

## NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

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

**FROM:** Mayor Parrish, Chairman – Finance Committee

**DATE:** June 2, 2016

**SUBJECT:** Finance Committee Report for May 19<sup>th</sup> Meeting

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1. **Purpose:** To provide a report of the monthly activities of the Northern Virginia Transportation Authority Finance Committee.
2. **Background:** The Finance Committee last met on May 19, 2016. The next meeting is scheduled for June 16, 2016. The following summarizes the May 19<sup>th</sup> meeting:
  - a. **Presentation - Debt Scenarios and Capacity.** The Committee received a presentation from the Chief Financial Officer (CFO) and the Authority's Financial Advisor (PFM). The presentation included:
    - i. An outline of the steps that would need to be taken and time periods related to project funding if total project costs exceed the FY2017 adopted PayGo budget.
    - ii. PFM presented an updated Debt Capacity Analysis. This presentation affirmed earlier analysis presented to the Authority in August of 2015 that the Authority has significant ability to finance projects while maintaining strong PayGo capacity.
    - iii. An analysis of the cost associated with the FY2017 funding requests was presented. The analysis included project costs relative to the staff recommendations presented on May 12<sup>th</sup> and resulting financing needs of approximately \$160 million. As part of the analysis a comparison of total debt service and average annual debt service for financed amounts of \$160, \$200 and \$250 million.
  - b. **Action Item - VRS Alternative Rate for FY2017 and FY2018.** The Committee reviewed a report and recommendation from the CFO regarding an option to use a reduced Virginia Retirement System (VRS) contribution rate for FY2017 and FY2018. As presented, use of the lower rate would decrease the VRS cost for these two fiscal years but would also result in greater future year costs to the Authority. The decision to use the alternative rate rests with the NVTa governing body. The Finance Committee recommends that no action be taken by the Authority to adopt the alternative contribution rate.
  - c. **Discussion Items**
    - i. **Draft Revisions to the FY2017 Program Drawdown Policy (Policy 17).** The Committee received a report and conferred on the draft policy revisions. The Committee will receive the final proposed draft at its June 16<sup>th</sup> meeting.

- ii. **Monthly Revenue Report.** The Committee received a report on Authority revenues for FY2016 through April 2016. During the report it was noted that while the media has reported downturns in the Commonwealth's revenues, these are mostly related to income taxes and statewide sales taxes. The Authority's revenues continue to perform above the adopted projections.
- iii. **Monthly Operating Budget Report.** The Committee received a report on the Authority FY2016 Operating Budget through April.