

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

THROUGH: John Mason, Executive Director

FROM: Michael Longhi, Chief Financial Officer

SUBJECT: NVTA Operating Budget

DATE: January 23, 2014

- 1. Purpose:** To update the Authority on the NVTA Operating Budget
- 2. Background:** NVTA is funded through the participating jurisdictions and interest earnings. The Memorandum of Agreement (MOA) between NVTA and the member City or County permits the appropriate jurisdictional share of NVTA operational costs to be deducted directly from the 30% distribution or to be billed to jurisdictions.
- 3. Comments:**
 - a. Pending the approval and execution of the MOAs, NVTA's operating resources are constrained to the cash on hand at the beginning of this fiscal year. Recognition of interest earnings on the 70% funding is also awaiting the MOA execution and disbursement of the 30% revenues to member jurisdictions.
 - b. Interest income is tied to the projected rate of regional (70%) project funding utilized by member jurisdiction as well as market rates. Interest earned on the 30% funding will be remitted to the member jurisdictions.
 - c. The majority of NVTA expenses to date are related to preparation for the first bond issuance (bond validation suit and development of debt policy). Those expenses are recognized as committed but are unpaid, pending receipt of cash related to the execution of the MOAs.
 - d. The rate of budgeted expenditures will increase as NVTA staff is hired, employee benefits are established and additional startup costs such as an accounting system are acquired.
 - e. Evaluation of prospective accounting systems is ongoing. Initial cost proposals for the system are in the \$30,000 range with web based or cloud hosting at approximately \$10,000/yr.
 - f. No changes to the operating budget are recommended at this time.

Attachment: NVTA Operating Budget for FY 2014, through December 31, 2013

XVII. ATTACHMENT

| Northern Virginia Transportation Authority | | | | |
|--------------------------------------------|----------------------|----------------------|----------------------|----------------------|
| Operating Budget - FY 2014 | | | | |
| July 1, 2013 through December 31, 2013 | | | | |
| | Approved Budget | Received | Anticipated | Projected Revenue |
| INCOME: | | | | |
| Cash on hand | \$ 212,117.00 | \$ 212,117.00 | \$ - | \$ 212,117.00 |
| Interest (70% Regional Revenues) | \$ 100,000.00 | \$ - | \$ 100,000.00 | \$ 100,000.00 |
| Billed to Member Jurisdictions | \$ 591,595.00 | \$ - | \$ 591,595.00 | \$ 591,595.00 |
| Total Income | \$ 903,712.00 | \$ 212,117.00 | \$ 691,595.00 | \$ 903,712.00 |
| EXPENDITURES: | | | | |
| | Approved Budget | Expended | Committed | Available Balance |
| Professional Service | | | | |
| Legal | \$ 125,000.00 | \$ 4,899.50 | \$ 69,193.63 | \$ 50,906.87 |
| Public Outreach | \$ 30,000.00 | \$ - | \$ - | \$ 30,000.00 |
| Financial Services | \$ 80,000.00 | \$ - | \$ 83,000.00 | \$ (3,000.00) |
| Professional Subtotal | \$ 235,000.00 | \$ 4,899.50 | \$ 152,193.63 | \$ 77,906.87 |
| Operational Expenses | | | | |
| Start Up Expenses | | | | |
| Office Space Build Out | \$ 4,000.00 | \$ - | \$ - | \$ 4,000.00 |
| One-time h/w,s/w | \$ 948.00 | \$ - | \$ - | \$ 948.00 |
| IT/Telecommunications | \$ - | \$ - | \$ - | \$ - |
| Computers/Installation | \$ 9,972.00 | \$ 6,720.82 | \$ 4,000.00 | \$ (748.82) |
| Start Up Subtotal | \$ 14,920.00 | \$ 6,720.82 | \$ 4,000.00 | \$ 4,199.18 |
| Annual Expenses | | | | |
| Telephone Service | \$ 1,650.00 | \$ - | \$ - | \$ 1,650.00 |
| Copier/Postage | \$ 9,000.00 | \$ - | \$ - | \$ 9,000.00 |
| Annual 3d party s/w costs | \$ 895.00 | \$ - | \$ - | \$ 895.00 |
| Monthly internet fee (Cox) | \$ 840.00 | \$ - | \$ - | \$ 840.00 |
| Cell phones | \$ 10,000.00 | \$ - | \$ - | \$ 10,000.00 |
| Lease Space | \$ 5,460.00 | \$ - | \$ - | \$ 5,460.00 |
| Mileage/Transportation | \$ 6,000.00 | \$ 468.76 | \$ - | \$ 5,531.24 |
| Operating/Meeting Expenses | \$ 1,000.00 | \$ 1,183.35 | \$ - | \$ (183.35) |
| Insurance | \$ 3,000.00 | \$ 2,673.00 | \$ - | \$ 327.00 |
| Annual Expenses | \$ 37,845.00 | \$ 4,325.11 | \$ - | \$ 33,519.89 |
| Operational Subtotal | \$ 52,765.00 | \$ 15,945.43 | \$ 4,000.00 | \$ 32,819.57 |
| Personnel Expenses | | | | |
| Salaries & Taxes | \$ 342,628.00 | \$ 54,793.84 | \$ - | \$ 287,834.16 |
| Benefits | \$ 122,700.00 | \$ 3,202.68 | \$ - | \$ 119,497.32 |
| Personnel Subtotal | \$ 465,328.00 | \$ 57,996.52 | \$ - | \$ 407,331.48 |
| Expense Subtotal | \$ 753,093.00 | \$ 78,841.45 | \$ 156,193.63 | \$ 518,057.92 |
| Operating Reserve (20%) | \$ 150,619.00 | \$ - | \$ 150,619.00 | \$ - |
| Total Expenditures | \$ 903,712.00 | \$ 78,841.45 | \$ 306,812.63 | \$ 518,057.92 |
| Billed to Local Governments | \$591,595 | | | |
| | 2010 | Billed | | |
| | Population | Amounts | | |
| Alexandria | 6.30% | \$ 37,270 | | |
| Arlington | 9.40% | \$ 55,610 | | |
| Fairfax City | 1.00% | \$ 5,916 | | |
| Fairfax County | 48.00% | \$ 283,966 | | |
| Falls Church | 0.60% | \$ 3,550 | | |
| Loudoun | 14.20% | \$ 84,006 | | |
| Manassas | 1.70% | \$ 10,057 | | |
| Manassas Park | 0.60% | \$ 3,550 | | |
| Prince William | 18.20% | \$ 107,670 | | |
| | 100.00% | \$ 591,595 | | |