	\$ -	\$ -	\$ 12,000,000.00
Total Expenditures	\$ 72,328,434.00	\$ 71,641,472.00	\$ 63,179,310.28
Available Balance For Projects	\$ 131,188,478.00	\$ 131,642,940.00	\$ 143,804,877.72
Projected Project Expenditures (PayGo)	\$ 131,188,478.00	\$ 131,642,940.00	\$ 143,804,877.72
Carry Forward Unassigned Project Funds(2)	\$ 83,431,787.00	\$ 83,431,787.00	\$ -
Total Available for Project Assignments(1)	\$ 214,620,265.00	\$ 215,074,727.00	\$ 143,804,877.72
Cumulative Regional Revenue Reserve Balances			
Working Capital Reserve	\$ 66,028,434.00	\$ 67,721,472.00	\$ 103,492,094.00
Debt Service Reserve (Held by Trustee)	\$ 75,300,000.00	\$ 5,551,150.00	\$ 5,551,150.00
Contingency for Approved Projects	\$ -	\$ -	\$ 7,865,399.14
Transportation Projects Reserve	\$ -	\$ -	\$ 12,000,000.00
Cumulative Reserve Balances	\$ 141,328,434.00	\$ 73,272,622.00	\$ 128,908,643.14

**FY2015/16 Total
\$ 358,879,604.72**

- 1 Project Approvals will determine exact assignments by fiscal year
2 Includes \$7mm from WMATA withdrawal of FY2014 Bus Project

*Please note, contingency and reserves are reviewed in detail in the staff report.

Impact on funds available for projects after regional revenue contingency			
Percentage Rate	Contingency Amt.	FY2015/16 Available Funds	
3.80%	\$ 7,865,399.14	\$	358,879,604.72
4.00%	\$ 8,279,367.52	\$	358,465,636.34
4.50%	\$ 9,314,288.46	\$	357,430,715.40
5.00%	\$ 10,349,209.40	\$	356,395,794.46
5.25%	\$ 10,866,669.87	\$	355,878,333.99
6.00%	\$ 12,419,051.28	\$	354,325,952.58
7.00%	\$ 14,488,893.16	\$	352,256,110.70
8.00%	\$ 16,558,735.04	\$	350,186,268.82
9.00%	\$ 18,628,576.92	\$	348,116,426.94
10.00%	\$ 20,698,418.80	\$	346,046,585.06
12.00%	\$ 24,838,102.56	\$	341,906,901.30
14.00%	\$ 28,977,786.32	\$	337,767,217.54

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman York and Members of the NVT A Finance Committee
FROM: Keith Jasper, Program Coordinator, NVT A
SUBJECT: TransAction Update: Procurement Status
DATE: April 9, 2015

- 1. Background.** TransAction 2040 was adopted in 2012. It has been the Authority's practice to update TransAction every five years. As the update process is expected to last two years, the request for proposal (RFP) must be posted soon so that the Authority can select a consultant later this year, and adopt the updated plan in 2017.

The TransAction update, when adopted, will guide the development of the Authority's FY2018-23 Six Year Program.

- 2. Status.** In summer 2014, the Jurisdiction and Agency Coordinating Committee (JACC) established a TransAction subcommittee, with membership open to all JACC members. The subcommittee is representative of the broader JACC membership and its meetings have been well attended. NVT A staff has provided support to the subcommittee.

The role of the subcommittee has been to develop a statement of work for the RFP. This statement of work is based upon that used for TransAction 2040. The statement of work has been expanded for this update to reflect today's circumstances, to provide for more robust analysis using scenario planning, and to enable more opportunities for public engagement. The statement of work will enable prioritization of projects that reduce congestion, and will include cost-benefit analysis. To this end, the subcommittee has met on numerous occasions, particularly over the past four months.

In developing the statement of work, the subcommittee took into account comments from the Technical Advisory Committee and the Planning Coordination Advisory Committee. The statement of work reflects the consensus of both the TransAction subcommittee members and JACC members.

In parallel with the subcommittee's efforts on the statement of work, NVT A staff has developed the other components of the RFP. The complete RFP will be reviewed by the Council of Counsels.

3. **Budget.** The procurement will be competitive and a recommendation will be based on best value to the Authority taking into account technical scores first, and then cost proposals. Requested budget is \$2.5 million for the project, using regional revenues. Over the five year life of the TransAction update, this is equivalent to one quarter of one percent of regional revenues over the same time period, estimated to be of the order of \$1 billion.

The statement of work allows for the possibility of a mid-cycle update, but no funding will be requested for this until such time as is necessary, if at all.

4. **Next Steps.** Subject to approval by the Authority, the RFP will be posted on April 24, 2015. A subset of the TransAction subcommittee, together with NVTA's project manager, will serve on the selection panel that will review proposals, interview shortlisted firms, and make a recommendation. The recommendation will be reviewed by the Finance Committee, prior to approval by the Authority.

The project will kick-off later this year. The TransAction subcommittee will provide oversight throughout the two-year project timeline.

Mike Longhi, NVTA CFO will serve as Contract Officer; Peggy Teal, NVTA Assistant Finance Officer will serve as Contract Manager, and Keith Jasper, NVTA Program Coordinator will serve as Project Manager.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman York and Members of the NVTA Finance Committee

FROM: Monica Backmon, Executive Director

SUBJECT: Advisory Panel Regional Revenue Fund, Contingency and Reserve Policy Development

DATE: April 17, 2015

1. **Background.** The Authority has developed a history of proactively addressing significant issues through member jurisdiction collaboration at a staff level. This approach has served the Authority and member jurisdictions well in ensuring the greatest opportunity for consensus.
2. **Discussion.** To ensure continued collaboration, the Authority's Executive Director has established a charter for the use of advisory panels to be convened to gather member jurisdiction collaboration. Advisory panels may be formed by the Executive Director to address single issues or multiple closely related issues. The Executive Director will review the work of advisory panels prior to the issue being referred to a standing committee or the Authority.
3. **Advisory Panel Charter.** The following charter has been developed to provide structure to panel activities:
 - a. **Charge.** The NVTA Advisory Panel is formed to assist in the development, assessment and revision of papers related to Regional Revenues (70% funds) or other tasks as identified by the Executive Director. The panel may be assigned multiple tasks or two of more panels may be convened for distinct separate tasks.
 - b. **Membership.** The panel(s) will strive to ensure the inclusion of staff from all member jurisdictions. As appropriate for the issue under consideration, a panel may include representatives from outside agencies. Membership may vary depending on the topics being addressed by the panel.
 - c. **Chair.** A chair and optional vice-chair will be appointed by the NVTA Executive Director.
 - d. **Staff Support.** Staff support will be provided by the NVTA staff, as requested by the panel chair. The Chair may request additional support from jurisdictional or agency staffs as needed.
 - e. **Quorum and Voting.** A quorum shall consist of a majority of the panel members. The panel shall strive for consensus when developing recommendations. If consensus

cannot be achieved, majority and minority reports that identify issues that need to be addressed shall be presented.

- f. Reporting. The panel will present reports to the Executive Director for communication to the Authority. Where appropriate, panel reports may first be reviewed by a NVTA standing committee, prior to presentment to the Authority.
4. **Next Steps.** The Executive Director has requested Tom Biesiadny, Director of Transportation, Fairfax County to chair the advisory panel for the Regional Revenue Fund, Contingency and Reserve Policy Development. The work of this panel will be reported to the Finance Committee for review and comment.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman York and Members of the NVTA Finance Committee
FROM: Monica Backmon, Executive Director
SUBJECT: Standard Project Agreement Activation Policy
DATE: April 17, 2015

1. **Purpose.** The Authority commits current and projected financial resources from the Regional Revenue Fund upon project approval. The purpose of this policy is to provide a mechanism for the Authority to remove financial (funding) commitments for approved projects that are not advancing to execution of a Standard Project Agreement (SPA). These funds would be returned to the Regional Revenue Fund.
2. **Background.** The Authority assigns funding to a project with the clear expectation of progress as outlined in the Project Description/Scope of Work. Project funding is obligated at the point that the Authority approves the project. The SPA (covered in another policy) provides details of expected utilization of the already obligated funds.
 - a. If a project sponsor is unable to complete project activation –either due to circumstances within or outside of their control – the best interest of the Authority may be served by cancelling the project and de-obligating the funds.
 - b. This policy specifically addresses projects that are not advancing to a fully executed SPA. Projects with approved SPAs that experience delays due to procurement, funding, unforeseen construction-related events, or other issues are not affected by this policy, but will be subject to ongoing review on a case-by-case basis.
 - c. The NVTA funds made available from actions taken under this policy will be returned to the Regional Revenue Fund for future allocation by the Authority.
 - d. On July 24, 2013, the Authority approved 33 projects for both pay-as-you-go and bond funding of nearly \$196 million. As of March 25, 2015:
 - i. NVTA has approved 29 SPAs;
 - ii. 3 projects are slated for future NVTA action¹; and
 - iii. 1 project has been withdrawn.
 - e. For the 29 projects with approved SPAs, one project is complete and has been fully reimbursed.

¹WMATA has requested that the 'Ten new buses on Virginia routes' project be withdrawn (\$7 million)

3. Policy Provisions.

- a. If the SPA has not been approved by the governing body of the sponsoring entity within six months of project approval by the Authority, the project shall be considered for NVTAs action to de-obligate funds for the project.
- b. At the request of a sponsoring entity made within six months, NVTAs may, at its sole discretion, refer the matter to the appropriate committee for recommended extension of the timeframe for SPA approval.
- c. In all cases, agreement will be sought with the implementing jurisdiction or agency. If agreement is not forthcoming the Executive Director may take a de-obligation request to the Authority for action.
- d. ~~Some or all of the provisions of this policy will be applicable to the FY2014 approved projects.~~

4. Next Steps.

- a. It will be necessary for the Authority to amend SPA language.
- b. It is envisioned that this policy will be finalized and approved by the time the FY2015-16 Two Year Program is adopted, currently scheduled for April 2015.
- c. NVTAs staff, on behalf of PIWG, has coordinated with PCAC, TAC, and JACC and the Council of Counsels.

Attachment:

Draft Policy Number 16 – Standard Project Agreement Activation

Coordination:

Project Implementation Working Group
Jurisdiction and Agency Coordinating Committee
Planning Coordination Advisory Committee
Technical Advisory Committee
Council of Counsels

DRAFT Revised April 13, 2015

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

DRAFT Policy Number 16 – Standard Project Agreement Activation DRAFT

- I. **Purpose.** The Authority appropriates current and projected financial resources from the Regional Revenue Fund upon project approval. The purpose of this policy is to provide a mechanism for the Authority to remove appropriations for approved projects that are not advancing to execution of a Standard Project Agreement (SPA). These appropriations will be returned to the Regional Revenue Fund for assignment to future projects.
- II. **General.**
- A. The Authority assigns funding to a project with the clear expectation of progress as outlined in the Project Description/Scope of Work. Project funding is appropriated at the point that the Authority approves the project. The SPA (covered in another policy) provides details of expected utilization of the appropriated funds.
 - B. If a project sponsor is unable to complete project activation –either due to circumstances within or outside of their control – the best interest of the Authority may be served by cancelling the project and the appropriation.
 - C. This policy only addresses projects that are not advancing to a fully executed SPA. Projects with approved SPAs that experience delays due to procurement, funding, unforeseen construction-related events, or other issues are not affected by this policy, but will be subject to ongoing review on a case-by-case basis.
 - D. All NVTA funds made available from actions taken under this policy will be returned to the Regional Revenue Fund for future allocation by the Authority.
 - E. Any SPA which has not been approved by the governing body of the sponsoring entity within six months of NVTA approval is subject to cancellation.
 - F. At the request of a sponsoring entity made within six months, NVTA may, at its sole discretion, refer the matter to the appropriate committee for recommended extension of the timeframe for SPA approval.
 - G. In all cases, agreement will be sought with the implementing jurisdiction or agency. If agreement is not forthcoming the Executive Director may take a project cancellation request to the Authority for action.
 - H. This policy will be in effect for all projects approved with FY2014, 2015 and 2016 funds.
- III. **Responsibilities.**
- A. **Project sponsoring agency**
 - 1. Completion of SPAs within six months of approval by the Authority.
 - 2. Request cancelation of any projects for which the jurisdiction determines the completion of an SPA is not possible, or request an extension of the six month deadline. Any request for an extension must include:
 - a. Basis for current delay.
 - b. Action needed to resolve delay.
 - c. Schedule for completion of actions to resolve delay.
 - B. **NVTA Executive Director**

DRAFT Revised April 13, 2015

1. If no request for extension is presented within six months of SPA approval make recommendation to the Authority on project cancellation
2. Accept requests for project cancellation and forward to Authority with recommendation to accept or reject the request.
3. Evaluate requests for extension of time to complete an SPA.
 - a. Request additional information, when required to evaluate request.
 - b. Make recommendation to the Authority on SPA extension or project cancellation.

Approved by Northern Virginia Transportation Authority:

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman York and Members of the NVTa Finance Committee

FROM: Michael Longhi, Chief Financial Officer

SUBJECT: Monthly Revenue Report

DATE: April 17, 2015

1. **Purpose:** Update of HB 2313 receipts, revenue estimates and distributions.
2. **Background:** The attached reports reflect funding received or in process through March 2015.
3. **Comments:**
 - a. **FY 2015 Revenues (Attachment A)**
 - i. The Authority has received approximately \$177.7 million through the March transfers from the Commonwealth.
 - ii. Actual to estimate comparison for revenues through March show a 6.94% positive variance in Grantors Tax receipts, a 3.30% positive variance in Sales Tax receipts and a .22 % negative variance in Transient Occupancy Tax receipts.
 - b. **FY 2015 Distribution to localities (Attachment B)**
 - i. As of the preparation of this report, all nine jurisdictions have completed the HB2313 required annual certification process to receive FY2015 30% funds.
 - ii. Of the \$177.7 million received by the Authority for FY2015, approximately \$53.4 million represents 30% local funds.
 - iii. All the \$53.4 million eligible to be distributed has been transferred to the member jurisdictions as of the end of March.
 - c. **FY2014 to FY2015 Year to date Revenue Comparison (Attachment C).**
 - i. This chart reflects a month to month comparison of revenue by tax type and a year to year comparison of total revenues received through March 2015.
 - ii. While the chart reflects positive growth in the three revenue types the year to year history for the Authority is very limited.
 - iii. No changes to the FY2015 revenue estimates are recommended at this time.

Attachments:

- A. Revenues Received By Tax Type, Compared to NVTa Estimates, Through March 2015
- B. FY2015 30% Distribution by Jurisdiction
- C. Month to Month Comparison By Tax Type and YTD Receipts Through March 2015 and 2014

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY
REVENUES RECEIVED, BY TAX TYPE AND JURISDICTION, COMPARED TO NVTA BUDGET
Based on: Revenue Data Through March 2015
FYE June 30, 2015

Grantors Tax		Received		NVTA		Annualized - Actual		Projected Variance
Transaction Months	8	To Date	Annualized	FY 2015 Budget	To Budget	To Budget		
City of Alexandria		\$ 2,305,926	\$ 3,458,888	\$ 3,195,000	\$ 263,888			
Arlington County		\$ 2,537,303	\$ 3,805,955	\$ 4,574,287	\$ (768,332)			
City of Fairfax		\$ 182,539	\$ 273,809	\$ 290,799	\$ (16,990)			
Fairfax County		\$ 11,757,839	\$ 17,636,758	\$ 15,169,980	\$ 2,466,778			
City of Falls Church		\$ 205,583	\$ 308,374	\$ 263,319	\$ 45,055			
Loudoun County		\$ 5,653,226	\$ 8,479,840	\$ 8,466,000	\$ 13,840			
City of Manassas		\$ 197,255	\$ 295,883	\$ 272,917	\$ 22,966			
City of Manassas Park		\$ 114,967	\$ 172,450	\$ 149,692	\$ 22,758			
Prince William County		\$ 3,355,539	\$ 5,033,308	\$ 4,521,672	\$ 511,636			
Total Grantors Tax Revenue		\$ 26,310,177	\$ 39,465,265	\$ 36,903,666	\$ 2,561,599			6.94%
Regional Sales Tax*		Received		FY 2015		Annualized - Actual		
Transaction Months	7	To Date	Annualized	Budget	To Budget	To Budget		
City of Alexandria		\$8,049,564	\$ 13,799,252	\$ 14,891,000	\$ (1,091,748)			
Arlington County		\$13,992,986	\$ 23,987,976	\$ 23,984,390	\$ 3,586			
City of Fairfax		\$4,441,125	\$ 7,613,356	\$ 6,536,626	\$ 1,076,730			
Fairfax County		\$62,070,687	\$ 106,406,893	\$ 100,596,000	\$ 5,810,893			
City of Falls Church		\$1,304,677	\$ 2,236,589	\$ 2,498,666	\$ (262,077)			
Loudoun County		\$23,630,699	\$ 40,509,770	\$ 40,086,000	\$ 423,770			
City of Manassas		\$2,769,739	\$ 4,748,124	\$ 4,620,629	\$ 127,495			
City of Manassas Park		\$718,177	\$ 1,231,160	\$ 930,903	\$ 300,257			
Prince William County		\$20,451,734	\$ 35,060,115	\$ 33,928,982	\$ 1,131,133			
Total Sales Tax Revenue*		\$ 137,429,387	\$ 235,593,235	\$ 228,073,196	\$ 7,520,039			3.30%
Transient Occupancy Tax (TOT)		Received		FY 2015		Annualized - Actual		
Transaction Months	4.63	To Date	Annualized	Budget	To Budget	To Budget		
City of Alexandria	Months	7.00 \$ 1,668,633	\$ 2,860,514	\$ 3,364,000	\$ (503,486)			
Arlington County	Months	7.00 \$ 4,779,645	\$ 8,193,677	\$ 8,890,830	\$ (697,153)			
City of Fairfax	Quarters	2.00 \$ 195,069	\$ 390,139	\$ 349,526	\$ 40,613			
Fairfax County	Quarters	2.00 \$ 4,910,654	\$ 9,821,307	\$ 8,965,800	\$ 855,507			
City of Falls Church	Months	7.00 \$ 55,849	\$ 95,741	\$ 143,309	\$ (47,568)			
Loudoun County	Quarters	2.50 \$ 1,584,081	\$ 2,534,530	\$ 2,020,000	\$ 514,530			
City of Manassas	Months	7.00 \$ 32,393	\$ 55,530	\$ 78,546	\$ (23,016)			
City of Manassas Park		\$ -	\$ -	\$ -	\$ -			
Prince William County	Quarters	2.50 \$ 782,094	\$ 1,251,350	\$ 1,446,000	\$ (194,650)			
Total TOT Revenue		14,008,417	25,202,788	\$ 25,258,011	(55,223)			-0.22%
Total Revenue Received		\$ 177,747,981	\$ 300,261,288	\$ 290,234,873	\$ 10,026,415			3.45%
		\$ 177,747,981						
*The Regional Sales Tax is reported net of the following fees:								
	August Receipt	\$ -						
	September Receipt	\$ -						
	October Receipt	\$ 22,065						
	November Receipt	\$ 1,035						
	December Receipt	\$ 22,310						
	January Receipts	\$ 14,198						
		\$ 59,608						

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY
FY 2015 30% DISTRIBUTION BY JURISDICTION

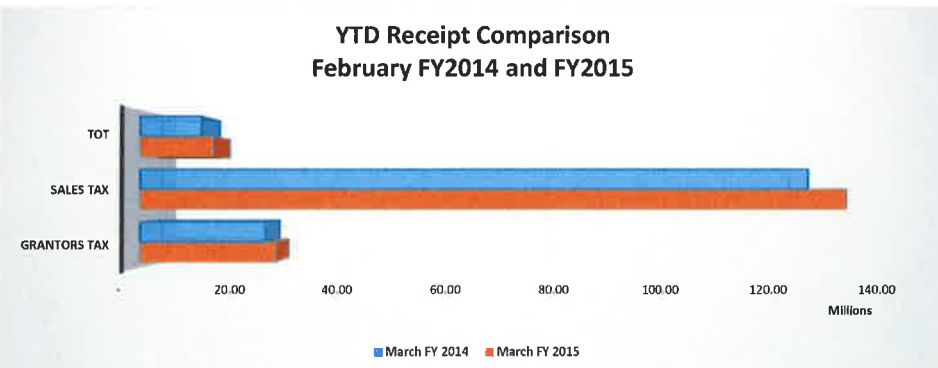
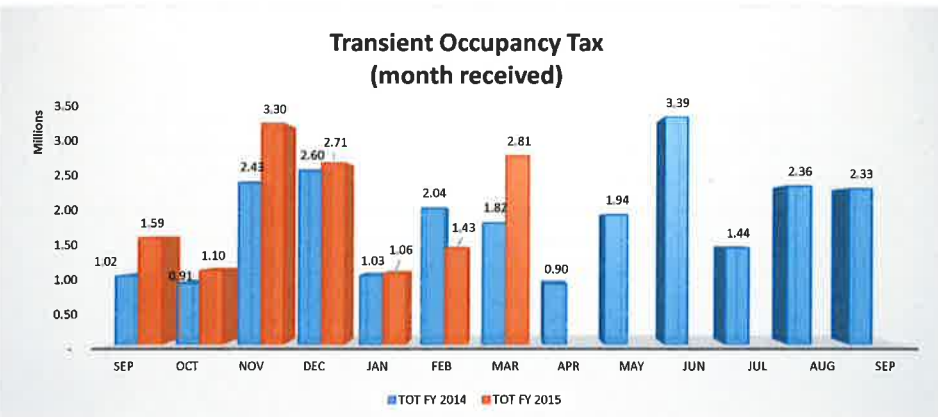
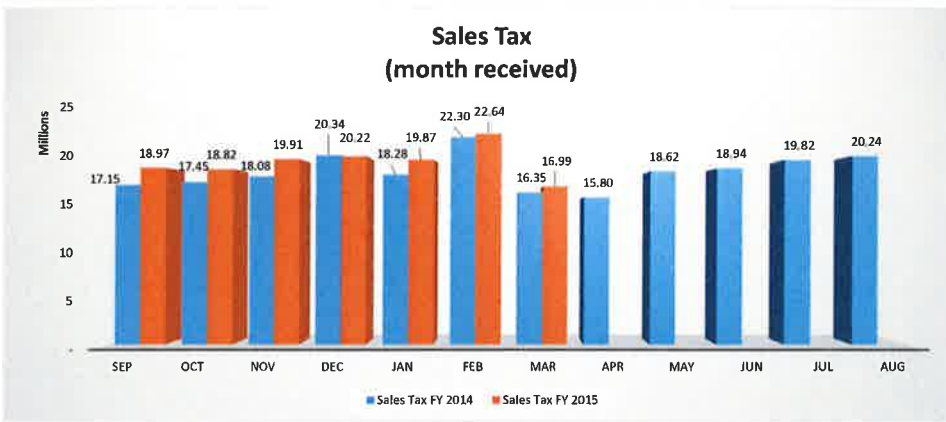
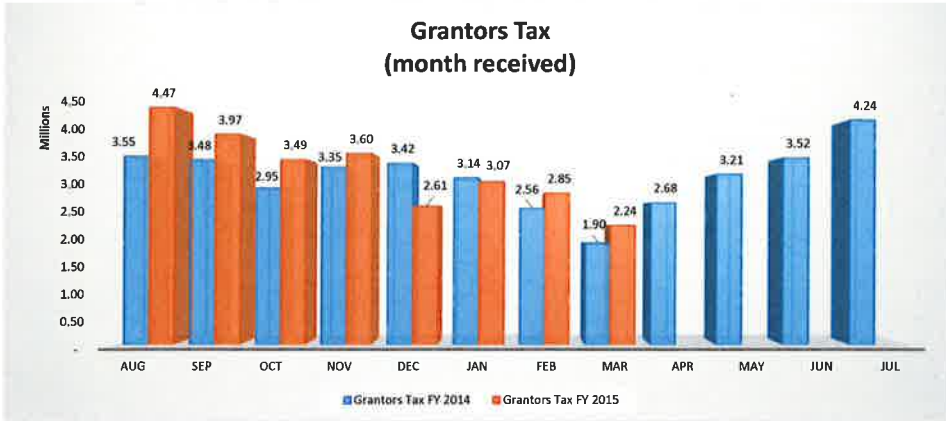
Based on: Receipts through March 2015

Jurisdiction	Grantor's Tax	Regional Sales Tax (1)	Transient Occupancy Tax (2)	NVTA Fund Interest	Total	30% Funds	Accrued Interest (3)	Prior Distributions	Current Month Distribution	Total Funds Transferred
City of Alexandria	\$ 2,305,925.60	\$ 8,049,563.90	\$ 1,668,633.24	\$ 12,924.53	\$ 12,037,047.27	\$ 3,611,114.18	214.38	\$ 3,189,211.91	\$ 422,116.65	\$ 3,611,328.56
Arlington County	\$ 2,537,303.30	\$ 13,992,985.71	\$ 4,779,644.69	\$ 26,474.17	\$ 21,336,407.87	\$ 6,400,922.36	367.50	\$ 5,665,968.85	\$ 735,321.01	\$ 6,401,289.86
City of Fairfax	\$ 182,539.35	\$ 4,441,124.60	\$ 195,069.43	\$ 1,346.08	\$ 4,820,079.46	\$ 1,446,023.84	91.88	\$ 1,446,115.72	\$ 1,446,115.72	\$ 1,446,115.72
Fairfax County	\$ 11,757,838.80	\$ 62,070,687.35	\$ 4,910,653.53	\$ 54,059.48	\$ 78,793,239.16	\$ 23,637,971.75	1,347.50	\$ 20,475,771.98	\$ 3,163,547.27	\$ 23,639,319.25
City of Falls Church	\$ 205,582.95	\$ 1,304,677.09	\$ 55,848.95	\$ 783.87	\$ 1,566,892.86	\$ 470,067.86	30.63	\$ 415,549.26	\$ 54,549.23	\$ 470,098.49
Loudoun County	\$ 5,653,226.36	\$ 23,630,699.11	\$ 1,584,081.34	\$ 23,187.76	\$ 30,891,194.57	\$ 9,267,358.37	520.63	\$ 8,211,693.80	\$ 1,056,185.20	\$ 9,267,879.00
City of Manassas	\$ 197,255.25	\$ 2,769,738.87	\$ 32,392.59	\$ 1,020.62	\$ 3,000,407.33	\$ 900,122.20	61.25	\$ 787,597.19	\$ 112,586.26	\$ 900,183.45
City of Manassas Park	\$ 114,966.75	\$ 718,176.83	\$ -	\$ 436.80	\$ 833,580.38	\$ 250,074.11	-	\$ 221,879.55	\$ 28,194.56	\$ 250,074.11
Prince William County	\$ 3,355,538.54	\$ 20,451,733.64	\$ 782,093.70	\$ 13,219.91	\$ 24,602,585.79	\$ 7,380,775.74	428.74	\$ 6,531,637.49	\$ 849,566.99	\$ 7,381,204.48
Total Revenue	\$ 26,310,176.90	\$ 137,429,387.10	\$ 14,008,417.47	\$ 133,453.22	\$ 177,881,434.69	\$ 53,364,430.41	\$ 3,062.51	\$ 45,499,310.03	\$ 7,868,182.89	\$ 53,367,492.92

1 Net of Dept. of Taxation Fees

2 County TOT includes any town collections

3 Interest earned through 2/28/2015



X.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman York and Members of the NVTA Finance Committee
FROM: Michael Longhi, Chief Financial Officer
SUBJECT: NVTA Operating Budget
DATE: April 17, 2015

1. **Purpose:** To update the Finance Committee on the NVTA Operating Budget for FY2015.
2. **Background:** The NVTA operating budget is funded through the participating jurisdictions. All jurisdictions have contributed their respective share of the FY2015 operating budget.
3. **Comments:**
 - a. Operating Revenue at over 100% of estimate.
 - b. March represents 75% of the fiscal year. Through March 2015, the Authority has utilized 63.50% of its expenditure budget.
 - c. No changes are expected to the Operating Budget.

Attachment: FY2015 Operating Budget through March 31, 2015

Northern Virginia Transportation Authority FY 2015 Operating Budget March 31, 2015			
	Approved Budget	Actual Receipts	Variance Budget to Actual
INCOME:			
Budget Carryforward	\$ 270,000.00	\$ 294,142.00	\$ 24,142.00
Interest (70% Regional Revenues) *			-
Billed to Member Jurisdictions	1,149,473.00	1,149,473.00	-
Misc. Income		3,229.09	3,229.09
Reimbursement -LOC Cost of Issuance			-
Total Income	1,419,473.00	1,446,844.09	27,371.09
EXPENDITURES:			
	Approved Budget	Actual Expenditures	Variance Budget to Actual
Personnel Expenditures			
Salaries	\$ 649,290.00	\$ 466,075.37	\$ 183,214.63
Benefits	140,850.00	85,818.87	55,031.13
Taxes	49,600.00	34,230.98	15,369.02
Personnel Subtotal	839,740.00	586,125.22	253,614.78
Professional Service			
Audit/Accounting	27,500.00	27,369.00	131.00
Banking Services	1,000.00	129.57	870.43
Insurance	3,700.00	3,689.00	11.00
Payroll Services	2,000.00	794.21	1,205.79
Transaction Update Outreach	46,200.00	-	46,200.00
Public Outreach	23,800.00	26,164.08	(2,364.08)
Professional Subtotal	104,200.00	58,145.86	46,054.14
Technology/Communication			
Accounting & Financial Reporting System	25,000.00	20,125.00	4,875.00
Hardware Software & Peripherals Purchase	7,000.00	3,920.16	3,079.84
IT Support Services including Hosting	11,794.00	8,250.94	3,543.06
Phone Service	7,060.00	3,476.45	3,583.55
Web Development & Hosting	30,000.00	1,080.00	28,920.00
Subtotal Technology/Communication	80,854.00	36,852.55	44,001.45
Administrative Expenses			
Advertisements	6,000.00	25.00	5,975.00
Dues & Subscriptions	2,500.00	1,418.00	1,082.00
Duplication/Printing	15,000.00	10,116.13	4,883.87
Furniture/Fixtures	58,000.00	39,621.53	18,378.47
Meeting Expenses	3,600.00	4,062.57	(462.57)
Mileage/Transportation	7,200.00	1,558.63	5,641.37
Miscellaneous Expense (moving expense)	5,000.00	825.31	4,174.69
Office Lease	50,000.00	5,535.00	44,465.00
Office Supplies	5,200.00	5,069.92	130.08
Postage/Delivery	600.00	140.85	459.15
Professional Development/Training	5,000.00	1,613.32	3,386.68
Subtotal Administrative Expenses	158,100.00	69,986.26	88,113.74
Expenditure Subtotal	1,182,894.00	751,109.89	431,784.11
Operating Reserve (20%)	236,579.00	-	236,579.00
Total Expenditures	1,419,473.00	751,109.89	668,363.11
Budget Balance	\$ -	\$ 695,734.20	\$ 695,734.20
Member Jurisdiction Support			
Jurisdiction	2010 Population	FY 2015 Support Amounts	
City of Alexandria	6.30%	\$ 72,417	
Arlington County	9.40%	\$ 108,050	
City of Fairfax	1.00%	\$ 11,495	
Fairfax County	48.00%	\$ 551,747	
City of Falls Church	0.60%	\$ 6,897	
Loudoun County	14.20%	\$ 163,225	
City of Manassas	1.70%	\$ 19,541	
City of Manassas Park	0.60%	\$ 6,897	
Prince William County	18.20%	\$ 209,204	
		\$ 1,149,472	