



**Northern Virginia Transportation Authority**  
*The Authority for Transportation in Northern Virginia*

**FINANCE COMMITTEE**  
**Friday, September 5, 2014 1:00 pm**  
**3060 Williams Drive, Suite 510**  
**Fairfax, VA 22031**

**AGENDA**

- I. Call to Order/Welcome** Chairman York
- II. Summary Minutes of the May 2, 2014 Meeting**  
*Recommended action: Approval [with abstentions  
from those who were not present]*

**Presentation**

- III. PBMares, Audit Firm Introduction** Mr. Garber, Partner

**Action Items**

- IV. Participation in the Virginia Retirement System and Group Life Insurance Program** Mr. Longhi, CFO  
*Recommended action: Recommend NVTA Approval of Participation*
- V. Resolution for Social Security Administration Related to Joining the Virginia Retirement System** Mr. Longhi, CFO  
*Recommended action: Recommend NVTA Approval of Resolution*
- VI. Participation in the Virginia Retirement System Health Insurance Credit Program for Local Government Employees** Mr. Longhi, CFO  
*Recommended action: Recommend NVTA Approval of Participation*
- VII. Establish Organizational and Financial Policies** Mr. Longhi, CFO  
*Recommended action: Recommend NVTA Approval of Policies*
- VIII. Establish Employee Handbook** Mr. Longhi, CFO  
*Recommended action: Recommend NVTA Approval of Handbook*

**Information/Discussion Items**

- IX. Review of Purchase of General Ledger Accounting System** Mr. Longhi, CFO

- |   |                 |
|---|-----------------|
| <b>X. NVTA Receipts Report</b>                                  | Mr. Longhi, CFO |
| <b>XI. NVTA Operating Budget Report</b>                         | Mr. Longhi, CFO |
| <b>XII. Preliminary FY2015/16 Regional Revenue Fund Summary</b> | Mr. Longhi, CFO |
| <b>XIII. Update on NVTA Financing Activities &amp; Schedule</b> | Mr. Longhi, CFO |

**Adjournment**

- XIV. Adjournment**

**Next Meeting: October 3, 2014 - 1:00 pm**  
3060 Williams Drive (Suite 510), Fairfax, Virginia



# NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

*The Authority for Transportation in Northern Virginia*

**FINANCE COMMITTEE**  
**Friday, June 6, 2014 1:00 pm**  
**3060 Williams Drive, Suite 510**  
**Fairfax, VA 22031**

## **MEETING SUMMARY**

### **I. Call to Order/Welcome**

Chairman York

- Chair York called the meeting to order at 1:03pm.
- Attendees:
  - ✓ Members: Chair York; Board Member Hynes; Chairman Bulova; Council Member Rishell.
  - ✓ Staff: Monica Backmon (Executive Director); Michael Longhi (CFO); Camela Speer (Clerk).
  - ✓ Council of Counsel: Ellen Posner (Fairfax County), Steve MacIsaac (Arlington County).
  - ✓ Other Staff: Tom Biesiadny (Fairfax County), Carl Hampton (Prince William County); Penny Newquest (Loudoun County), Kristy Choi (PFM); JoAnne Carter (PFM).
  - ✓ Visitors: Steve Schemmel (Bank of America), Ed Bianchi (Bank of America).

### **II. Summary Minutes of the May 2, 2014 Meeting**

Ms. Teal

- Council Member Rishell moved to approve the minutes of May 2, 2014; seconded by Chairman Bulova. Motion carried with three (3) yeas and one (1) abstention [with Chair York abstaining as he was not at the May meeting].

### **Action Items**

### **III. Establish Account With The State Non Arbitrage Program For Line of Credit**

Mr. Longhi, CFO

- Mr. Longhi presented the planned opening of an account with the State Non Arbitrage Program (SNAP) to hold the funds previously approved by the Authority for the Line of Credit (LOC) matched reserve. He emphasized that the purpose behind having a SNAP account is to provide access to an investment pool where we can safely put the reserve accounts, ensure liquidity and receive an appropriate yield.
- Chairman Bulova moved that the Finance Committee concur with the planned opening of a SNAP account to hold the funds designated as a match reserve for the Authority line of credit financing. And, that the Authority Chairman sign the attached Certificate of Authorization reviewed by the Council of Counsels and Bond Counsel. Seconded by Council Member Rishell. Motion carried unanimously.

## Information/Discussion Items

### IV. NVTA Operating Budget Report

Mr. Longhi, CFO

- Mr. Longhi presented the Operating Budget Report. He noted that the original FY2015 projection anticipated a savings of \$270K from FY2014 that is programmed into the FY2015 projection. It is expected that this number is achievable.
- The budget policies being developed include a provision requiring any budget surplus from one year to be used to offset future operating budgets and proportional expense sharing of member jurisdictions.

### V. NVTA Receipts Report

Mr. Longhi, CFO

- Mr. Longhi updated the Finance Committee on the HB 2313 receipts, revenue estimates and distribution. He noted that:
  - ✓ Actual to estimate comparison for revenues through May show a 5% negative variance of \$14.1million.
  - ✓ The end of year revenue decline is greater than previously projected due to:
    1. Sales tax not rebounding from the snow storms earlier in the year.
    2. Transient Occupancy Tax (TOT) went from a 5% positive variance to a -10% variance in one month.
- It was noted that these taxes are consumer driven. The Authority has verified numbers as best we can and are not seeing any errors in the processing of the money or posting transactions. Jurisdictions indicate that federal sequestration is a significant factor in the variances.
- NVTA is required by the 30% Memorandum of Agreement to distribute the annual operating cost notices to jurisdictions by June 1, 2014. The notices were distributed on time and we are currently working on the annual certification of the use of FY2014 funds. We are working with the Financial Working Group to get consensus and to make sure we meet our requirements without being overly burdensome on the jurisdictions.
- Discussion followed regarding the tax revenues.
  - ✓ Fairfax is seeing similar tax trends.
  - ✓ This is a 5% variance on a revenue line that effectively had never been predicted before in this combination. The work done by the jurisdictions that built the original revenue estimates is pretty good for the first set of predictions.
  - ✓ Loudoun adjusted its TOT tax predictions more quickly at the end of year and as a result is doing pretty well based on the new predictions.
  - ✓ A revenue decline of approximately \$14M will have no impact on projects. Expect revenue information from the Commonwealth next week. If there is an impact it will be on the LOC in relation to the match reserve. Have scenarios

that will mitigate that as well. It is not anticipated that this will disrupt projects.

- ✓ FY2015 and FY2016 revenue estimates are more conservative than FY2014 and original estimates for FY2015.
- ✓ Will know final receipts of most tax categories in August and all in September.
- Further discussion followed regarding the State budget impasse and the impact on NVTA in the event of a State government shutdown.
  - ✓ It was noted that the NVTA has the ability to sustain operations for six (6) months, with taking some conservative measures. At current level of activity operations can be sustained for four months.
  - ✓ If the State closes treasury or reporting operations that the NVTA relies on, we may not be able to distribute 30% Funds. If funds are received, but tax data is not, NVTA could come to an accord on how to distribute some of the money to jurisdictions and reconcile later when proper reporting is received.
  - ✓ There is a possibility if the State shuts down there will be no funds distributed to the NVTA. However, taxes will continue to be collected.
  - ✓ Once cash is received by the Authority, NVTA will distribute to jurisdictions within a few days.
- It was noted that the only jurisdictions not receiving 30% distributions are Manassas and Falls Church.

**VI. Update on NVTA Financing Activities (no written report)      Mr. Longhi, CFO**

- Mr. Longhi presented a brief update on the NVTA financing activities and the issuance of a LOC with a match reserve. He noted:
  - ✓ This will allow the Authority to maximize our proceeds from the LOC before June 30, 2014.
  - ✓ Have had the benefit of the NVTA's Selection Advisory Team, our financial advisor PFM, legal advice from Council of Counsels and Bond Counsel from McGuireWoods throughout the process.
  - ✓ Released a Request For Proposal (RFP) on May 2, 2014.
  - ✓ Received very favorable response through ten (10) proposals with very competitive rates as well as terms.
  - ✓ The Selection Advisory Team reached unanimous agreement. As advised by PFM and McGuireWoods, we pursued clarification of some terms with Bank of America/Merrill Lynch, the bank which presented the most favorable terms. Proposal terms and questions have been clarified in concept between Authority and the bank. Anticipate closing agreement next week.
- Recommended course of action is to complete the LOC with Bank of America/Merrill Lynch. In addition to the lowest cost in terms of the rates and fees, they also proposed very favorable legal terms consistent with the RFP. This will allow a timely closing with a receipt of proceeds by the end of the fiscal year.
- The Commonwealth budget uncertainties have been discussed with the bank. The LOC structure will allow the Authority to move forward toward permanent financing through Bonds or use of the match reserve with few costs and with

little, if any, disruption to projects depending on the direction taken by the Commonwealth.

- Most recent revenue data will be received next week. Will then wrap up terms with the bank and proceed with the LOC.
- Discussion followed regarding the potential for budget approval delays in future years. It was noted that a Debt Service Reserve fund will be established as part of the financing for an event like the Commonwealth not providing revenues on time. It was also noted that this type of risk is being experienced across the Commonwealth right now and many Bond issuances are being held up until the budget is adopted. It was added that the programming of FY15 projects within the 70% Regional Revenue Fund will occur concurrent with decisions on the Working Capital Reserve.

### **Adjournment**

#### **VII. Adjournment**

- Meeting adjourned at 1:21pm.

## NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

**TO:** Chairman York and Members of the NVTa Finance Committee

**FROM:** Michael Longhi, Chief Financial Officer

**DATE:** September 5, 2014

**SUBJECT:** Participation in the Virginia Retirement System and Group Life Insurance Program

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1. **Purpose.** Proposed election of Authority participation in the Virginia Retirement System (VRS).
2. **Suggested motion.** *I move the Finance Committee recommend to the Authority approval of the election to participate in the Virginia Retirement System and Group Life Insurance Program through the adoption of resolution 15-01 (Attachment A).*
3. **Background.** The Authority directed staff to examine employee retirement and life insurance options consistent with the programs offered by member jurisdictions. Additionally, staff was requested to investigate the possibility of joining existing member jurisdiction retirement programs.
  - a. Three member jurisdictions have single employer defined benefit retirement programs (Arlington County, Fairfax County and the City of Falls Church).
  - b. Six member jurisdictions participate in VRS.
  - c. Joining the Arlington County or Fairfax County retirement programs was examined. The legal, fiduciary and administrative hurdles and costs related to joining these or any other single employer plan are too high to make this a practical solution for the Authority.
  - d. The Authority is able to join the VRS system as a political subdivision, as such it will have its own actuarially determined rates for its participation in the system.
  - e. Participation in the VRS system substantially reduces the administrative overhead costs of establishing and maintaining a retirement plan.
  - f. Of the six Authority employees, four have existing service credits with VRS.
  - g. It is likely the Authority will continue to find prospective employees for future vacancies with VRS service credits. Joining VRS increases employee retirement portability across age groups.
  - h. Based on prior VRS service credits the Authority will have employees in all three of the VRS retirement plans. Three employees will be in Plan 1, one employee in Plan 2 and two employees in the Hybrid Plan.

- i. Any future NVTA employees that do not have prior VRS service credits will be enrolled in the Hybrid Plan.
- j. Working with VRS, an actuarial study was completed by an independent firm to determine the Authority cost as a percent of salary. This study was completed in June 2014. The cost rate determined by the actuary is 11.79% of active employee payroll. (Attachment B.)
- k. The number of employees with prior service credits and other factors considered in the actuarial study have resulted in the FY2015 cost of VRS participation being approximately \$17,000 less than budgeted.
- l. Included in the actuarial study is credit for employee service from their individual date of hire to the start date of VRS plan participation. This is a one-time provision due to the time between an employee being hired and the start of the retirement plan.
- m. Participation in a Group Life Insurance program is an option when joining VRS. Establishing this program through VRS substantially reduces the administrative costs and increases product access through the VRS purchasing scale.
- n. Group Life is proposed to be offered to employees at a benefit rate of two times salary, at no cost to employees.
- o. Employees may purchase additional life insurance coverage for themselves, spouses and children through the VRS Group Life Program at no cost to the Authority (completely employee paid).
- p. If approved at the September 11 Authority meeting, VRS membership will become effective on October 1.
- q. Joining VRS is an irrevocable decision.

**4. Fiscal Impact.** The cost of participating in VRS and Group Life Insurance is within the adopted FY2015 operating budget for the Authority. However, several transactions are required to execute the participation agreement.

a. Budget Transfer

- i. Budget Transfer from Benefits to Salaries (FT/PT) – The full cost estimate for retirement was budgeted in Benefits. VRS requires an employee contribution of 5% of salary. Member jurisdictions participating in VRS transferred their prior budgeted benefit expenses to salaries to adjust employee compensation for this requirement.
- ii. One employee, as a condition of employment, has an agreement for the Authority to pay the cost of consolidating prior retirement plan service into the Authority's plan. That employee has agreed to execute a Plan to Plan asset transfer from the Fairfax County retirement system to VRS to defray the Authority cost of the transfer.

b. Group Life Insurance

- i. Participation in VRS allows the participation in a Group Life Insurance Program. The cost of this participation is \$568.24 higher than originally projected for the FY2015 budget. However, even with the transfer noted above and other known costs the total Benefits budget will not be exceeded.



**5. Next Steps.** The election to join VRS completes the majority of the Authority employee benefits package. Still in process is the establishment of a 457/401(a) savings plans as well as short and long term disability programs and a Flexible Spending Program.

**Attachments:**

- A. Resolution 15-01 Election to Participate in the Virginia Retirement System and Group Life Insurance Program
- B. Actuarial Study – Cavanaugh Macdonald Consulting, LLC

**Coordination:**

Council of Counsels

# NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

## RESOLUTION 15-01

### ELECTION TO PARTICIPATE IN THE VIRGINIA RETIREMENT SYSTEM AND GROUP LIFE INSURANCE PROGRAM

**BE IT HEREBY RESOLVED** that the Northern Virginia Transportation Authority (“NVTA”), a political subdivision of the Commonwealth of Virginia, acting by and through the Authority Board (name of governing body) does hereby elect to have those of its employees who are regularly employed full time on a salaried basis and whose tenure is not restricted as to temporary or provisional appointment to become eligible to participate in the Virginia Retirement System, effective October 1, 2014, as set out in Title 51.1, Chapter 1, Section 51.1-100 and following, and in the Group Life Insurance program as set out in Title 51.1, Chapter 5, Section 51.1-500 and following, of the Code of Virginia, as amended; and

**BE IT FURTHER RESOLVED** that the NVTA agrees that its employees who are Virginia Retirement System members shall be required to contribute five percent of their creditable compensation by salary reduction pursuant to Internal Revenue Code § 414(h) on a pre-tax basis; and

**BE IT FURTHER RESOLVED** that the NVTA agrees to pay the required employer cost for participation of its employees in the Retirement System for all (see below) \* service for the NVTA prior to the effective date, for which credit is authorized and established on forms prescribed by the Retirement System, and for membership service in the System after such date, and also to deduct from the employees' wages the amounts required by law; and

**BE IT FURTHER RESOLVED** that the NVTA further agrees to pay the required employer cost for its eligible employees in the Group Life Insurance program and to deduct from the employees' portion to the extent that such employees' portion is not paid by the NVTA.

**NOW, THEREFORE**, Martin Nohe, Chairman of the NVTA, and Monica Backmon, Executive Director, are hereby authorized and directed in the name of the NVTA to execute any required contract in order that the employees of the NVTA become eligible to participate in the Virginia Retirement System and in the Group Life Insurance program as provided in the Code of Virginia. In execution of any contract which may be required, the seal of the NVTA shall be affixed and attested by the Clerk, and the officers of the NVTA are hereby authorized and directed to take any other action necessary in

the lawful conclusion of this matter and in conformity with law. The Chief Financial Officer of the NVTA is hereby authorized and directed to pay from time to time such sums as are due to be paid by the NVTA and its employees for this purpose.

**BY:** \_\_\_\_\_  
Chairman

**CERTIFICATE**

I, Camela Speer, Clerk of the NVTA, certify that the foregoing is a true and correct copy of the resolution passed at a lawfully organized meeting of the NVTA held at 3060 Williams Drive, Fairfax, Virginia, at 7:00 o'clock p.m. on September 11, 2014. Given under my hand and seal of the NVTA this 11th day of September, 2014.

**ATTEST:** \_\_\_\_\_  
Clerk



# Cavanaugh Macdonald

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June 5, 2014

Mr. Michael Longhi  
Chief Financial Officer  
Northern Virginia Transportation Authority  
3060 Williams Drive, Suite 510  
Fairfax, VA 22031

Northern Virginia Transportation Authority - Cost Study for New Location

Dear Mr. Longhi:

As requested, we have estimated the cost of providing retirement benefits for eligible employees of the Northern Virginia Transportation Authority under subsection A of § 51.1-130 of the Code of Virginia (Virginia Retirement System--VRS). Our understanding of the proposal is the Authority will be a new employer having no assets; employees will be granted vesting and eligibility service for all prior employment with VRS and will accrue credited service for all future employment.

In the attached exhibit, we present a summary comparing the current benefits. Members vested as of January 1, 2013 are in Plan 1, and members not vested as of January 1, 2013 or joining the plan on January 1, 2013 until January 1, 2014 are in Plan 2. Members joining the plan on or after January 1, 2014 are in the hybrid plan.

Our study is based on the data and actuarial assumptions and methods used in the June 30, 2013 actuarial valuation for the Virginia Retirement System. VRS provided us with data identifying 6 employees eligible for VRS benefits with the new employer, and all 6 have been included in the study. Two members were hired after December 31, 2013 and we have included them as new members in the Hybrid plan. Below is a summary of the data used in the study.

Data Summary	
<b>Active Members</b>	
Plan 1 General	3
Plan 2 General	1
Hybrid	2
<b>Total Members</b>	<b>6</b>

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Mr. Michael Longhi  
June 5, 2014  
Page 2

In the table below, we present the estimated cost to provide the proposed benefits outlined on the previous page for all employees. Additionally, we also present the cost to the Authority of Mr. Longhi purchasing 41 months of service. The assets attributed to the Authority in the second scenario are the amount Mr. Longhi would pay to purchase the service.

	(1)	(2)
	Estimated Costs with No Service Purchased by Michael Longhi	Estimated Costs with 41 Months of Service Purchased by Michael Longhi
Number of Actives	6	6
Total Payroll	\$589,000	\$589,000
Actuarial Accrued Liability	\$0	\$62,294
Actuarial Value of Assets	\$0	\$25,112
Unfunded Actuarial Accrued Liability	\$0	\$37,182
Gross Normal Cost	\$68,297	\$67,390
Gross Normal Cost Rate	11.60%	11.44%
Unfunded Accrued Liability Rate	0.00%	0.35%
Gross Estimated Cost Rate	11.60%	11.79%

*Please note the contribution amounts and rates presented above are in total (employer plus employee). The net employer total cost rate would be the gross total cost rate shown above minus the member contribution rate. There will be an additional employer cost for the 1% mandatory and any matching contributions to the defined contribution portion of the hybrid plan.*

The contribution rates presented in the table above are a percentage of the total payroll for active members included in the study.

The estimated costs shown above are based on the Northern Virginia Transportation Authority plan census data as of April 2014 with no assets (except for the amount to purchase service shown in the second scenario). Please note that the costs will fluctuate in the future as the plan's data and financial conditions change. If the calculation is redone in the future with different data, plan assets and/or measurement date, the results will change. It is important to keep in mind that future plan experience (e.g., pay increases, turnover and retirement patterns, and the addition of new members) will not match the actuarial assumptions exactly. The deviations of actual from expected plan experience will produce actuarial experience gains and losses which will impact the total employer contribution rate and the cost estimate presented above.



**VIRGINIA RETIREMENT SYSTEM  
SUMMARY OF BENEFIT PROVISIONS**

	Non-Hazardous Duty Employees (Non-FEOs)			Hazardous Duty Employees (FEOs)	
	Plan 1 (Vested as of 1/1/2013)	Plan 2 (Non-Vested as of 1/1/2013 and new members after that date until 1/1/2014)	Hybrid (Hired on or after 1/1/2014 or by member election)	Plan 3 (Vested as of 1/1/2013)	Plan 2 (Non-Vested as of 1/1/2013 and new members after that date)
Normal retirement eligibility	Age 65 with at least 5 years of service	Normal Social Security Retirement Age with at least 5 years of service	Normal Social Security Retirement Age with at least 5 years of service	Age 60 with at least 5 years of service	Age 60 with at least 5 years of service
Early retirement eligibility	Age 50 with at least 10 years of service, or age 55 with at least 5 years of service	Age 60 with at least 5 years of service	Age 60 with at least 5 years of service	Age 50 with at least 5 years of service	Age 50 with at least 5 years of service
Early retirement reduction	Benefit reduced for each year retirement age is before age 65 or for each year service at retirement is less than 30, whichever provides greater benefit	Benefit reduced for each year retirement age is before Normal Social Security Retirement Age	Benefit reduced for each year retirement age is before Normal Social Security Retirement Age	Benefit reduced for each year retirement age is before age 60 or for each year service at retirement is less than 25, whichever provides greater benefit	Benefit reduced for each year retirement age is before age 60 or for each year service at retirement is less than 25, whichever provides greater benefit
Unreduced Early Retirement	Age 50 with at least 30 years of service	Age plus service equals 90 points	Age plus service equals 90 points	Age 50 with at least 25 years of service	Age 50 with at least 25 years of service
Final Average Compensation	Average of the employee's 36 highest consecutive months of creditable compensation	Average of the employee's 60 highest consecutive months of creditable compensation	Average of the employee's 60 highest consecutive months of creditable compensation	Average of the employee's 36 highest consecutive months of creditable compensation	Average of the employee's 60 highest consecutive months of creditable compensation
Benefit Multiplier	1.70%	1.65% (1.70% for service before 1/1/2013)	1.00%	1.70% or 1.85%	1.70% or 1.85%
Cost-of-Living-Adjustment (COLA)	COLA increase on July 1 of the second calendar year after retirement. Automatic COLA increase is calculated as the first 3% of the CPI plus half of each percent from 3% to 7%, maximum COLA of 5%	COLA increase on July 1 of the second calendar year after retirement. Automatic COLA increase is calculated as the first 2% of the CPI plus half of each percent from 2% to 10%, maximum COLA of 6%	COLA increase on July 1 of the second calendar year after retirement. Automatic COLA increase is calculated as the first 2% of the CPI plus half of each percent from 2% to 10%, maximum COLA of 6%	COLA increase on July 1 of the second calendar year after retirement. Automatic COLA increase is calculated as the first 3% of the CPI plus half of each percent from 3% to 7%, maximum COLA of 5%	COLA increase on July 1 of the second calendar year after retirement. Automatic COLA increase is calculated as the first 2% of the CPI plus half of each percent from 2% to 10%, maximum COLA of 6%
Employee Contributions	5% to DB plan	5% to DB plan	4% to DB plan and 1% to DC plan. Can contribute up to 5% to DC plan.	5% to DB plan	5% to DB plan
Annual supplement from date of retirement to Social Security normal retirement age	No	No	No	Yes	Yes

## NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

**TO:** Chairman York and Members of the NVTa Finance Committee

**FROM:** Michael Longhi, Chief Financial Officer

**DATE:** September 5, 2014

**SUBJECT:** Resolution for Social Security Administration Related to Joining the Virginia Retirement system

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1. **Purpose.** Proposed election of Authority participation in the Virginia Retirement System (VRS) requires the adoption of a resolution related to participating in the Social Security Program. This resolution is required to allow VRS to maintain its 'qualified plan' status with the Social Security Administration.
2. **Suggested motion.** *I move Finance Committee recommend to the Authority approval of the Resolution 15-02 for Obtaining Social Security Coverage for Employees of Political Subdivisions of The Commonwealth of Virginia. (Attachment)*
3. **Background.**
  - a. VRS has qualified plan status under Social Security Administration. Such status requires that employers who participate in VRS also provide Old Age, Survivors, Disability and Hospital Insurance (Social Security) coverage.
  - b. The Authority is already participating in Social Security. However, the attached resolution is required by VRS because it is required by the Social Security Administration.
  - c. The resolution requires the Authority to continue to participate in Social Security.
  - d. There are no changes in expenditures by the Authority.
  - e. There are no practical changes for how the Authority administers its obligations to the Social Security Administration.

**Attachment:**

Resolution 15-02 for Obtaining Social Security Coverage for Employees of Political Subdivisions of the Commonwealth of Virginia

**Coordination:**

Council of Counsels

**NORTHERN VIRGINIA TRANSPORTATION AUTHORITY**

**RESOLUTION 15-02**

**OBTAINING SOCIAL SECURITY COVERAGE FOR EMPLOYEES  
OF POLITICAL SUBDIVISIONS OF THE COMMONWEALTH OF VIRGINIA**

**WHEREAS**, Old Age, Survivors, Disability and Hospital Insurance (Social Security) coverage is available to public employees through Section 218 of the Social Security Act and Title 51.1, Chapter 7 of the Code of Virginia, as amended; and

**WHEREAS**, it is deemed to be desirable that the **Northern Virginia Transportation Authority** obtain said Social Security coverage for its employees;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of the **Northern Virginia Transportation Authority** that this Resolution and attached Plan and Agreement be approved and that **Northern Virginia Transportation Authority** be, and hereby is authorized to execute on behalf of the **Northern Virginia Transportation Authority** the following Social Security coverage contract, or Plan and Agreement, with the Virginia Retirement System, Virginia's agency responsible for the administration of Social Security coverage under the Commonwealth of Virginia's Section 218 Agreement.

**BE IT FURTHER RESOLVED**, that the proper fiscal officers be, and they are, hereby authorized to establish such systems of payroll deductions, under said Social Security coverage, from the wages of employees and officers and to report and pay such deductions to the Internal Revenue Service in such amounts and at such times as required by applicable state and federal statutes and regulations.

**IT IS FURTHER RESOLVED**, that the following services or positions are hereby designated as those which are to be excluded from Social Security coverage:

**No Exclusions Applicable**

This Resolution shall be in full force and effect upon passage and approval, for all intents and purposes, except that active coverage shall be effective as of **September 30, 2014**.

I, Martin Nohe, of the **Northern Virginia Transportation Authority** do hereby certify that the foregoing was adopted and recorded on September 11, 2014.

**BY:** \_\_\_\_\_  
Martin Nohe, Chairman

**DATE:** \_\_\_\_\_

**ATTEST:** \_\_\_\_\_  
Clerk



# PLAN AND AGREEMENT FOR OBTAINING SOCIAL SECURITY COVERAGE FOR OF POLITICAL SUBDIVISIONS OF THE COMMONWEALTH OF VIRGINIA

**Northern Virginia Transportation Authority  
3060 Williams Drive, Suite 510  
Fairfax, VA 22031**

The **Northern Virginia Transportation Authority** does hereby apply to the Board of Trustees of the Virginia Retirement System of the Commonwealth of Virginia, hereinafter called "State Agency", pursuant to the provisions of Title 51.1, Chapter 7 of the Code of Virginia, as amended, to extend the insurance system established by Title II of the Social Security Act to services performed by individuals as employees of the **Northern Virginia Transportation Authority**.

The **Northern Virginia Transportation Authority** submits for the State Agency's approval this Plan and Agreement to become effective on the date hereinafter stated.

## I. Definitions

For the purpose of this Plan and Agreement:

(a) The term "employee" means an employee as defined in Section 210(j) of the Social Security Act, Section 3121(d) of the Internal Revenue Code and Section 51.1-700 of the Code of Virginia, as amended; and shall include an officer of the **Northern Virginia Transportation Authority**.

b) The term "wages" means all remuneration for employment as defined in Section 51.1-700 of the Code of Virginia, as amended, and Section 3121(a) of the Internal Revenue Code.

(c) The term "employment" means any service performed by an employee as defined in Section 51.1-700 of the Code of Virginia, as amended, and Section 3121(b) of the Internal Revenue Code.

(d) The term "services" includes all services performed by individuals as employees of the **Northern Virginia Transportation Authority**, except:

(1) Any service performed by an employee in a position covered by a retirement system on the date this agreement is made applicable to the employee's coverage group, unless and until the conditions prescribed under Section 218(d) of the Social Security Act have been met.

(2) Service performed by an individual, who is employed to relieve such individual from unemployment.

(3) Service performed in a hospital, home or other institution by a patient or inmate thereof.

(4) Covered transportation service (as defined in Section 210(k) of the Social Security Act).

(5) Service (other than agricultural labor or service performed by a student) excluded from employment by any provisions of Section 210(a) of the Social Security Act, other than paragraph (7) of such section.

(6) Service performed by an individual as an employee serving on a temporary basis in case of fire, storm, snow, earthquake, flood, or other similar emergency.

## II. Services Covered

This Plan and Agreement includes all services which constitute employment and are performed in the employ of the **Northern Virginia Transportation Authority** by employees thereof except:

### **No Exclusions Applicable**

## III. Administration of the Plan

The **Northern Virginia Transportation Authority** agrees and has heretofore authorized and directed the appropriate officers and employees to do and perform all things found necessary by the State Agency to the proper and efficient administration of the Plan, including but not limited to the maintenance of employment records relating to both services and salaries, required contributions by both the **Northern Virginia Transportation Authority** and its employees and other data required by the State Agency or the Commissioner of Social Security, to make such reports in such form and containing such information as the State Agency may from time to time require, and to comply with such provisions as the State Agency or the Commissioner of Social Security may from time to time find necessary to assure the correctness and verification of such reports.

## IV. Contributions

(a) The **Northern Virginia Transportation Authority** shall pay to the Internal Revenue Service, with respect to wages as defined in Section 51.1-700 of the Code of Virginia, as amended, and Section 3121(a) of the Internal Revenue Code, contributions equivalent to the sum of the taxes which would be imposed by Section 3101 and 3111 of the Internal Revenue Code if the services covered by this Plan and Agreement constituted employment as defined in Section 3121(b) of such Code. The **Northern Virginia Transportation Authority** agrees to insure the source and the payment of such contributions imposed by this Plan and Agreement and to specifically provide for the payment of such contributions in the **Northern Virginia Transportation Authority** budget for each and every year this Plan and Agreement is in place.

(b) The **Northern Virginia Transportation Authority** agrees that it shall impose upon each of its employees, as to services which are covered by this Plan and Agreement, a contribution with respect to wages, not exceeding the amount of the tax which would be imposed by Section 3101 of the Internal Revenue Code if such services constituted employment within the meaning of such Code, and to deduct the amount of such contribution from wages as and when paid. It is further understood that the contributions so collected shall be paid in partial discharge of the liability of the **Northern Virginia Transportation Authority**, but that failure to make such deduction shall not relieve the employee or the **Northern Virginia Transportation Authority** from liability therefore.

## V. Modification

The Plan and Agreement is irrevocable but may be modified, at the request of the **Northern Virginia Transportation Authority**, to include coverage groups or services in addition to those not included by this Plan. Such modification must be consistent with Title 51.1, Chapter 7 of the Code of Virginia, as amended, and the provisions of Section 218 of the Social Security Act.

## VI. Effective Date:

This Plan and Agreement shall be effective as of September 30, 2014.

This Plan and Agreement is entered and submitted by the **Northern Virginia Transportation Authority** on September 11, 2014

BY: ✓ \_\_\_\_\_  
(Signed)

Martin Nohe, Chairman  
Northern Virginia Transportation Authority

**WITNESS:**

✓ \_\_\_\_\_  
(Signed)

✓ \_\_\_\_\_  
(Name and Title)

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*To Be Completed by the Commonwealth of Virginia State Social Security Administrator*

*The foregoing Plan and Agreement is approved and accepted.*

DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
(Signed)

Robert P. Schultze, Director  
Virginia Retirement System  
Commonwealth of Virginia

**WITNESS:**

\_\_\_\_\_  
(Signed)

Barry C. Faison  
Chief financial Officer  
Virginia Retirement System  
Commonwealth of Virginia

## NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

**TO:** Chairman York and Members of the NVTA Finance Committee

**FROM:** Michael Longhi, Chief Financial Officer

**DATE:** September 5, 2014

**SUBJECT:** Participation in the Virginia Retirement System Health Insurance Credit Program for Local Government Employees

---

1. **Purpose.** Proposed election of Authority participation in the Virginia Retirement System (VRS) Health Insurance Credit Program for Local Government Employees.
2. **Suggested motion.** *I move the Finance Committee recommend to the Authority approval of Resolution 15-03 Health Insurance Credit Program for Local Government Employees. (Attachment)*
3. **Background.**
  - a. VRS has established a program to help retirees pay for health insurance.
  - b. Authority participation in this program will increase the portability of the VRS benefits for employees between VRS employers.
4. **Fiscal Impact.** The FY2015 cost for participation in this program is \$466.92. There is adequate FY2015 Benefits budget capacity for this expense.

**Attachment:**

Resolution 15-03 Health Insurance Credit Program for Local Government Employees

**Coordination:**

Council of Counsels

**NORTHERN VIRGINIA TRANSPORTATION AUTHORITY**

**RESOLUTION 15-03**

**HEALTH INSURANCE CREDIT PROGRAM FOR LOCAL GOVERNMENT  
EMPLOYEES**

**BE IT RESOLVED** that the Northern Virginia Transportation Authority (“NVTA”) does hereby elect to provide the Health Insurance Credit Program as provided in the Code of Virginia Section 51.1-1402 for its eligible current and future retirees as defined in Article 5, Chapter 1 of Title 51.1 of the Code of Virginia.

**BE IT ALSO RESOLVED** that the NVTA agrees to accept all liability for any current or future additional employer contributions and any increases in current or future employer contribution rates resulting from its election to provide the benefits of the Program to its retirees.

**BE IT FURTHER RESOLVED** that the NVTA elects to allow its eligible retirees to receive the benefits under the Program effective October 1, 2014.

**NOW, THEREFORE,** Martin Nohe, Chairman of the NVTA, and Monica Backmon, Executive Director of the NVTA, are hereby authorized and directed in the name of the NVTA to execute any required contract in order that said eligible retirees of the NVTA may participate in the Health Insurance Credit Program as provided for in the Code of Virginia. In execution of any contract which may be required, the seal of the NVTA shall be affixed and attested by the Clerk, and said officers of the NVTA are authorized and directed to pay over to the Treasurer of Virginia from time to time such sums as are due to be paid by the NVTA for this purpose.

**BY:** \_\_\_\_\_  
Chairman

**CERTIFICATE**

I, Camela Speer, Clerk of the NVTA, certify that the foregoing is a true and correct copy of a resolution passed at a lawfully organized meeting of the NVTA held at 3060 Williams Drive, Fairfax, Virginia, at 7:00 o'clock p.m. on September 11, 2014. Given under my hand and seal of the NVTA this 11th day of September, 2014.

**ATTEST:** \_\_\_\_\_  
Clerk

## NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

### MEMORANDUM

**TO:** Chairman York and Members of the NVTA Finance Committee

**FROM:** Michael Longhi, Chief Financial Officer

**DATE:** August 25, 2014

**SUBJECT:** Establish Organizational and Financial Policies

---

1. **Purpose.** Presentation of proposed Organizational and Financial Policies for consideration of a recommendation to the Authority for approval.
2. **Suggested motion.** *I move Finance Committee recommend to the Authority approval of the proposed Organizational and Financial Policies.*
3. **Background.** Best practices and the annual audit call for organizational and financial polices even in small organizations. The Authority staff have worked to develop organizational and financial policies. The documented policies will serve to foster transparency, understanding and consistency in Authority business practices. The Council of Counsels has reviewed the proposed policies. Attached policies include but are not limited to:
  - a. Code of Ethics
  - b. Conflict of Interest
  - c. Whistle Blower Protection
  - d. Fraud
  - e. Debt Policy (previously approved)
  - f. Financial Management Policy
  - g. Audit Policy
  - h. Procurement Policy (minor change from proposed from last adoption)
  - i. Employee Travel and Reimbursement
  - j. Budget Policy
  - k. Investment Policy
  - l. Operating Cash Management
  - m. Purchase Card
  - n. Distribution of 30% Funds
  - o. Regional Revenue Funds (70%)
4. **Next Steps.** This is envisioned as a set of living documents. Updates will occur as the Authority grows and matures as an organization.

**Attachment:** NVTA Organizational and Financial Policies

**Coordination:** Council of Counsels

## NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

### MEMORANDUM

**TO:** Chairman York and Members of the NVTA Finance Committee

**FROM:** Michael Longhi, Chief Financial Officer

**DATE:** August 25, 2014

**SUBJECT:** Establish NVTA Employee Handbook

---

1. **Purpose.** Presentation of proposed NVTA Employee Handbook to the Finance Committee for consideration of a recommendation to the Authority for approval.
2. **Suggested motion.** *I move Finance Committee recommend to the Authority approval of the proposed NVTA Employee Handbook.*
3. **Background.** The Authority staff have worked to develop an employee handbook. Best practices call for a handbook even in small organizations as a ready tool for staff and to foster a clear understanding of expectations. The Council of Counsels has reviewed the proposed Handbook. Topics in the handbook include, but are not limited to:
  - a. Employment Procedures
  - b. Employee Pay
  - c. Employee Leave
  - d. Employee Benefits (sections to be finished as the benefit package is finalized).
  - e. Employee Performance Reviews
  - f. Employee Code of Conduct
  - g. Public Relations
  - h. Employee Expenses
  - i. Employee Safety and Security
4. **Next Steps.** This is envisioned as a living document. Updates will occur as employee benefits are finalized. Additional updates will occur thereafter as events warrant.

**Attachment:** NVTA Employee Handbook

**Coordination:** Council of Counsels

## NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

**TO:** Chairman York and Members of the NVTA Finance Committee

**From:** Michael Longhi, Chief Financial Officer

**Date:** August 25, 2014

**SUBJECT:** Review of Purchase of General Ledger Accounting System

---

1. **Purpose.** Update the Finance Committee on the implementation of a general ledger accounting system.
2. **Background.**
  - a. In May 2014, the Finance Committee was presented with the selection of a general ledger accounting system from Blackbaud Inc.
  - b. The selection of Blackbaud occurred after a formal request for proposal process that ranked qualified applications.
  - c. Since that time, Authority staff with support from the Council of Counsels expended significant effort attempting to develop a contract for the software acquisition and installation.
  - d. These efforts have not resulted in an agreement acceptable to the Authority.
3. **Current Situation.**
  - a. Through the procurement selection process, started in January 2014, the Authority developed a ranking of potential general ledger systems.
  - b. The accounting system offered by Black Mountain Software was rated a close second during the proposal review process. The core accounting processes and functionality are the same for both systems.
  - c. The Authority is currently wrapping up contract and implementation planning for the installation of the Black Mountain system.
  - d. The cost of the Black Mountain system is comparable to the Blackbaud system and no budget changes are anticipated.

**Coordination:**  
Council of Counsels



X.

## NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

### MEMORANDUM

**TO:** Chairman York and Members of the NVTA Finance Committee  
**FROM:** Michael Longhi, Chief Financial Officer  
**SUBJECT:** Report of NVTA Receipts  
**DATE:** August 25, 2014

---

1. **Purpose:** Update of HB 2313 receipts, revenue estimates and distributions.
2. **Background:** NVTA receives funding through sales tax, grantors tax and transient occupancy tax (TOT). Revenues are received monthly from the Commonwealth for transactions that occurred in preceding months. The attached reports reflect funding received or in process through August 2014.
3. **Comments:**
  - a. FY2014 Revenue receipts (Attachment A)
    - i. The Authority has received approximately \$283.2 million through the transfers from the Commonwealth.
    - ii. Actual to estimate comparison for revenues through August show a 2.82% negative variance of \$8.2 million. This is driven by lower than projected sales tax and transient occupancy tax receipts.
    - iii. This report reflects 12 months of collections (accrual basis) for Sales Tax and Grantors Tax.
    - iv. Transient Occupancy Tax has almost completed a full 12 months of collections. Collections for two jurisdictions are still in accrual stages, due to routine differences in collection cycles.
    - v. Total revenue received will be supportive of all FY2014 projects approved by the Authority.
  - b. FY 2014 Distribution to localities (Attachment B)
    - i. Through the month of August the Authority was still receiving FY2014 Sales Tax and Transient Occupancy Tax revenues.
    - ii. Of the \$283.2 million received by the Authority for FY2014, approximately \$83.6 million in 30% local funds will have been transferred to member jurisdictions through the end of August.
    - iii. All jurisdictions are receiving FY2014 30% transfers.
  - c. FY 2015 Distribution to localities (Attachment C)
    - i. The Authority received FY2015 revenue for Grantors Tax in August.
    - ii. Approximately \$4.47 million was received of which \$1.34 million represents 30% funds for member jurisdictions.
    - iii. As of the preparation of this report four jurisdictions had completed the HB2313 required annual certification process to receive FY2015 30% funds. Postponements of transfers have been discussed with jurisdictional staff where appropriate.

**Attachments:**

- A. Revenues Received By Tax Type, Compared to NVTA Estimates, Through August 2014
- B. FY2014 30% Distribution by Jurisdiction
- C. FY2015 30% Distribution by Jurisdiction

**NORTHERN VIRGINIA TRANSPORTATION AUTHORITY**  
**REVENUES RECEIVED, BY TAX TYPE AND JURISDICTION, COMPARED TO NVTA ESTIMATES**  
Based on: Revenue Data Through August 2014  
FYE June 30, 2014

Grantors Tax		Received	FY 2014 Revenue	NVTA		Actual	Projected
Transaction Months	12	To Date	With Accrual	FY 2014	Projection	To Projection	Variance
City of Alexandria		\$3,129,852	\$2,883,433	\$ 3,391,565	\$	(261,713)	
Arlington County		\$4,313,922	\$4,395,457	\$ 4,574,287	\$	(260,365)	
City of Fairfax		\$367,004	\$341,880	\$ 289,079	\$	77,925	
Fairfax County		\$15,696,118	\$15,299,922	\$ 15,169,980	\$	526,138	
City of Falls Church		\$268,842	\$269,595	\$ 261,761	\$	7,081	
Loudoun County		\$8,551,256	\$8,483,252	\$ 6,093,105	\$	2,458,151	
City of Manassas		\$465,593	\$478,381	\$ 271,303	\$	194,290	
City of Manassas Park		\$226,746	\$236,314	\$ 148,806	\$	77,940	
Prince William County		\$4,989,612	\$4,908,119	\$ 4,476,903	\$	512,709	
<b>Total Grantors Tax Revenue</b>		<b>\$ 38,008,947</b>	<b>\$ 37,296,355</b>	<b>\$ 34,676,789</b>	<b>\$</b>	<b>3,332,158</b>	<b>9.61%</b>
Regional Sales Tax*		Received	FY 2014 Revenue	FY 2014	Actual		
Transaction Months	12	To Date	With Accrual	Projection	To Projection		
City of Alexandria		\$14,996,328	\$14,862,957	\$ 15,806,507	\$	(810,179)	
Arlington County		\$23,312,124	\$23,101,489	\$ 24,473,867	\$	(1,161,743)	
City of Fairfax		\$7,028,117	\$7,202,608	\$ 6,462,525	\$	565,592	
Fairfax County		\$99,716,693	\$99,028,038	\$ 104,977,104	\$	(5,260,411)	
City of Falls Church		\$2,141,292	\$2,119,982	\$ 2,470,340	\$	(329,048)	
Loudoun County		\$38,262,893	\$37,990,760	\$ 39,833,324	\$	(1,570,431)	
City of Manassas		\$4,617,569	\$4,592,819	\$ 4,568,248	\$	49,321	
City of Manassas Park		\$1,084,249	\$1,064,969	\$ 920,350	\$	163,899	
Prince William County		\$32,212,081	\$32,047,267	\$ 32,943,958	\$	(731,877)	
<b>Total Sales Tax Revenue*</b>		<b>\$ 223,371,345</b>	<b>\$ 222,010,889</b>	<b>\$ 232,456,223</b>	<b>\$</b>	<b>(9,084,878)</b>	<b>-3.91%</b>
Transient Occupancy Tax (TOT)		Received	FY 2014 Revenue	FY 2014	Annualized - Actual		
Transaction Months	11.58	To Date	With Accrual	Projection	To Projection		
City of Alexandria	12.00	\$ 2,827,753.10	2,644,326	\$ 3,570,388	\$	(742,635)	
Arlington County	12.00	\$ 8,371,491.04	7,898,562	\$ 8,890,830	\$	(519,339)	
City of Fairfax**	9.00	\$ 205,520.55	274,027	\$ 345,984	\$	(140,463)	
Fairfax County***	11.66	\$ 7,179,489.64	8,527,394	\$ 9,984,936	\$	(2,805,446)	
City of Falls Church	12.00	\$ 75,115.90	66,106	\$ 141,857	\$	(66,741)	
Loudoun County	12.00	\$ 2,014,504.69	1,944,628	\$ 806,445	\$	1,208,060	
City of Manassas	12.00	\$ 55,123.06	51,904	\$ 77,750	\$	(22,627)	
City of Manassas Park		\$ -	-	\$ -	\$	-	
Prince William County	12.00	\$ 1,166,331.95	1,106,102	\$ 530,452	\$	635,880	
<b>Total TOT Revenue</b>		<b>\$ 21,895,330</b>	<b>22,513,049</b>	<b>\$ 24,348,642</b>	<b>\$</b>	<b>(2,453,312)</b>	<b>-10.08%</b>
<b>Total Revenue Received</b>		<b>\$ 283,275,622</b>	<b>\$ 281,820,293</b>	<b>\$ 291,481,654</b>	<b>\$</b>	<b>(8,206,032)</b>	<b>-2.82%</b>

\*The Regional Sales Tax is reported net of the following fees:

October Receipt	\$	210,894	** City of Fairfax remaining FY14 Accrual \$68,506
November Receipt	\$	160,884	***Fairfax County remaining FY14 Accrual \$996,362
December Receipt	\$	133,857	
January Receipt	\$	113,412	
February Receipt	\$	36,110	
March Receipt	\$	42,723	
April Receipt	\$	30,158	
May Receipt	\$	41,208	
June Receipt	\$	48,659	
July Receipt	\$	3,589	
August Receipt	\$	52,524	
	\$	<u>874,019</u>	

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY  
 FY 2014 30% DISTRIBUTION BY JURISDICTION  
 FYE June 30 2014 - Including August Accrual

Attachment B

Jurisdiction	Grantor's Tax	Regional Sales Tax (1)	Transient Occupancy Tax (2)	Total	30% Funds	NVTA Operational Budget FY2014	NVTA Operational Budget FY2015	Accrued Interest (3)	Prior Distributions	Current Month Distribution	Total Funds Transferred
City of Alexandria	\$ 3,129,852.45	\$ 14,996,327.78	\$ 2,827,753.10	\$ 20,953,933.33	\$ 6,286,180.00	(-)	(-)	\$ 1,145.73	\$ 5,779,765.97	\$ 507,559.76	\$ 6,287,325.73
Arlington County	\$ 4,313,922.25	\$ 23,312,123.69	\$ 8,371,491.04	\$ 35,997,536.98	\$ 10,799,261.09	\$ 55,609.93	\$ 108,050.00	\$ 1,964.44	\$ 9,746,179.49	\$ 891,386.11	\$ 10,637,565.60
City of Fairfax	\$ 367,004.00	\$ 7,028,116.75	\$ 205,520.55	\$ 7,600,641.30	\$ 2,280,192.39	\$ 5,915.95	\$ 11,495.00	\$ 423.79	\$ 2,120,463.29	\$ 142,741.94	\$ 2,263,205.23
Fairfax County	\$ 15,696,117.80	\$ 99,716,692.77	\$ 7,179,489.64	\$ 122,592,300.21	\$ 36,777,690.06	\$ 283,965.60	\$ 551,747.00	\$ 6,729.69	\$ 33,112,894.24	\$ 2,835,812.91	\$ 35,948,707.15
City of Falls Church	\$ 268,842.45	\$ 2,141,291.62	\$ 75,115.90	\$ 2,485,249.97	\$ 745,574.99	\$ 3,549.57	\$ 6,897.00	\$ 135.45	\$ 672,828.35	\$ 62,435.52	\$ 735,263.87
Loudoun County	\$ 8,551,256.08	\$ 38,262,892.82	\$ 2,014,504.69	\$ 48,828,653.59	\$ 14,648,596.08	Paid Direct	Paid Direct	\$ 2,663.92	\$ 13,438,429.65	\$ 1,212,830.35	\$ 14,651,260.00
City of Manassas	\$ 465,592.80	\$ 4,617,568.90	\$ 55,123.06	\$ 5,138,284.76	\$ 1,541,485.43	\$ 10,057.11	\$ 19,541.00	\$ 279.69	\$ 1,381,337.01	\$ 130,830.00	\$ 1,512,167.01
City of Manassas Park	\$ 226,746.45	\$ 1,084,249.39	\$ -	\$ 1,310,995.84	\$ 399,298.75	\$ 3,549.57	\$ 6,897.00	\$ 71.55	\$ 350,469.68	\$ 32,454.05	\$ 382,923.73
Prince William County	\$ 4,989,612.42	\$ 32,212,081.31	\$ 1,166,331.95	\$ 38,368,025.68	\$ 11,510,407.71	\$ 107,670.29	\$ 209,204.00	\$ 2,090.73	\$ 10,230,014.48	\$ 965,609.67	\$ 11,195,624.15
<b>Total Revenue</b>	\$ 38,008,946.70	\$ 223,371,345.03	\$ 21,895,329.93	\$ 283,275,621.66	\$ 84,982,686.50	\$ 470,318.02	\$ 913,831.00	\$ 15,504.99	\$ 76,832,382.16	\$ 6,781,660.31	\$ 83,614,042.47
<ol style="list-style-type: none"> <li>1 Net of Dept. of Taxation Fees</li> <li>2 County TOT includes any town collections</li> <li>3 Interest earned through 6/30/2014</li> </ol>											

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY  
 FY 2015 30% DISTRIBUTION BY JURISDICTION

Based on: Receipts through August 2014

Attachment C

Jurisdiction	Grantor's Tax	Regional Sales Tax (1)	Transient Occupancy Tax (2)	Total	30% Funds	Accrued Interest (3)	Prior Distributions	Current Month Distribution	Total Funds Transferred
City of Alexandria	\$ 415,864.80	\$ -	\$ -	\$ 415,864.80	\$ 124,759.44	6.36	\$ -	\$ 124,765.80	\$ -
Arlington County	\$ 489,117.15	\$ -	\$ -	\$ 489,117.15	\$ 146,735.15	10.93	\$ -	\$ 146,746.08	\$ -
City of Fairfax	\$ 34,486.35	\$ -	\$ -	\$ 34,486.35	\$ 10,345.91	2.31	\$ -	\$ 10,348.22	\$ -
Fairfax County	\$ 1,902,132.15	\$ -	\$ -	\$ 1,902,132.15	\$ 570,639.65	37.21	\$ -	\$ 570,676.86	\$ -
City of Falls Church	\$ 34,192.40	\$ -	\$ -	\$ 34,192.40	\$ 10,257.72	0.75	\$ -	\$ 10,258.47	\$ -
Loudoun County	\$ 1,017,786.45	\$ -	\$ -	\$ 1,017,786.45	\$ 305,335.94	14.82	\$ -	\$ 305,350.76	\$ -
City of Manassas	\$ 30,025.65	\$ -	\$ -	\$ 30,025.65	\$ 9,007.70	1.56	\$ -	\$ 9,009.26	\$ -
City of Manassas Park	\$ 36,507.75	\$ -	\$ -	\$ 36,507.75	\$ 10,952.33	0.40	\$ -	\$ 10,952.73	\$ -
Prince William County	\$ 511,840.30	\$ -	\$ -	\$ 511,840.30	\$ 153,552.09	11.65	\$ -	\$ 153,563.74	\$ -
<b>Total Revenue</b>	<b>\$ 4,471,953.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,471,953.00</b>	<b>\$ 1,341,585.93</b>	<b>\$ 85.99</b>	<b>\$ -</b>	<b>\$ 1,341,671.92</b>	<b>\$ 1,033,726.43</b>

- 1 Net of Dept. of Taxation Fees
- 2 County TOT includes any town collections
- 3 Interest earned through 7/31/2014

## 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:** August 25, 2014

---

- 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:** The Authority ended FY2014 with a greater than expected budget surplus. The surplus amount of \$24,143 (unaudited) is reflected in the income section of the attached report as a positive variance. One month into FY2015, expenditures are in line with the budget.

**Attachment:** FY2015 Operating Budget through July 31, 2014

Northern Virginia Transportation Authority FY 2015 Operating Budget July 31, 2014				
INCOME:	Approved Budget	Actual Receipts	Anticipated	Variance Budget to Actual
Budget Carryforward	\$ 270,000.00	\$ 294,143.00	\$ -	24,143.00
Interest (70% Regional Revenues) *				-
Billed to Member Jurisdictions	\$ 1,149,473.00	\$ 1,149,473.00		-
Misc. Income				-
Reimbursement -LOC Cost of Issuance				-
<b>Total Income</b>	<b>\$ 1,419,473.00</b>	<b>\$ 1,443,616.00</b>	<b>\$ -</b>	<b>24,143.00</b>
EXPENDITURES:	Approved Budget	Actual Expenditures	Committed	Variance Budget to Actual
<b>Personnel Expenditures</b>				
Salaries	\$ 611,290.00	\$ 68,328.11	\$ -	542,961.89
Benefits	\$ 180,350.00	\$ 15,402.96	\$ -	164,947.04
Taxes	\$ 48,100.00	\$ 3,233.43	\$ -	44,866.57
<b>Personnel Subtotal</b>	<b>\$ 839,740.00</b>	<b>\$ 86,964.50</b>	<b>\$ -</b>	<b>752,775.50</b>
<b>Professional Service</b>				
Audit/Accounting	\$ 27,500.00	\$ -		27,500.00
Banking Services	\$ 1,000.00	\$ -	\$ -	1,000.00
Insurance	\$ 3,700.00	\$ 3,689.00	\$ -	11.00
Payroll Services	\$ 2,000.00	\$ 70.38		1,929.62
Transaction Update Outreach	\$ 46,200.00	\$ -		46,200.00
Public Outreach	\$ 23,800.00	\$ -	\$ -	23,800.00
<b>Professional Subtotal</b>	<b>\$ 104,200.00</b>	<b>\$ 3,759.38</b>	<b>\$ -</b>	<b>100,440.62</b>
<b>Technology/Communication</b>				
Accounting & Financial Reporting System	\$ 25,000.00	\$ -	\$ -	25,000.00
Hardware Software & Peripherals Purchase	\$ 7,000.00	\$ -	\$ -	7,000.00
IT Support Services including Hosting	\$ 11,794.00	\$ 1,628.00	\$ -	10,166.00
Phone Service	\$ 7,060.00	\$ 607.67	\$ -	6,452.33
Web Development & Hosting	\$ 30,000.00	\$ 5.00	\$ -	29,995.00
<b>Subtotal Technology/Communication</b>	<b>\$ 80,854.00</b>	<b>\$ 2,240.67</b>	<b>\$ -</b>	<b>78,613.33</b>
<b>Administrative Expenses</b>				
Advertisements	\$ 6,000.00	\$ -		6,000.00
Dues & Subscriptions	\$ 2,500.00	\$ 410.00		2,090.00
Duplication/Printing	\$ 15,000.00	\$ -		15,000.00
Furniture/Fixtures	\$ 58,000.00	\$ 2,236.80		55,763.20
Meeting Expenses	\$ 3,600.00	\$ 176.16		3,423.84
Mileage/Transportation	\$ 7,200.00	\$ 300.00		6,900.00
Miscellaneous Expense (moving expense)	\$ 5,000.00	\$ -		5,000.00
Office Lease	\$ 50,000.00	\$ 3,690.00		46,310.00
Office Supplies	\$ 5,200.00	\$ 485.22		4,714.78
Postage/Delivery	\$ 600.00	\$ -		600.00
Professional Development/Training	\$ 5,000.00	\$ 310.00		4,690.00
<b>Subtotal Administrative Expenses</b>	<b>\$ 158,100.00</b>	<b>\$ 7,608.18</b>		<b>150,491.82</b>
<b>Expenditure Subtotal</b>	<b>\$ 1,182,894.00</b>	<b>\$ 100,572.73</b>	<b>\$ -</b>	<b>\$ 1,082,321.27</b>
<b>Operating Reserve (20%)</b>	<b>\$ 236,579.00</b>	<b>\$ -</b>		<b>\$ 236,579.00</b>
<b>Total Expenditures</b>	<b>\$ 1,419,473.00</b>	<b>\$ 100,572.73</b>	<b>\$ -</b>	<b>\$ 1,318,900.27</b>
<b>Increase (Decrease) in Net Position</b>	<b>\$ -</b>	<b>\$ 1,343,043.27</b>	<b>\$ -</b>	<b>\$ 1,343,043.27</b>
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	

## NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

### MEMORANDUM

**TO:** Chairman York and Members of the NVT A Finance Committee

**FROM:** Michael Longhi, Chief Financial Officer

**SUBJECT:** Preliminary FY2015/16 Regional Revenue Fund Summary

**DATE:** August 25, 2014

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1. **Purpose:** Provide a summary of FY2015/16 Regional Revenue Fund estimated sources, uses and balance, prior to adoption of FY2015/16 projects.
2. **Background:** The Authority has adopted revenue estimates for FY2015 and received projections for FY2016. These estimates combined with the carry forward of FY2014 funds provide the basis for the preliminary fund balance projection for the Regional Revenue Fund.
3. **Regional Revenue Fund - Sources:** The Regional Revenue Fund is the 70% portion of sales, grantors and transient occupancy taxes.
  - a. Combined FY2015/16 revenue estimates for the Regional Revenue Fund are approximately \$410 million.
  - b. Upon issuance of the 2014 Bonds the matched reserve supporting the Line of Credit will be released. This will permit the carry forward of approximately \$76 million in FY2014 funds.
  - c. Total FY2015/16 fund balance available for use by the Authority is projected as \$486.5 million.
4. **Regional Revenue Fund – Uses:** For the FY2015/16 time period, the most significant use of Regional Revenue, other than projects, is the establishment and funding of the Working Capital Reserve (WCR) as required in the adopted Debt Policy. The purpose of this reserve is to manage mismatches in the actual receipt of revenue and disbursement of funds for project construction to project implementing entities. Mismatches may occur due to project timing and cash flow or interruptions in receipt of revenue from the Commonwealth.
  - a. Making level payments into the Working Capital Reserve (WCR) over 18 months will require 18 payments of \$5,643,456 totaling \$101,582,208. The 18 month period was used since the Debt Policy requires any withdrawals from the WCR to be returned within 18 months.
  - b. Revenues for FY2016 are expected to be higher than FY2015. The debt policy requires the WCR to hold 6 months of budgeted Regional Revenues. Therefore, \$1,875,000 is estimated to be needed to meet this requirement.
  - c. The Series 2014 Bonds anticipated to be issued in November 2014 will required principal and interest payments of approximately \$9,300,000
  - d. Non project uses of the Regional Revenue will be approximately \$112,757,000. Much of this use is the initial funding of the WCR.
5. **Regional Revenue Funds – Available for Projects:** Approximately \$373,753,000 of FY2015/16 Regional Revenue Funds will be available to the Authority for regional projects.



**Coordination:**  
Financial Advisors (PFM)  
Project Implementation Working Group

**Attachment:** Preliminary FY2015/16 Regional Revenue Fund Summary

**Preliminary FY2015/16 Regional Revenue Fund Summary  
Sources and Uses**

**FY2015/FY2016 Revenue Sources**

<b>Regional Revenue Funds (70%)</b>	410,078,599
<b>Carry Forward 'FY2014' Funds</b>	76,431,787
<b>Fund Balance</b>	<u>486,510,386</u>

**FY2015/2016 Uses Other Than Projects**

<b>WCR* Initial Funding (18 Months)</b>	101,582,208
<b>WCR Incremental Chg.</b>	1,874,888
<b>Series 2014 Bond Principal</b>	4,000,000
<b>Series 2014 Bond Interest</b>	5,300,000
<b>Non Project Uses</b>	<u>112,757,096</u>
<b>Available Balance Regional Funds</b>	373,753,290

\*Working Capital Reserve

## NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

### MEMORANDUM

**TO:** Chairman York and Members of the NVTA Finance Committee  
**FROM:** Michael Longhi, Chief Financial Officer  
**SUBJECT:** Update on NVTA Financing Activities and Schedule  
**DATE:** August 25, 2014

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1. **Purpose:** Provide a summary of upcoming activities related to the issuance and sale of the Series 2014 Bonds.
2. **Background:** The Authority is following its finance plan by preparing for the issuance and sale of Series 2014 Bonds. The Authority will refinance the line of credit established with the Bank of America through the issuance of the Series 2014 Bonds. The preliminary financing schedule for the Series 2014 Bonds contemplates closing prior to November 26, 2014.
3. **Upcoming 2014 Bond Activity:**
  - a. Selection Advisory Team Formed. In accordance with the Authority's Debt Policy, a Selection Advisory Team has been assembled to provide advice and input on the selection of the bond Underwriter and other issues related to the upcoming transaction. Debt Managers from Arlington, Fairfax, Loudoun and Prince William Counties along with finance officials from the City of Fairfax and City of Manassas comprise the team.
  - b. Underwriter, Trustee and Financial Printer request for proposals issued. Proposals are due on August 29<sup>th</sup>.
  - c. Rating agency presentation preparations will be occurring in September. The actual presentations are preliminarily scheduled for September 29<sup>th</sup> and 30<sup>th</sup>.
  - d. Draft Bond Resolution will be prepared for the finance committee review in October prior to presentation to the Authority at the October meeting.
  - e. Preliminary Official Statement distribution and marketing of bonds is scheduled for October.
  - f. Closing and receipt of proceeds is schedule no later than November 26<sup>th</sup>.

**Coordination:**

Financial Advisors (PFM)  
Bond Counsel (McGuireWoods)  
NVTA Section Advisory Team