



**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**

**AGENDA**

- I. Call to Order/Welcome** Chairman York
- II. Summary Minutes of the January 16, 2015 Meeting**  
*Recommended action: Approval [with abstentions  
from those who were not present]*

**Action Items**

- III. Approval of Audit Service Agreement** Mr. Longhi, CFO  
*Recommended action: Approval of Agreement with PBMares, LLP*

**Information/Discussion Items**

- IV. FY2016 - Operating Budget Draft Review** Ms. Backmon, ED
- V. FY2016 - 30% Revenue Budget Draft Review** Mr. Longhi, CFO
- VI. FY2016 - 70% Regional Revenue Budget Draft Review** Mr. Longhi, CFO
- VII. NVTA Monthly Revenue Report** Mr. Longhi, CFO
- VIII. NVTA Operating Budget Report** Mr. Longhi, CFO

**Adjournment**

- IX. Adjournment**

**Next Meeting: March 20, 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, January 16, 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 1:33pm.
- Attendees:
  - ✓ Members: Chairman York; Chairman Hynes; Chairman Bulova.
  - ✓ 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: Noelle Dominguez (Fairfax County); Carl Hampton (Prince William).

### **II. Summary Minutes of the December 5, 2014 Meeting**

- Chairman Bulova moved to approve the minutes of December 5, 2014; seconded by Chairman Hynes. Motion carried unanimously.

## Information/Discussion Items

### **III. FY2016 - Operating Budget Guidance**

Ms. Backmon, ED

- Ms. Backmon briefed the Committee on the FY2016 Operating Budget Guidance. She summarized the budget assumptions and asked the Committee for additional guidance. The following questions were asked/suggestions made:
  - ✓ It was asked if the estimated budget carryover of \$256K includes the operating reserve. Mr. Longhi answered that it does and that \$25K is carryover from the operating budget. He noted that there may be some additional carryover totals, such as the website and public outreach.
  - ✓ It was asked if location costs for public hearings and public input sessions had been included. Ms. Backmon responded that the intent is to do most at the NVTA office, but that there will need to be money included for video recording and advertising.
  - ✓ It was suggested that public outreach be done regionally for the convenience of citizens. It was further suggested this be discussed at the Authority level to see if there is consensus to do regional meetings.

- ✓ There was general agreement from the Committee that the Authority consider regionally located public meetings. Ms. Backmon agreed to look into Town Hall type meetings in each jurisdiction. It was suggested that jurisdictions could support these meetings.
- ✓ There was a general discussion regarding public outreach and the need to include this in the budget.
- Mr. Longhi reviewed the process of developing the budget.
  - ✓ Create budget guidelines (this meeting).
  - ✓ Present draft based on guidance to the Committee and Authority in February.
  - ✓ Present budget for adoption to Committee and Authority, in March or April.
- Chairman York requested more information be provided at the next meeting about the roadshow video that has been suggested.

#### IV. FY2016 - Regional Revenue Budget Guidance

Mr. Longhi, CFO

- Mr. Longhi briefed the Committee on the FY2016 Regional Revenue Budget Guidance. He highlighted:
  - ✓ Interest earnings will be estimated on a very conservative basis.
  - ✓ Will implement investment policy slowly and cautiously.
  - ✓ Interest rates will not have a meaningfully impact on project funding.
  - ✓ Professional services such as bond counsel and financial advisory will be required in FY2016. To the extent allowable and appropriate these costs will be reimbursed through a future bond issuance.
  - ✓ Establishing a capacity for contingencies was discussed and the CFO was directed to prepare recommendations and a draft policy for the next meeting.
  - ✓ Guidance was provided to estimate Regional Revenues on an appropriately conservative basis, consistent with the original FY2016 estimates.
  - ✓ Three funding options for the estimated \$2.5 million cost of the TransAction Update were discussed.
    - 30% Funds – Staff does not recommend this as it directly impacts jurisdictions, increasing their annual support costs by 217%.
    - 70% Funds - Recommended by staff, due to no impact on member jurisdictions and minimal impact on funds available for projects. It was also noted that the update is required in order to utilize regional revenues for projects.
    - RSTP funds – Staff does not recommend this option as already assigned funds would need to be transferred in FY2016 and those jurisdictions losing funds may not be made whole until FY2021. Other issues were identified and discussed that make this option problematic
- Discussion followed regarding the various options.
  - ✓ The previous use of RSTP funds and the challenges it now presents.
  - ✓ If we use 70% Funds, the money would come off the top.
  - ✓ It was stated that staff is looking for initial recommendations from the Committee.
  - ✓ The TransAction 2040 plan update is necessary to disperse the 70% Funds, but not the 30% Funds.

- ✓ It was noted that if the plan is needed to be able to spend 70% Funds then the cost should come from that Fund, especially since other funds are already allocated.
- ✓ The cost of the update is anticipated to be \$2.5M. It was agreed that this is not much money for the amount of funds being programmed.
- ✓ It was agreed that CMAQ/RSTP funds should be used for other projects that Authority money is not available for.
- ✓ It was noted that there will be a legacy of technology, graphics, maps and promotional material that will last beyond the planning process.
- It was noted that the NVT A is required by State law to update TransAction every five (5) years and that this will be the first update since there is regional transportation funding available to the Authority. It was suggested that when looking at the next five (5) year update, if there are not significant updates from the jurisdictions, the Authority should consider how robust an update is needed at that time.

**V. FY2016 - 30% Revenue Budget Guidance**

Mr. Longhi, CFO

- Mr. Longhi briefed the Committee on the FY2016 30% Revenue Budget Guidance, noting that the Authority does need to budget and appropriate the 30% Funds, even though use is determined by HB2313. The Committee reinforced the importance of maintaining compliance with HB2313.

**VI. NVT A Monthly Revenue Report**

Mr. Longhi, CFO

- Mr. Longhi updated the Committee on the NVT A monthly revenues. He noted:
  - ✓ Revenues are tracking a little ahead of projections.
  - ✓ Not inclined to amend revenue projections at this time.
  - ✓ Six jurisdictions are now receiving 30% funds.
- There was a brief discussion regarding jurisdictions that are not receiving their 30% funds and the March 1<sup>st</sup> deadline.
- It was agreed not to amend or allocate additional revenue to projects at this time, but to carry over any remaining funds to next year. There was consensus to continue to be conservative in budget planning.

**VII. NVT A Operating Budget Report**

Mr. Longhi, CFO

- Mr. Longhi stated that as of the end of December, half way through the fiscal year, 43% of the operating budget has been utilized. He recommended no mid-year adjustments to the budget.

**VIII. FY2015 Audit Planning**

Mr. Longhi, CFO

- Mr. Longhi explained that the FY2014 audit was procured through a rider clause on the NVTC audit service contract. NVTC is currently putting this contract out to

bid. Mr. Longhi recommended maintaining consistency in audit services for two more years. The recommendation is based on:

- ✓ Current firm reviewed and advised NVTA in the development of the policies and financial processes.
- ✓ Current firm advised on the set up of the new general ledger accounting system being implemented in FY2015.
- ✓ Current firm professionally fulfilled its role in the Authority's inaugural bond sale.
- ✓ As a new entity, would like continuity for the next two years.
- ✓ Options exist to ride other contracts.
- ✓ At the end of two years the Authority will issue a RFP for future services.
- Consensus was that it is preferable not to change auditors. Staff will proceed with finding a suitable contract with an appropriate rider option.

**IX. Sole Source Report**

Mr. Longhi, CFO

- The procurement policy requires that a report be provided to the Finance Committee when a sole source procurement is used. Mr. Longhi advised that the Authority has entered into a sole source agreement with Kala Quintana, for public information services. The basis for the sole source determination was Ms. Quintana's in-depth knowledge of NVTA needed for the completion of the first annual report and communications plan. Time is of the essence with both projects and the cost to bring an outside party into the project would be excessive. He stated that the agreement is capped at \$12,500 and that any extension of the agreement requires additional notice to the Committee.
- It was suggested by the Committee that NVTA needs to be in position to manage the public communications of the Authority and the Executive Director should consider the resources needed as part of future budgets.

**Adjournment**

**X. Adjournment**

- Meeting adjourned at 2:34pm.

# III.

## NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

### MEMORANDUM

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

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

**SUBJECT:** FY2015 Audit Planning

**DATE:** February 20, 2015

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1. **Purpose:** Presentation of proposed Audit Service Agreement.
2. **Suggested motion:** *I move the Finance Committee approve the Audit Service agreement with PBMares LLP for fiscal years 2015 and 2016.*
3. **Background:** The Audit Committee is responsible for approving the selection of an audit firm and audit plan supporting the preparation of annual financial statements. (NVTA Bylaws – Article V. Section B.1.(g)) The Audit Committee received recommendations from the CFO and considered the following factors in the selection of an audit firm for FY2015 and 2016:
  - a. Transparency and Competition - Services obtained through public funds are most often best procured in a transparent and competitive environment.
  - b. Continuity – The Authority just completed its:
    - i. First audit of HB2313 funding and activities
    - ii. First debt issuance
    - iii. Establishment of Operating and Financial Policies
    - iv. Establishment of Employee Handbook
  - c. In Process Activities – The Authority is in the process of:
    - i. Installing a general ledger accounting system
    - ii. Developing office procedures based on the approved policies and employee handbook.
    - iii. Implementing required bond related continuing disclosure and post issuance compliance and tax procedures.
  - d. Procurement Method – The Authority can utilize a contract rider option contained in the Audit Services contract between PBMares LLP and Fairfax Water.
4. **Fiscal Impact:** Within the expected scope of activities, the cost of audit services for FY2015 and FY2016 are not expected to exceed \$27,500.00/year. This amount includes the base audit functions as priced in the attached fee proposal and services based on an hourly rate for consulting and potential debt issuance activities. This amount is consistent with the FY2014 budget.
5. **Next steps:** With the Committee’s approval, the audit plan and appropriate documentation will be developed with PBMares LLP for presentation next month.

**Attachment:** PBMares, LLP Non-Binding Audit Fee Proposal dated January 26, 2015

**PBMARES, LLP**

**NORTHERN VIRGINIA TRANSPORTATION AUTHORITY\***

**JANUARY 26, 2015**

***NON-BINDING AUDIT FEE PROPOSAL:***

<u>Year Ending</u>	<u>Audit Fee</u>
June 30, 2015	\$ 19,000
June 30, 2016	20,250

This fee includes all out-of-pocket travel costs and report preparation costs.

The fee does not include costs associated with the implementation of, or audit procedures required for new GASB pronouncements or APA requirements.

The fee above does not include the review of any POS or OS in conjunction with the issuance of debt or providing any "comfort letters."

\*Procurement based on Fairfax Water RFP 12-09 "Provide Annual Audit Services"

<u>Consulting as requested:</u>	<u>Hourly Rates</u>
Partner	\$ 245
Manager	200
Staff	165

Signed on behalf of PBMares, LLP:

  
Name

**Partner**  
Title

**1/27/2015**  
Date

# IV.

## NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

### MEMORANDUM

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

**FROM:** Monica Backmon, Executive Director

**SUBJECT:** Draft FY2016 Operating Budget

**DATE:** February 20, 2015

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1. **Purpose:** Discussion of Draft FY2016 Operating Budget as outlined below.
2. **Background:** The NVTA Operating Budget is paid for by the Authority's member jurisdictions based on population. All unobligated/unexpended funds from FY2015 will be available for allocation to the FY2016 budget, thereby reducing the contribution required of the member jurisdictions. The Finance Committee provided guidance to Authority staff on the budget development at the January 2015 meeting.
3. **Assumptions:**
  - a. **FY2015 Year End Performance.** Carryover from FY2015 is expected to be approximately \$386,000. The carryover includes the Debt Policy required 20% operating reserve.
  - b. **FY2015 One Time Items.** One time expenditures related to the set up and equipping of the new office location, such as moving and furnishing, were eliminated in the FY2016 Operating Budget (approximately \$63,000).
  - c. **NVTA Staffing/Compensation.** No changes are anticipated to staffing levels. As occurred in FY2015, compensation changes will be based on the average of annual increases contemplated by NVTA member jurisdictions' proposed budgets and take into account peer groups in Northern Virginia. As member jurisdictions are in the process of establishing their FY2016 budgets, a salary increase factor of 4.5% was used for budget estimation purposes.
  - d. **Completion of Staff Benefit Package.** The Authority is still completing the staff benefit package to include a 457K type deferred compensation plan and disability benefits. If not completed in FY2015 these programs will be established in FY2016.
  - e. **Professional Development.** Several staff members have professional certifications requiring annual educational session/courses. Additionally, financing and investment activities require ongoing professional development for staff to stay current with regulatory requirements and professional standards.
  - f. **Public Outreach.** The Authority is in the process of examining several public outreach options. Public outreach in the FY2016 draft budget is addressed by a combination of carryover and new funding. Utilization of the technical and staff resources of the member jurisdictions, to reduce costs is underway.
4. **Next Steps.** With any additional guidance from the Finance Committee, the draft budget can be reported to the Authority for review in February. The Committee can then present the draft budget to the Authority in either March or April for adoption.



**Attachment:** Draft FY2016 Operating Budget

DRAFT Dated: 2/12/2015

Northern Virginia Transportation Authority Projected FY 2015 Operating Budget Actual as of 12/31/2014					FY 2016 Draft Budget	Carryforward Analysis	
INCOME:	Approved Budget	Actual Receipts	Projected FY2015	Variance Budget to Actual	Proposed Receipts		
Budget Carryforward	\$ 270,000.00	\$ 294,142.00	\$ 294,142.00	\$ 24,142.00	385,455.19	385,455.19	Gross Carry Forward
Billed to Member Jurisdictions	1,149,473.00	1,149,473.00	\$ 1,149,473.00	-	1,105,555.61		
Misc. Income		2,929.09	\$ 2,929.09	2,929.09		46,200.00	Unencumbered Transaction Update Outreach
Reimbursement -LOC Cost of Issuance				-		28,920.00	Unencumbered Web Development & Hosting
<b>Total Income</b>	<b>1,419,473.00</b>	<b>1,446,544.09</b>	<b>1,446,544.09</b>	<b>27,071.09</b>	<b>1,491,010.80</b>	75,120.00	Total Unencumbered Carryforward
EXPENDITURES:	Approved Budget	Actual Expenditures	Projected FY2015	Variance Budget to Actual	Proposed Expenditures		
<b>Personnel Expenditures</b>							
Salaries	\$ 649,290.00	\$ 312,772.20	\$ 646,843.78	\$ 2,446.22	682,358.00		
Benefits	140,850.00	56,634.75	\$ 127,071.73	13,778.27	156,567.00		
Taxes	49,600.00	21,775.81	\$ 49,129.03	470.97	53,564.00		
<b>Personnel Subtotal</b>	<b>839,740.00</b>	<b>391,182.76</b>	<b>823,044.53</b>	<b>16,695.47</b>	<b>892,489.00</b>		
<b>Professional Service</b>							
Audit/Accounting	27,500.00	27,369.00	\$ 27,369.00	131.00	27,500.00		
Banking Services	1,000.00	129.57	\$ 129.57	870.43	750.00		
Insurance	3,700.00	3,811.00	\$ 3,811.00	(111.00)	3,900.00		
Payroll Services	2,000.00	451.90	\$ 971.90	1,028.10	1,300.00		
Transaction Update Outreach	46,200.00	-	\$ -	46,200.00	46,200.00		
Public Outreach	23,800.00	10,069.40	\$ 38,800.00	(15,000.00)	46,300.00		
<b>Professional Subtotal</b>	<b>104,200.00</b>	<b>41,830.87</b>	<b>71,081.47</b>	<b>33,118.53</b>	<b>125,950.00</b>		
<b>Technology/Communication</b>							
Accounting & Financial Reporting System	25,000.00	5,031.25	\$ 20,156.25	4,843.75	12,000.00		
Hardware Software & Peripherals Purchase	7,000.00	2,824.99	\$ 3,624.99	3,375.01	4,000.00		
IT Support Services including Hosting	11,794.00	5,753.97	\$ 11,932.94	(138.94)	10,420.00		
Phone Service	7,060.00	2,498.52	\$ 7,438.52	(378.52)	7,680.00		
Web Development & Hosting	30,000.00	1,080.00	\$ 1,080.00	28,920.00	38,920.00		
<b>Subtotal Technology/Communication</b>	<b>80,854.00</b>	<b>17,188.73</b>	<b>44,232.70</b>	<b>36,621.30</b>	<b>73,020.00</b>		
<b>Administrative Expenses</b>							
Advertisements	6,000.00	-	\$ 1,500.00	4,500.00	1,500.00		
Dues & Subscriptions	2,500.00	410.00	\$ 1,910.00	590.00	3,000.00		
Duplication/Printing	15,000.00	3,033.35	\$ 17,007.70	(2,007.70)	17,000.00		
Furniture/Fixtures	58,000.00	39,621.53	\$ 44,621.53	13,378.47	1,500.00		
Regional Meeting Expenses	3,600.00	3,689.74	\$ 5,179.74	(1,579.74)	3,600.00		
Mileage/Transportation	7,200.00	632.62	\$ 2,530.48	4,669.52	7,200.00		
Industry Conferences	-	-	\$ -	-	3,000.00		
Miscellaneous Expense (moving expense)	5,000.00	825.31	\$ 1,275.31	3,724.69	-		
Office Lease	50,000.00	5,535.00	\$ 35,577.96	14,422.04	93,900.00		
Office Supplies	5,200.00	3,205.80	\$ 9,405.80	(4,205.80)	10,000.00		
Postage/Delivery	600.00	95.05	\$ 261.80	338.20	600.00		
Professional Development/Training	5,000.00	1,459.88	\$ 3,459.88	1,540.12	9,750.00		
<b>Subtotal Administrative Expenses</b>	<b>158,100.00</b>	<b>58,508.28</b>	<b>122,730.20</b>	<b>35,369.80</b>	<b>151,050.00</b>		
<b>Expenditure Subtotal</b>	<b>1,182,894.00</b>	<b>508,710.64</b>	<b>1,061,088.90</b>	<b>121,805.10</b>	<b>1,242,509.00</b>		
<b>Operating Reserve (20%)</b>	<b>236,579.00</b>	<b>-</b>	<b>-</b>	<b>236,579.00</b>	<b>248,501.80</b>		
<b>Total Expenditures</b>	<b>1,419,473.00</b>	<b>508,710.64</b>	<b>1,061,088.90</b>	<b>358,384.10</b>	<b>1,491,010.80</b>		
<b>Budget Balance</b>	<b>\$ -</b>	<b>\$ 937,833.45</b>	<b>\$ 385,455.19</b>	<b>\$ 385,455.19</b>	<b>\$ -</b>		
<b>Member Jurisdiction Support</b>							
<b>Jurisdiction</b>	<b>2010 Population</b>	<b>FY 2015 Support Amounts</b>			<b>FY 2016 Support Amounts</b>		
City of Alexandria	6.30%	\$ 72,416.76			\$ 69,650.00		
Arlington County	9.40%	\$ 108,050.40			\$ 103,922.23		
City of Fairfax	1.00%	\$ 11,494.72			\$ 11,055.56		
Fairfax County	48.00%	\$ 551,746.71			\$ 530,666.69		
City of Falls Church	0.60%	\$ 6,896.83			\$ 6,633.33		
Loudoun County	14.20%	\$ 163,225.07			\$ 156,988.90		
City of Manassas	1.70%	\$ 19,541.03			\$ 18,794.45		
City of Manassas Park	0.60%	\$ 6,896.83			\$ 6,633.33		
Prince William County	18.20%	\$ 209,203.96			\$ 201,211.12		
		\$ 1,149,472.32			\$ 1,105,555.61		

# NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

## MEMORANDUM

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

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

**SUBJECT:** Draft FY2016 30% Revenue Budget

**DATE:** February 20, 2015

1. **Purpose:** Discussion of draft FY2016 30% Revenue budget as outlined below.
2. **Background:** 30% Revenues are distributed in their entirety to member jurisdictions in accord with HB2313(2013). Any funds not eligible for distribution to a member jurisdiction would be transferred to the Regional Revenue Fund at the end of the fiscal year. The Finance Committee provided guidance to Authority staff on the budget development at the January 2015 meeting.
3. **Assumptions:** The Authority will continue to follow HB2313(2013) in the distribution of the 30% funds. HB2313 revenues will continue to be estimated conservatively. The FY2016 revenue amounts previously projected will continued to be utilized. The draft budget is presented in Table 1 and the FY2016 revenue estimates are presented in Table 2.

Table 1

<b>Draft FY2016 30% Revenue Budget</b>			
	Adopted FY2014	Adopted FY2015	Estimated FY2016
<b>Revenues:</b>			
30% Revenues	\$ 87,444,496.65	\$ 87,070,462.09	\$ 88,677,508.77
<b>Expenditures:</b>			
<b>Distribution to Member Jurisdictions*</b>			
	\$ 87,444,496.65	\$ 87,070,462.09	\$ 88,677,508.77
<b>Ending Balance:</b>	\$ -	\$ -	\$ -
*Actual distributions will match actual revenue during the fiscal period.			

Table 2

<b>FY2016 Revenue Estimates (Accrual Basis)</b>			
	Adopted FY2014	Adopted FY2015	Estimated FY2016
<b>Sales Tax</b>	\$ 232,456,223.48	\$ 228,073,196.46	\$ 232,756,819.78
<b>Transient Occupancy Tax</b>	\$ 24,348,642.07	\$ 25,258,011.31	\$ 25,632,398.08
<b>Grantors Tax</b>	\$ 34,676,789.94	\$ 36,903,665.85	\$ 37,202,478.04
<b>Total</b>	<b>\$ 291,481,655.49</b>	<b>\$ 290,234,873.62</b>	<b>\$ 295,591,695.90</b>
<b>70%</b>	<b>\$ 204,037,158.85</b>	<b>\$ 203,164,411.53</b>	<b>\$ 206,914,187.13</b>
<b>30%</b>	<b>\$ 87,444,496.65</b>	<b>\$ 87,070,462.09</b>	<b>\$ 88,677,508.77</b>

- 4. Next Steps.** With any additional guidance from the Finance Committee, the draft budget can be reported to the Authority for review in February. The Committee can then present the draft budget to the Authority in either March or April for adoption.

## 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:** February 20, 2015

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1. **Purpose:** Discussion of draft FY2016 Regional Revenue Budget as outlined below.
2. **Background:** Regional Revenues (70% funds) are largely programmed through the Authority's approval of specific projects on a PayGo basis, after all debt service obligations are met for a fiscal period. 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 at the January 2015 meeting. The Authority currently has three reserves as required in the adopted Debt Policy
  - a. **Operating Reserve.** This reserve is set at 20% of the adopted operating budget. This reserve may be used at the discretion of the Executive Director to cover unanticipated increases in the Authority's operating budget. This reserve is tracked in the operating budget.
  - b. **Debt Service Reserve.** This reserve was funded through bond proceeds and exists to protect NVTA's bondholders.
  - c. **Working Capital Reserve (WCR).** The WCR must be equal to at least six months of budgeted regional revenue funds (approximately \$103.5 million). The intent of the WCR is to protect approved projects from revenue disruptions. The WCR may be used to manage any mismatches in the actual receipt of revenue and the disbursement of funds for projects. The WCR may also be used for debt service. The WCR enables the Authority to respond to unforeseen circumstances which disrupt revenue.
3. **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 and financial advisory services for bond financing. The Authority requires ongoing consultation and support from Bond Counsel and a Financial Advisor. Where appropriate and possible we will convert any of these costs to the cost of issuance on future bond financings. Such conversion may not always be possible.
  - d. **TransAction Update.** The Authority will be updating TransAction 2040. The current estimate for the update is approximately \$2.5 million. RSTP funds were used for the last update. The funding source is still in discussion, the amount is included for estimation purposes.
  - e. **Contingency for Approved Projects.** This new contingency fund is targeted to support already approved projects which are requesting additional funds due to unforeseeable

circumstances. This contingency is not targeted to providing additional funding to advance a project past approved objectives (see Transportation Project Reserve). Establishing this contingency will enable the Authority to support already approved projects that encounter unexpected costs or if an opportunity becomes available to leverage additional funding. When agreeing to a project, the project sponsor acknowledges in the Standard Project Agreement (SPA) that the Authority is not required to authorize additional funding. Further, the SPA states any such requests will require Finance Committee review prior to Authority consideration. A detailed policy statement will need to be developed with input from member jurisdictions and approved by the Authority.

- f. Transportation Projects Reserve.** This reserve is targeted to ensure funds are available to advance regionally significant projects not previously approved by the Authority. Funding approvals must meet all HB2313 requirements and all other applicable project approval requirements such as HB599. 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. A detailed policy statement will need to be developed with input from member jurisdictions and approved by the Authority.

- 4. Next Steps.** With additional guidance from the Finance Committee, the draft budget can be reported to the Authority for review in February. The Committee can then present the draft budget to the Authority in either March or April for adoption.

**Attachment:** Draft FY2016 70% Regional Revenue Budget

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

	<b>Adopted FY2015</b>	<b>Current FY2015 Projections</b>	<b>Proposed FY2016</b>
<b>Revenue 70% Regional Funds</b>			
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)	\$ -	\$ -	\$ -
<b>Total Revenue with Debt Proceeds</b>	<b>\$ 203,516,912.00</b>	<b>\$ 203,284,412.00</b>	<b>\$ 206,984,188.00</b>
<b>Expenditures</b>			
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
<b>Total Expenditures</b>	<b>\$ 72,328,434.00</b>	<b>\$ 71,641,472.00</b>	<b>\$ 63,179,310.28</b>
<b>Available Balance For Projects</b>	<b>\$ 131,188,478.00</b>	<b>\$ 131,642,940.00</b>	<b>\$ 143,804,877.72</b>
Projected Project Expenditures (PayGo)	\$ 131,188,478.00	\$ 131,642,940.00	\$ 143,804,877.72
Carry Forward Unassigned Project Funds	\$ 76,431,787.00	\$ 76,431,787.00	
<b>Total Available for Project Assignments*</b>	<b>\$ 207,620,265.00</b>	<b>\$ 208,074,727.00</b>	<b>\$ 143,804,877.72</b>
<b>Cumulative Regional Revenue Reserve Balances</b>			
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
<b>Cumulative Reserve Balances</b>	<b>\$ 141,328,434.00</b>	<b>\$ 73,272,622.00</b>	<b>\$ 128,908,643.14</b>

FY2015/16 Total  
\$ 351,879,604.72

\* Project Approvals will determine exact assignments by fiscal year

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

<b>Impact on funds available for projects after regional revenue contingency</b>			
<b>Percentage Rate</b>	<b>Contingency Amt.</b>	<b>FY2015/16 Available Funds</b>	
3.80%	\$ 7,865,399.14	\$ 351,879,604.72	
4.00%	\$ 8,279,367.52	\$ 351,465,636.34	
4.50%	\$ 9,314,288.46	\$ 350,430,715.40	
5.00%	\$ 10,349,209.40	\$ 349,395,794.46	
5.25%	\$ 10,866,669.87	\$ 348,878,333.99	
6.00%	\$ 12,419,051.28	\$ 347,325,952.58	
7.00%	\$ 14,488,893.16	\$ 345,256,110.70	
8.00%	\$ 16,558,735.04	\$ 343,186,268.82	
9.00%	\$ 18,628,576.92	\$ 341,116,426.94	
10.00%	\$ 20,698,418.80	\$ 339,046,585.06	
12.00%	\$ 24,838,102.56	\$ 334,906,901.30	
14.00%	\$ 28,977,786.32	\$ 330,767,217.54	

# VII.

## 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:** February 20, 2015

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1. **Purpose:** Update of HB 2313 receipts, revenue estimates and distributions.
2. **Background:** The attached reports reflect funding received or in process through January 2015.
3. **Comments:**
  - a. **FY 2015 Revenues (Attachment A)**
    - i. The Authority has received approximately \$128.8 million through the January transfers from the Commonwealth.
    - ii. Actual to estimate comparison for revenues through January show a 14.96% positive variance in Grantors Tax receipts, a 2.91% positive variance in Sales Tax receipts and a 2.06 % positive variance in Transient Occupancy Tax receipts.
  - b. **FY 2015 Distribution to localities (Attachment B)**
    - i. As of the preparation of this report, eight jurisdictions have completed the HB2313 required annual certification process to receive FY2015 30% funds. Postponements of transfers have been discussed with jurisdictional staff where appropriate.
    - ii. Of the \$128.8 million received by the Authority for FY2015, approximately \$38.6 million represents 30% local funds.
    - iii. Of the \$38.6 million eligible to be distributed, \$32.2 million has been transferred, Prince William County will receive their initial FY2015 transfer in February. The City of Fairfax's balance is on hold pending certification.
  - 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 January.
    - 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 January 2015
- B. FY2015 30% Distribution by Jurisdiction
- C. Month to Month Comparison By Tax Type and YTD Receipts Through January 2015 and 2014

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

Grantors Tax		Received		NVTA		Projected
Transaction Months	6	To Date	Annualized	FY 2015 Budget	Annualized - Actual To Budget	Variance
City of Alexandria		\$ 1,856,777	\$ 3,713,555	\$ 3,195,000	\$ 518,555	
Arlington County		\$ 2,089,350	\$ 4,178,699	\$ 4,574,287	\$ (395,588)	
City of Fairfax		\$ 155,210	\$ 310,420	\$ 290,799	\$ 19,621	
Fairfax County		\$ 9,371,136	\$ 18,742,272	\$ 15,169,980	\$ 3,572,292	
City of Falls Church		\$ 146,513	\$ 293,025	\$ 263,319	\$ 29,706	
Loudoun County		\$ 4,597,084	\$ 9,194,169	\$ 8,466,000	\$ 728,169	
City of Manassas		\$ 150,779	\$ 301,558	\$ 272,917	\$ 28,641	
City of Manassas Park		\$ 93,635	\$ 187,270	\$ 149,692	\$ 37,578	
Prince William County		\$ 2,752,050	\$ 5,504,099	\$ 4,521,672	\$ 982,427	
<b>Total Grantors Tax Revenue</b>		<b>\$ 21,212,534</b>	<b>\$ 42,425,068</b>	<b>\$ 36,903,666</b>	<b>\$ 5,521,402</b>	<b>14.96%</b>
Regional Sales Tax*		Received		FY 2015		Projected
Transaction Months	5	To Date	Annualized	Budget	Annualized - Actual To Budget	Variance
City of Alexandria		\$5,663,483	\$ 13,592,360	\$ 14,891,000	\$ (1,298,640)	
Arlington County		\$10,005,077	\$ 24,012,184	\$ 23,984,390	\$ 27,794	
City of Fairfax		\$3,088,999	\$ 7,413,597	\$ 6,536,626	\$ 876,971	
Fairfax County		\$43,999,324	\$ 105,598,378	\$ 100,596,000	\$ 5,002,378	
City of Falls Church		\$941,491	\$ 2,259,579	\$ 2,498,666	\$ (239,087)	
Loudoun County		\$16,854,308	\$ 40,450,340	\$ 40,086,000	\$ 364,340	
City of Manassas		\$2,021,233	\$ 4,850,959	\$ 4,620,629	\$ 230,330	
City of Manassas Park		\$527,949	\$ 1,267,078	\$ 930,903	\$ 336,175	
Prince William County		\$14,697,736	\$ 35,274,567	\$ 33,928,982	\$ 1,345,585	
<b>Total Sales Tax Revenue*</b>		<b>\$ 97,799,601</b>	<b>\$ 234,719,042</b>	<b>\$ 228,073,196</b>	<b>\$ 6,645,846</b>	<b>2.91%</b>
Transient Occupancy Tax (TOT)		Received		FY 2015		Projected
Transaction Months	3.62	To Date	Annualized	Budget	Annualized - Actual To Budget	Variance
City of Alexandria	5.00	\$ 1,292,912	\$ 3,102,990	\$ 3,364,000	\$ (261,010)	
Arlington County	5.00	\$ 3,817,361	\$ 9,161,666	\$ 8,890,830	\$ 270,836	
City of Fairfax	5.00	\$ 195,069	\$ 156,056	\$ 349,526	\$ (193,470)	
Fairfax County	1.33	\$ 2,842,474	\$ 8,548,794	\$ 8,965,800	\$ (417,006)	
City of Falls Church	5.00	\$ 55,849	\$ 134,037	\$ 143,309	\$ (9,272)	
Loudoun County	1.33	\$ 1,030,322	\$ 3,098,713	\$ 2,020,000	\$ 1,078,713	
City of Manassas	5.00	\$ 25,253	\$ 60,607	\$ 78,546	\$ (17,939)	
City of Manassas Park		\$ -	\$ -	\$ -	\$ -	
Prince William County	1.33	\$ 503,493	\$ 1,514,265	\$ 1,446,000	\$ 68,265	
<b>Total TOT Revenue</b>		<b>9,762,734</b>	<b>25,777,129</b>	<b>\$ 25,258,011</b>	<b>519,118</b>	<b>2.06%</b>
<b>Total Revenue Received</b>		<b>\$ 128,774,869</b>	<b>\$ 302,921,238</b>	<b>\$ 290,234,873</b>	<b>\$ 12,686,365</b>	<b>4.37%</b>
		<b>\$ 128,774,869</b>				

\*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
	<u>\$ 59,608</u>

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY  
FY 2015 30% DISTRIBUTION BY JURISDICTION

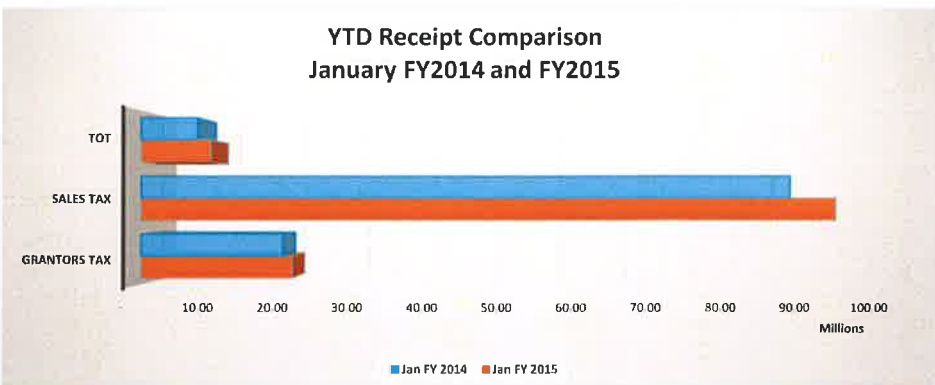
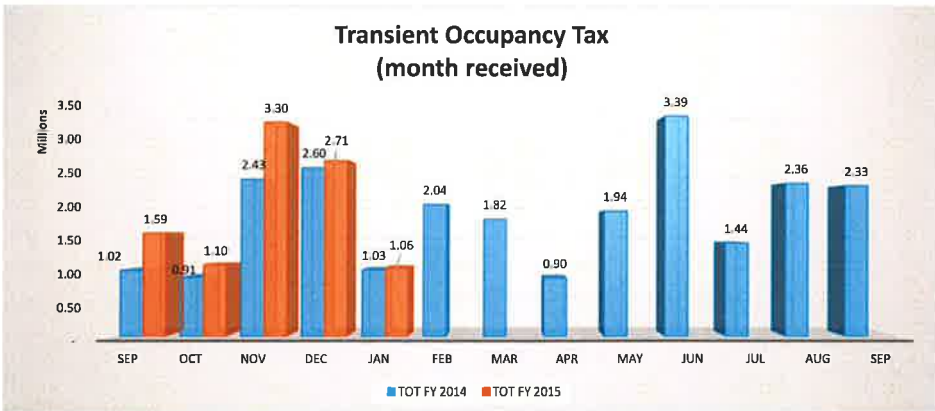
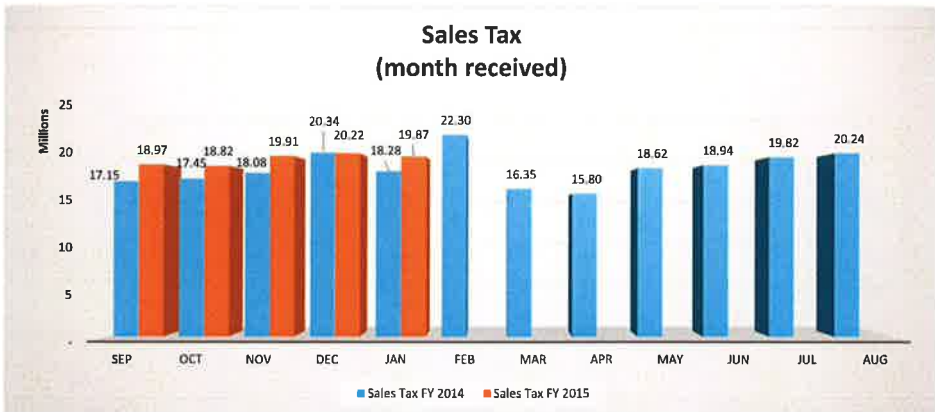
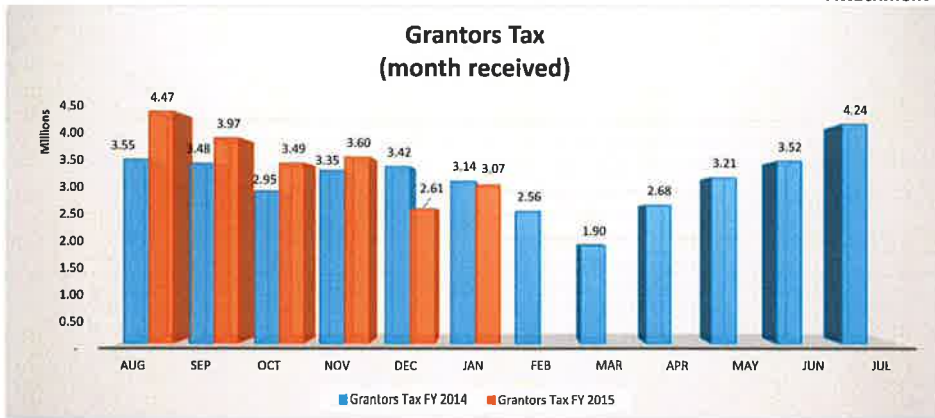
Based on: Receipts through January 2015

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	\$ 1,856,777.45	\$ 5,663,483.31	\$ 1,292,912.42	\$ 10,221.19	\$ 8,823,394.37	\$ 2,647,018.31	122.06	\$ 3,891,080.77	\$ 2,647,140.37	\$ 2,647,140.37
Arlington County	\$ 2,089,349.70	\$ 10,005,076.66	\$ 3,817,360.94	\$ 20,815.87	\$ 15,932,603.17	\$ 4,779,780.95	209.24	\$ 3,891,080.77	\$ 888,909.42	\$ 4,779,990.19
City of Fairfax	\$ 155,210.10	\$ 3,088,998.54	\$ 195,069.43	\$ 1,063.23	\$ 3,440,341.30	\$ 1,032,102.39	52.31	\$ 13,746,481.94	\$ 1,032,154.70	\$ 1,032,154.70
Fairfax County	\$ 9,371,136.15	\$ 43,999,324.06	\$ 2,842,473.99	\$ 42,144.96	\$ 56,255,079.16	\$ 16,876,523.75	749.77	\$ 13,746,481.94	\$ 3,130,791.58	\$ 16,877,273.52
City of Falls Church	\$ 146,512.55	\$ 941,491.18	\$ 55,848.95	\$ 609.46	\$ 1,144,462.14	\$ 343,338.64	17.44	\$ 5,553,578.24	\$ 343,356.08	\$ 343,356.08
Loudoun County	\$ 4,597,084.31	\$ 16,854,308.48	\$ 1,030,322.21	\$ 18,795.83	\$ 22,500,510.83	\$ 6,750,153.25	313.86	\$ 536,392.02	\$ 1,196,888.87	\$ 6,750,467.11
City of Manassas	\$ 150,779.10	\$ 2,021,233.05	\$ 25,253.05	\$ 886.38	\$ 2,198,151.58	\$ 659,445.47	34.87	\$ 536,392.02	\$ 123,088.32	\$ 659,480.34
City of Manassas Park	\$ 93,634.95	\$ 527,949.25	\$ -	\$ 373.25	\$ 621,957.45	\$ 186,587.23	-	\$ 156,913.59	\$ 29,673.64	\$ 186,587.23
Prince William County	\$ 2,752,049.54	\$ 14,697,736.25	\$ 503,493.03	\$ 10,525.70	\$ 17,963,804.52	\$ 5,389,141.36	244.11	\$ 156,913.59	\$ 5,389,385.47	\$ 186,587.23
<b>Total Revenue</b>	\$ 21,212,533.85	\$ 97,799,600.78	\$ 9,762,734.02	\$ 105,435.87	\$ 128,880,304.52	\$ 38,664,091.35	\$ 1,743.66	\$ 23,884,446.56	\$ 14,781,388.45	\$ 32,244,294.84

1 Net of Dept. of Taxation Fees

2 County TOT includes any town collections

3 Interest earned through 12/31/2014



# VIII.

## 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:** February 20, 2015

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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. January represents 58.33% of the fiscal year. Through January, the Authority has utilized 50.15% of its expenditure budget.
  - c. No changes are expected to the Operating Budget.

**Attachment:** FY2015 Operating Budget through January 31, 2015

Northern Virginia Transportation Authority FY 2015 Operating Budget January 31, 2015			
<b>INCOME:</b>	<b>Approved Budget</b>	<b>Actual Receipts</b>	<b>Variance Budget to Actual</b>
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		2,929.09	2,929.09
Reimbursement -LOC Cost of Issuance			-
<b>Total Income</b>	<b>1,419,473.00</b>	<b>1,446,544.09</b>	<b>27,071.09</b>
<b>EXPENDITURES:</b>	<b>Approved Budget</b>	<b>Actual Expenditures</b>	<b>Variance Budget to Actual</b>
<b>Personnel Expenditures</b>			
Salaries	\$ 649,290.00	\$ 363,106.08	\$ 286,183.92
Benefits	140,850.00	69,480.83	71,369.17
Taxes	49,600.00	26,468.36	23,131.64
<b>Personnel Subtotal</b>	<b>839,740.00</b>	<b>459,055.27</b>	<b>380,684.73</b>
<b>Professional Service</b>			
Audit/Accounting	27,500.00	27,369.00	131.00
Banking Services	1,000.00	129.57	870.43
Insurance	3,700.00	3,811.00	(111.00)
Payroll Services	2,000.00	652.17	1,347.83
Transaction Update Outreach	46,200.00	-	46,200.00
Public Outreach	23,800.00	16,476.92	7,323.08
<b>Professional Subtotal</b>	<b>104,200.00</b>	<b>48,438.66</b>	<b>55,761.34</b>
<b>Technology/Communication</b>			
Accounting & Financial Reporting System	25,000.00	5,031.25	19,968.75
Hardware Software & Peripherals Purchase	7,000.00	2,824.99	4,175.01
IT Support Services including Hosting	11,794.00	6,562.96	5,231.04
Phone Service	7,060.00	2,820.18	4,239.82
Web Development & Hosting	30,000.00	1,080.00	28,920.00
<b>Subtotal Technology/Communication</b>	<b>80,854.00</b>	<b>18,319.38</b>	<b>62,534.62</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	10,020.70	4,979.30
Furniture/Fixtures	58,000.00	39,621.53	18,378.47
Meeting Expenses	3,600.00	3,840.85	(240.85)
Mileage/Transportation	7,200.00	898.25	6,301.75
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	4,173.10	1,026.90
Postage/Delivery	600.00	135.80	464.20
Professional Development/Training	5,000.00	1,911.32	3,088.68
<b>Subtotal Administrative Expenses</b>	<b>158,100.00</b>	<b>67,371.86</b>	<b>90,728.14</b>
<b>Expenditure Subtotal</b>	<b>1,182,894.00</b>	<b>593,185.17</b>	<b>589,708.83</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>593,185.17</b>	<b>826,287.83</b>
<b>Budget Balance</b>	<b>\$ -</b>	<b>\$ 853,358.92</b>	<b>\$ 853,358.92</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	