

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

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

FROM: Monica Backmon, Executive Director

SUBJECT: Proposed FY2016 Operating Budget

DATE: February 23, 2015

1. **Recommendation:** Approval of FY2016 Operating Budget as recommended by the NVTA Finance Committee.
2. **Suggested motion.** *I move approval of proposed FY2016 Operating Budget as recommended by the NVTA Finance Committee.*
3. **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 carried forward 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 and February committee meetings.
4. **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. The Finance Committee provided guidance that any compensation changes be consistent with the average of annual increases contemplated by NVTA member jurisdictions' proposed budgets and take into account peer groups in Northern Virginia. The NVTA uses a pay for performance methodology in annual staff evaluations. For budgeting purposes 3% was used as an estimate for FY2016. However, all compensation changes will be based on actual performance and consistency with the average budgets of member jurisdictions.
 - 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. Options include the audio streaming of public meetings. Public outreach in the FY2016 draft budget is addressed by a combination of carryover and new funding. Utilization of technical and staff resources of the member jurisdictions to reduce costs is being solicited.

Attachment: Draft FY2016 Operating Budget

Coordination:
Finance Committee

