

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

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

FROM: Mayor Parrish, Chairman – NVTA Finance Committee

DATE: April 6, 2018

SUBJECT: Finance Committee Report

1. **Purpose:** To provide the Northern Virginia Transportation Authority (NVTA) with a report of NVTA Finance Committee activities.
2. **Background:** The Finance Committee last met on March 15, 2018. The next meeting is scheduled for April 19, 2018 at 1:00PM. Mayor Rishell, Finance Committee Vice-Chair, chaired the meeting as Mayor Parrish had a schedule conflict. The following summarizes the March 15th meeting:
3. **Action Items:** The Committee received the FY2019 Proposed Operating Budget. The proposed budget included increases from the previous version submitted to account for unexpected bond counsel and financial advisor costs related to the various legislative and budget proposals regarding Metro funding. The Committee deferred action on making a recommendation to the Authority on the proposed budget pending progress on the legislation and impact to the Authority.
4. **Discussion Items:**
 - a. **2018 Legislative/Budget Impact Update.** The Committee reviewed and discussed an analysis prepared by NVTA staff addressing the impact of the Conference Bill. The analysis was undertaken in the context of the Authority's upcoming Six Year Program (SYP) and currently adopted six year revenue projections addressing impacts on:
 1. Local Distribution Fund (30%): Projected FY2018/23 30% distributions would be reduced by \$254.2 million.
 2. Regional Revenue Fund (70%) SYP Impact: The immediate impact on the SYP would be a reduction in available funding of \$276.4 million, reducing projected PayGo funding from \$1.511 billion to \$1.26 billion. Note, this is the impact assessed only on five of the SYP six years, since the proposed legislation would become effective in FY2019.
 - b. **FY2019 Regional Revenue Fund and Local Distribution Budgets:** The Committee received a report and discussed the timing impacts of the upcoming reconvened session on the Regional Revenue Fund and Local Distribution Fund Budgets.
 1. The Committee noted neither of the two NVTA budgets can be progressed until the legislation and Commonwealth budget is resolved.

2. Staff advised that due to the proposed adoption timing of the Six Year Program which uses Regional Revenue Fund revenues (70%) and the funds transfer timing from the Local Distribution Fund (30%), no immediate operational difficulties are expected.
- c. **Investment Portfolio Report:** The Committee received reports and was briefed on the performance of the Authority's investment portfolio. The portfolio is performing within policy requirements and through February is already exceeding original revenue estimates for the fiscal year.
 - d. **Monthly Revenue Report:** The Committee received a report and was briefed on the Authority's revenue receipts and distributions of 30% funds to member localities. Revenue performance is 4.43% above projections. Staff noted that sales tax receipts are continuing to improve over early fiscal year performance.
 - e. **NVTA Operating Budget:** The Committee received a report and was briefed on the Authority's Operating Budget. All operating revenue has been received for the fiscal year. Expenditures were reported as of December which is 67% of the fiscal year. Expenditures through the same period are at 61% of budget.