



Northern Virginia Transportation Authority
The Authority for Transportation in Northern Virginia

FINANCE COMMITTEE
Thursday September 20, 2018 – 1:00 PM
3040 Williams Drive, Suite 200
Fairfax, VA 22031

AGENDA

- I. Call to Order/Welcome** Mayor Parrish, Chairman
- II. Summary Minutes of the June 6, 2018 Meeting**
Recommended Action: Approval [with abstentions from those who were not present]

Presentation

- III. Investment Monitoring, Strategy and Services** Mr. Stavros, Investment & Debt Manager

Information/Discussion Items

- IV. Project Monitoring and Management System Update** Mr. Longhi, CFO
- V. Review of NVTA Office Lease** Mr. Longhi, CFO
- VI. Draft Policy 29 – Project Activation, Monitoring and De-Appropriation (Verbal Update)** Mr. Longhi, CFO
- VII. Investment Portfolio Report** Mr. Stavros, Investment & Debt Manager
- VIII. Monthly Revenue Report** Mr. Longhi, CFO
- IX. Operating Budget Report** Mr. Longhi, CFO
- X. Other Financial Activity Updates** Mr. Longhi, CFO

Closed Session

Adjournment

- XI. Adjournment**

Next Scheduled Meeting: October 18, 2018 at 1:00PM

3040 Williams Drive, Suite 200, Fairfax, Virginia



Northern Virginia Transportation Authority

The Authority for Transportation in Northern Virginia

FINANCE COMMITTEE
Wednesday, June 6, 2018 9:30AM
3040 Williams Drive, Suite 200
Fairfax, VA 22031

MEETING SUMMARY

I. Call to Order/Welcome

Mayor Rishell

- Mayor Rishell called the meeting to order at 9:38AM.
- Attendees:
 - ✓ Members: Mayor Rishell; Chairman Parrish (arrived 9:41AM); Chairman Bulova; Chair Randall; Mayor Silberberg
 - ✓ Authority Members: Chairman Nohe; Chair Cristol; Ms. Hynes
 - ✓ Other Elected Officials: Councilmember Smedberg (Alexandria); Mayor Vance (Hillsboro); Vice Mayor Marasco (Hillsboro)
 - ✓ Staff: Monica Backmon (Executive Director); Michael Longhi (CFO); Carl Hampton (Investment & Debt Manager); Peggy Teal (Assistant Finance Officer); Yolanda Thomas-Jones (Clerk); Sarah Camille Godfrey (Communications and Public Affairs Manager); Keith Jasper (Principal, Transportation Planning and Programming); Sree Nampoothiri (Transportation Planner) .
 - ✓ Council of Counsels: Ellen Posner (Fairfax County)
 - ✓ Other Attendees: Bob Brown (Loudoun County); Meseret Argaw (Loudoun County); Tarrence Moorer (Alexandria); Paolo Belita (Prince William); Yon Lambert (Alexandria); Mark Schofield (VRE); Christine Hoeffner (VRE); Dan Iglhaut (NVRPA); Paul Gilbert (NVRPA), Sarah Crawford (Arlington); Noelle Dominguez (Fairfax County)

II. Summary Minutes of the January 18, 2018 Meeting

- Chairman Bulova moved approval of the minutes of the May 2, 2018 meeting; seconded by Mayor Silberberg. Motion carried unanimously.

Action Items

III. Six Year Program Funding Recommendation

Mr. Longhi, CFO

- Mr. Longhi recapped the Finance Committee work undertaken since May 2017 to develop the PayGo level recommendation for use by the Planning and Programming Committee (PPC) in the Six Year Program (SYP).
- Mr. Longhi continued, noting the Finance Committee has received reports, analyses and provided feedback on numerous matters critical to determining the level of PayGo available for the SYP. These include:

- ✓ Regional Revenue Projections
- ✓ Investment Portfolio Interest Earnings
- ✓ Debt Service Commitments
- ✓ Future Technical Support Expenses for TransAction Updates, Long Term Benefits and Congestion Reduction Relative to Cost Analyses
- ✓ Out Year Taper
- ✓ Cash Flow Analysis
- ✓ Appropriation Schedule
- Mr. Longhi noted through the discussions and reviews the numbers have stayed consistent with the exception of the 2018 General Assembly action.
- Mr. Longhi noted the Finance Committee funding recommendation will be used that morning by the PPC which will meet immediately following the Finance Committee at 10:00 AM. The next steps are:
 - ✓ The Planning and Programming Committee will meet at 10:00AM on June 6, 2018 to review NVTa staff recommendations for the SYP.
 - ✓ The Authority is scheduled to meet on June 14, 2018 to adopt the FY2018-2023 Six Year Program.
 - ✓ The Authority is scheduled to make budget appropriation decisions for the adopted SYP projects on September 13, 2018.
- Mr. Longhi described the technical steps required once the Authority determines the slate of projects. After the adoption of the SYP, NVTa staff will work with jurisdictions and agencies over the summer of 2018, to develop an appropriations schedule.
- Mayor Silberberg noted the effort that went into the proposed recommendation and work to come with the two year update. She also expressed hope for progression on current projects like Alexandria's West End Transit Way.
- Chair Bulova moved the Finance Committee recommend to the NVTa Planning and Programming Committee, a PayGo amount for the inaugural Six Year Program of \$1.285 billion as detailed in Attachment 1. Mayor Silberberg seconded. Motion carried unanimously.

Information/Discussion Items

IV. Draft Policy 29- Project Activation, Monitoring and De-Appropriation

Mr. Longhi, CFO

- Mr. Longhi requested the Finance Committee's guidance on proceeding with the development of a policy regarding project activation, monitoring and de-appropriation, noting an earlier version of draft Policy 29 was reviewed by the Finance Committee in May of 2017.
- Mr. Longhi noted the May 2017 draft had a clause which addressed cash flow issues. That clause was determined to be unnecessary and is removed from the current draft.
- Mr. Longhi pointed to substantial changes from the prior draft related to the expectation that the Authority is no longer doing one year funding and instead will adopt a Six Year Program with updates approximately every two years.
- Mr. Longhi noted, otherwise the current draft Policy 29 was modelled after, and combines elements of, two previously adopted policies: Policy 24 - Standard Project Agreement (SPA)

Activation and Policy 25 - FY2017 Program First Drawdown Commitment. The proposed draft policy will supersede and replace both Policy 24 and Policy 25.

- ✓ Mr. Longhi discussed how draft Policy 29 relates to the new funding program, since the Authority is no longer approving one year programs.
 - ✓ Policy 29 recognizes, with exception of projects that receive funding in FY2019, every SYP project will see its appropriation coming in the next one to five years.
 - ✓ Policy 29 reflects that projects should be ready for a Standard Project Agreement within three months of an appropriation.
 - ✓ The adoption of the FY2019 projects will be nine months before the SPA deadline in the draft policy.
- Mr. Longhi further noted that many members have asked for a policy addressing project advancement.
 - Mr. Longhi noted the next step is to solicit input from member jurisdictions and agencies, then bring draft Policy 29 back to the Finance Committee hopefully in early fall of 2018.
 - Mayor Parrish mentioned he had spoken to NVTa and city staff about a city project that would be impacted by the draft policy and despite that situation, he thinks appropriated monies need to be spent timely and he supports moving forward in developing the draft.
 - Chairman Bulova commented it appears the draft refines and builds upon prior policies, which do what the Authority has agreed is needed, in terms of ensuring projects are moving forward while providing a mechanism for staff and elected officials to be alerted if things appear to be slipping.
 - Mr. Longhi responded affirmatively noting that to that end it relies very heavily on the project status updates from project sponsors included in the monthly Executive Director's report.
 - Ms. Backmon added that with the SYP updates, if a project lost funding there may be an opportunity to reapply in the future.
 - Ms. Backmon noted there are projects from the FY2014 Program that have not drawn down funds. She noted NVTa staff know the lack of monetary drawdowns alone does not provide the full picture of project status, necessitating additional communication.
 - Ms. Backmon further noted the \$2.5 billion in funding requests for the SYP, and the Authority has lost two revenue sources. Thus, necessitating clear parameters on communicating project progress and expectations.
 - Mr. Longhi referenced the second page of the staff report that reflects unspent funds from the three funding programs:
 - ✓ 30% or \$57.2 million for the FY2014 program.
 - ✓ 67% or \$224.5 million from the FY15/16 program
 - ✓ 99% or \$164.8 million from the FY2017 program.
 - Mr. Longhi also noted NVTa staff has undertaken a review of current projects which will probably request additional NVTa funding in the future. That analysis showed the total funding request could equal the potential revenue available for the first two year update to the SYP. Hence a prior funded project which is not moving could impact the ability of other projects to move forward in the next two year update.
 - Mayor Silberberg mentioned draft Policy 29 supports the Authority's intent to track projects monies and progress. Mr. Longhi affirmed that draft Policy 29 is designed to monitor projects to completion.

- Mayor Silberberg questioned the term ‘substantive draw down’. Mr. Longhi responded that prior policy required a draw down by a date and hence we have received draws requests with little direct relevance to project movement, but which met the date requirement.
- Chairman Nohe commented that Prince William County has projects which will need funding in the two year update to the SYP, so this is not a hypothetical situation.
- Chairman Bulova inquired that as the policy development continues will there be outreach to local jurisdictions? Mr. Longhi replied affirmatively noting the draft policy development focuses on communication and understanding that drawdowns alone do not fully reflect project progress.
- Related to Chairman Bulova’s question, Mr. Longhi added that over the summer as the draft policy is developed, sponsors of projects adopted on June 14th will have an opportunity to revise their spend plans while knowing the draft is in development, prior to Authority appropriation action in September.
- Ms. Hynes noted she found the prior program spend down table on page two of the staff report to be very helpful and asked if such a summary could be developed on a routine basis. Mr. Longhi replied stating her request is a feature of the Project Monitoring and Management System (PMMS) that the Authority approved the initial funding for in FY2019. He further noted staff will look to develop and interim presentment, since the project dashboard will be a FY2020 phase.
- Mayor Rishell asked and received consensus of the Committee that work on the draft policy development continue.

V. **Non-Agenda Item:** Mayor Parrish reminded the members that the Finance Committee also serves as the Authority’s Audit Committee. He noted that the Audit Partner from PBMares, Mr. Garber, wants to ensure there is a clear, direct and independent chain of communication between the committee and the auditors. Mayor Parrish noted he is in communication with Mr. Garber and if any member had any items they wished to accomplish, say or request please let him know and he will facilitate.

VI. Investment Portfolio Report

Mr. Longhi, CFO

- No verbal report given.

VII. Monthly Revenue Report

Mr. Longhi, CFO

- No verbal report given.

VIII. Operating Budget Report

Mr. Longhi, CFO

- No verbal report given.

Meeting adjourned: 9:56AM

Next Meeting September 20, 2018



**Finance Committee Presentation
New Tools for Enhanced Safety, Liquidity & Yield for Public Investments
September 20, 2018**

Northern Virginia Transportation Authority



Safety is the Corner Stone

Enhanced Services for the Safety of Public Funds Investments



Portfolio Analysis:

Analytics that support long-term goals and portfolio stress testing to better anticipate and manage risks.

Liquidity

Yield

Transaction Price Analysis:

- Systems that score transaction economics in real time so we know when a transaction is good, bad or just ugly.
- Increased yield through pricing data means more dollars for transportation projects rather than to bankers/brokers.



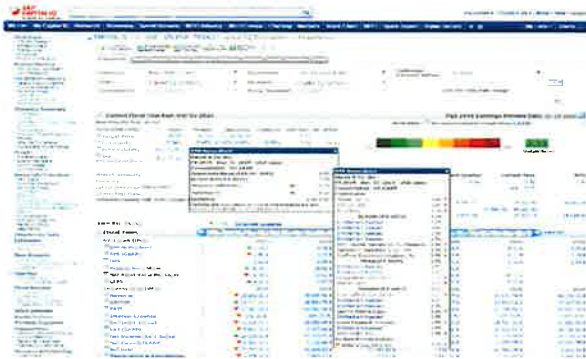
Safety

Investment Protection:

Real time alerts on ratings downgrades or other actions and detailed real-time portfolio monitoring.



Evaluating 3 Top Investment Management Platforms (Each Have Different Strengths)



Strength – Portfolio Analytics: Fixed Income/Credit and Portfolio Analytics, as well as a library of financial data and regulatory filings on all SEC issuances (covenants, indentures, for example).

Weakness: S&P does not offer trade or transaction analytics.

Strength – Trade Analysis: ICE can analyze a transaction in seconds and score it against its database to tell you instantly if you are about to pay too much for an investment, to learn if your brokers are offering a fair deal.

Weakness: ICE does not offer portfolio analytics or archival data info on investments, regulatory issuances, for fundamental analysis/ due diligence.

Strength – Trade/Portfolio Analytics: Bloomberg, which many are familiar with, tries to achieve a Balance (all-in-one) between being a resource for transaction analysis, portfolio analytics and alerts. The platform also offers access to many markets and trading option to deal directly with low-cost electronic dealers/markets.

Weakness: Bloomberg offers everything, but may not be as strong in some areas as S&P Cap IQ in fixed income or as robust as ICE on transaction analytics, though still evaluating.

Scaling the Benefits of the Trials

Safety: More Tools to Evaluate Credit Quality

Access to company financials, covenants and analysis tools, as well as downgrade alerts, gives more insight into the safety of investments.

Liquidity or Price: Reduced Transaction Costs

Being able to model the portfolio and stress test it under various economic scenarios allowed us to more fully evaluate long-term investments and create a more diversified, safer portfolio.

Yield: Investment Valuation and Analysis

*During our trial, we saved money by paying less on transactions by knowing the fair price.
A better price means more yield for the portfolio.*



Live Case Study #1 - Real-Time Credit Monitoring for Safety: Two Platforms can alert to a change in credit rating by the credit ratings agencies (Standard & Poor's, Moody's and Fitch) to protect the safety of the portfolio.



Live Case Study #2a: A broker makes a high offer on Berkshire Hathaway which we find is not market competitive.



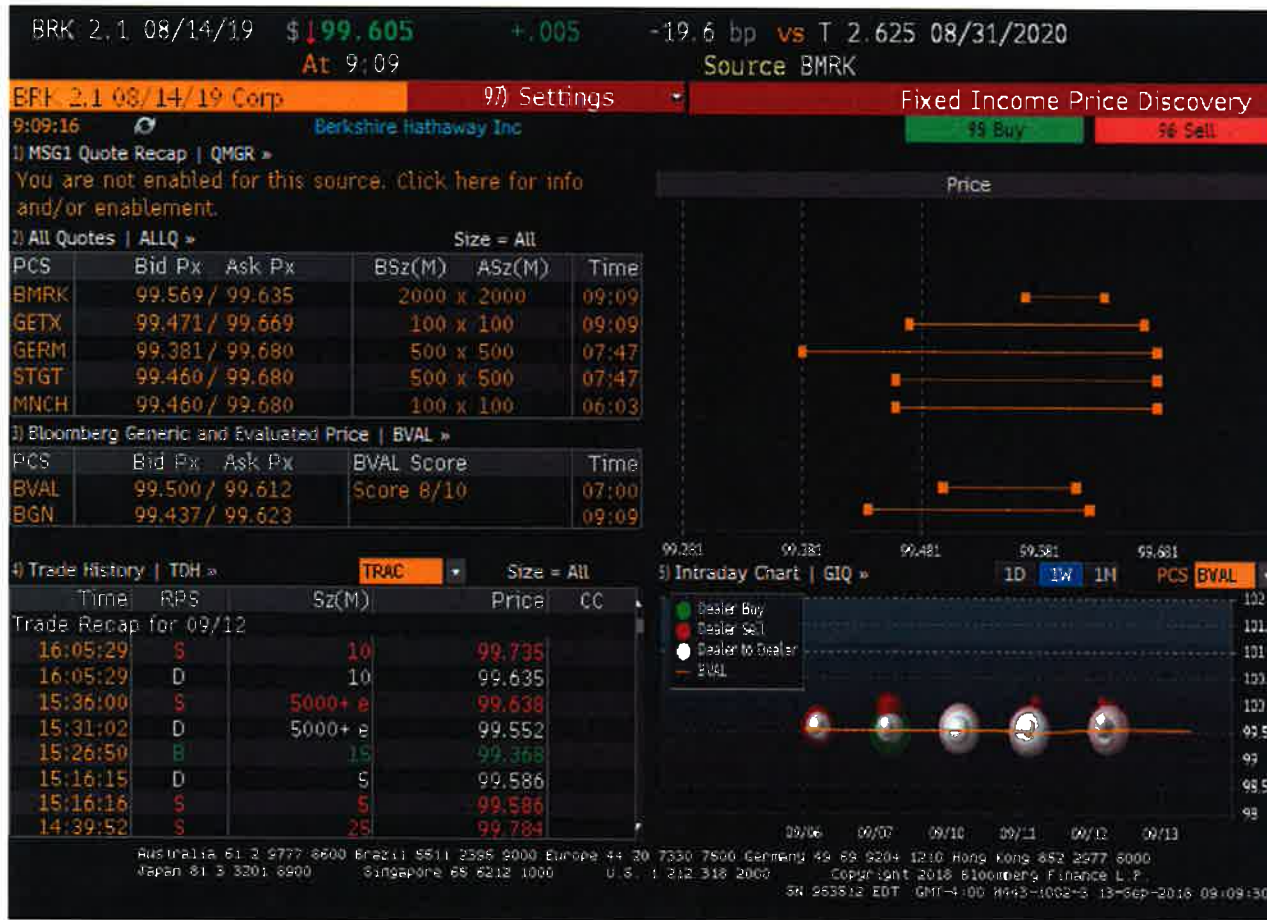
Live Case Study #2b: Enhanced pricing analysis and execution can save between \$120,000-\$220,000 annually, increasing yield



Live Case Study #3: Bloomberg also offers significant Price Discovery (Direct Offers) and some pricing analysis

Bloomberg

**Banks
And
Exchanges
That offer
Berkshire
03/15/21**



NVT A Reaches A Billion Dollar Portfolio

- Given the growth and size of NVT A’s balance sheet, we believe there is need for more sophisticated credit and market analysis tools to comply with Investment Policy objectives of **Safety, Liquidity then Yield**.
- Supports our Five Year Strategic Plan Goal IV – ‘Support transportation infrastructure development through excellent stewardship of taxpayer dollars, maximizing opportunities from existing sources’
- All three services are subscription based and can be cancelled with a reduction in portfolio size.
- Table below shows the projected cash holdings used for appropriation analysis with the Working Capital Reserve balance of \$120 million added

Expenditure Based Balances (Cash Flow Basis)						
	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024+
SYP Project Expenditures	\$59.6 M	\$252.5 M	\$249.7 M	\$265.9 M	\$238.0 M	\$219.6 M
PayGo Revenue Projections*	\$526.6 M	\$186.9 M	\$190.5 M	\$190.7 M	\$190.5 M	\$.0 M
Year to Year Balance	\$467.0 M	(\$65.6 M)	(\$59.2 M)	(\$75.2 M)	(\$47.5 M)	(\$219.6 M)
Year to Year Cash Balances						
L7 Project Balances Available**	\$315.9 M	\$145.5 M	\$83.9 M	\$76.2 M	\$.0 M	\$.0 M
Combined Cash Flow	\$782.9 M	\$79.9 M	\$24.7 M	\$1.1 M	(\$47.5 M)	(\$219.6 M)
Cash Flow Balances	\$782.9 M	\$862.8 M	\$887.6 M	\$888.6 M	\$841.1 M	\$621.5 M
+Working Capital Reserve	\$902.9 M	\$982.8 M	\$1,007.6 M	\$1,008.6 M	\$961.1 M	\$741.5 M

*FY2019 Includes Carry Forward From FY2018, No Adopted Estimates for 2024

**18 Projects Worth \$98.9 Million Have Expired Cash Flow Projections

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman Parrish and Members of the NVTA Finance Committee

FROM: Michael Longhi, Chief Financial Officer

SUBJECT: Project Monitoring and Management System Update

DATE: September 14, 2018

- 1) Purpose:** To provide the Northern Virginia Transportation Authority (NVTA) Finance Committee information regarding the procurement efforts for the Project Monitoring and Management System (PMMS) approved as part of the Authority's FY2019 Operating Budget.
- 2) Background:**
 - a) The PMMS effort has been proposed as a two phase, two fiscal year effort with:
 - i) An appropriation of \$60,000 approved the FY2019 Operating Budget for the first phase of the project, Application Automation.
 - ii) A proposed FY2020 Operating Budget commitment of \$140,000 for the second phase covering Project Status Monitoring and Online Dashboard.
 - b) The critical project path for the FY2019 phase of the PMMS is targeted to have the Automated Application Phase ready by the anticipated July 2019 Call for Projects.
 - c) The July 2019 Call for Projects is for the first two year (FY2024 and FY2025) update to the Authority's Six Year Program (SYP).
 - d) Authority adoption of the FY2019 Operating Budget was delayed due to revenue uncertainty created during the 2018 General Assembly Session, delaying the adoption of the FY2019 Operating Budget by two months.
- 3) Current Situation:** The procurement timeline for the PMMS has been compressed as much as prudent. The date sequence is noted below:
 - a) The PMMS request for proposals (RFP) was issued on September 6th, approximately two months later than preferred to give the strongest possibility for the Application Automation Phase to be ready in time for the July 2019 Call for Projects.
 - b) Written questions from prospective contractors are due on September 14th.
 - c) A mandatory pre-proposal conference will occur on September 17th.
 - d) Proposals are due on October 5th.
 - e) Initial proposal evaluations occur such that short listed firms are notified on October 11th.
 - f) Proposal 'Best and Final' presentations occur October 15th and 16th.
 - g) Next Finance Committee meeting is scheduled for October 18th.

- h)** Next Authority meeting is scheduled for November 8th, with the November Finance Committee meeting scheduled for November 15th.
- i)** Presenting the recommended PMMS contractor at the November 15th Finance Committee will result in Authority action not occurring until December 13th.
- j)** Further delays in the PMMS procurement cycle will reduce the time the selected contractor has to complete the online Application Automation Phase by July 2019.

4) Next Steps.

- a)** With concurrence of the Finance Committee, NVTA staff will prepare a Closed Session briefing on the PMMS procurement for the Committee's October 18th meeting.
- b)** A closed session is required as contract negotiations are not expected to have concluded so shortly after the 'Best and Final' presentations on October 15th and 16th.
- c)** At the closed session briefing the Finance Committee will be able to provide guidance to NVTA staff on presenting a contract recommendation to the Authority on November 8th rather than December 13th.
- d)** Reducing the procurement cycle by one month will allow additional time for the development and delivery of the Automated Application Phase.



NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman Parrish and Members of the NVTA Finance Committee

FROM: Michael Longhi, Chief Financial Officer

SUBJECT: Review of NVTA's Office Lease

DATE: September 14, 2018

- 1) Purpose:** To provide the Northern Virginia Transportation Authority (NVTA) Finance Committee information regarding the Authority's office lease, and renewal options in preparation for FY2020 Operating Budget Guidance.
- 2) Background:**
 - a) The current office lease is a sublease from the Northern Virginia Regional Commission (NVRC) which holds a ten-year lease with TransWestern.
 - b) The current 5 year office lease went into effect on October 6, 2014.
 - c) Total leased space has increased consistent with increases in NVTA staffing.
 - d) The current lease is for 4,725 square feet of space (including common areas and the building core).
 - e) The current lease will expire on October 31, 2019 (FY2020).
 - f) Relocation concurrent with the expiration of the current lease is an option.
 - g) Relocation is a lengthy process, so a review of options with cost comparisons was undertaken at this time, prior to preparations for the FY2020 Operating Budget.
- 3) Current NVRC Lease Pricing:** The current NVRC sublease extends through October 2019 for 4,725 square feet at the rates of:
 - a) \$28.54 per square foot per year for FY2019 (\$134,851.50 per year).
 - b) \$29.25 per square foot per year for FY2020 (\$138,206.25 per year).
 - c) Annual cost escalations are 2.5% per year under the existing contract; renewal of the current sublease is expected to continue to be at a 2.5% annual escalation.
- 4) Lease Rates in the Surrounding Area:** The current average pricing for office lease space in the area is in the range of \$27 to \$35 per square foot.
 - a) Lease Footage Rate Comparison:**
 - i) The FY2020 lease rate under the current contract is close to the midpoint of April 2018 rates for office space in the area.
 - ii) Estimates, based on prior escalation experience suggest the new lease escalation rate will be in the same range as current rates.
 - b) Relocation Expenses.** The estimated cost of relocating to new office space (including building renovations, furnishings and technology) is approximately \$630,000.

- c) This estimate is based on actual costs of the previous NVTA/NVRC move from 3060 Williams Dr. to 3040 Williams Dr. in October 2014, prorated for NVTA's size and includes full cost of outfitting conference/meeting facilities.

5) Lease Renewal Advantages:

- a) There is the opportunity to add more office space as required. Additional space is currently available within and outside the NVRC lease footprint, adjacent to the existing NVTA space.
- b) NVTA can maintain access to conference rooms and audio visual equipment.
- c) NVTA can maintain access to equipment shared with NVRC such as the GIS plotter.
- d) The annual increase in pricing will continue to be 2.5% per year.
- e) NVTA lease payments reduce the financial obligations of NVRC.
- f) NVRC uses a direct cost approach to the lease arrangements with NVTA (no markup).
- g) The relocation search, contract negotiations, space outfitting and move would create significant strains on NVTA staff capacity to attend to existing primary mission critical duties.

6) Recommendation: Lease Renewal:

- a) The anticipated cost of renewing the current lease is not expected to exceed the current or projected rates in the surrounding area.
- b) If extended, the FY2020 sublease cost will be \$138,206, which is 2.5% higher than the FY 2019 cost (the final year of the current lease).
- c) The lease will escalate 2.5% per year which remains in line with expected market conditions. Lease costs with escalations at the current 4,725 sq./ft. level are projected to be:
 - i) FY2020 \$138,206
 - ii) FY2021 \$141,661
 - iii) FY2022 \$145,203
 - iv) FY2023 \$148,833
 - v) FY2024 \$152,554
- d) Acquisition of meeting space resulting from a move would increase lease costs by approximately \$140,000 to 154,534 per year. (Based on a 2.5% escalation/year, FY2020 through FY2024.)
- e) The estimated cost of relocating is prohibitive at approximately \$630,000 or 450% of one years' leasing expense.
- f) Total additional first year cost of relocation would be approximately \$770,000, bringing total FY2020 Facilities costs to \$908,206.

7) Next Steps. With concurrence of the Finance Committee, NVTA staff will initiate lease renewal discussions with the Northern Virginia Regional Commission as part of the FY2020 Operating Budget Preparations.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman Parrish and Members of the NVTA Finance Committee

FROM: Richard Stavros, Investment & Debt Manager

DATE: September 14, 2018

SUBJECT: Investment Portfolio Report

- 1) **Purpose:** To provide the Northern Virginia Transportation Authority (NVTA) Finance Committee with required reports on investment activities and portfolio performance through August 31, 2018.
- 2) **Background:**
 - a. This report is on investment activity through August 2018 and affirms the portfolio investments were acquired on the basis of safety, liquidity and then yield. This report summarizes the portfolio structure, and adherence to the NVTA Investment Policy.
 - b. Additionally, a monthly report is attached which complies with all reporting requirements prescribed in the NVTA Investment Policy.
- 3) **Current Period Reports:**
 - a. The safety of the portfolio is reflected in the actual composition of the portfolio as shown below:



**Northern Virginia Transportation Authority
Distribution by Asset Category - Book Value
Report Group: Regional Revenue**

Begin Date: 6/30/2018, End Date: 8/31/2018

Asset Category Allocation				
Asset Category	Book Value	% of Portfolio	Book Value	% of Portfolio
	8/30/2018	6/30/2018	8/31/2018	8/31/2018
CD - Bank 60% Maximum	40,000,000.00	4.55	40,000,000.00	4.40
CD - Negotiable 25% Maximum	140,015,048.83	15.93	80,006,837.94	8.81
Commercial Paper 30% / 5% Maximum	94,783,826.39	10.78	24,805,818.04	2.73
Corporate Notes 50% Maximum	279,886,494.66	31.84	310,778,973.98	34.22
LGIP 100% Maximum	124,899,242.35	14.21	138,309,329.88	15.23
Money Market 60% Maximum	70,161,727.73	7.98	164,717,442.22	18.14
Mutual Funds 20% Maximum	45,886,136.84	5.22	46,053,332.14	5.07
US Agency 100% Maximum	63,704,905.91	7.25	63,743,875.95	7.02
US Treasury 100% Maximum	19,764,099.48	2.25	39,663,450.37	4.37
Total / Average	879,101,482.19	100.00	908,079,060.52	100.00



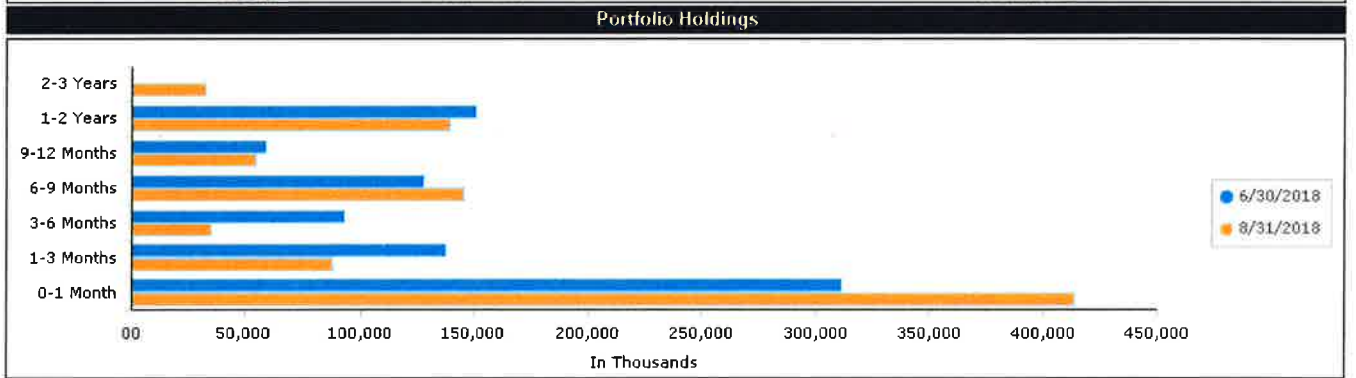
- b. The liquidity of the portfolio is reflected in the portfolio's duration of .46 (1.0 = 1 year) and the maturity schedule shown below:



**Northern Virginia Transportation Authority
Distribution by Maturity Range - Book Value
Report Group: Regional Revenue**

Begin Date: 6/30/2018, End Date: 8/31/2018

Maturity Range Allocation				
Maturity Range	Book Value 6/30/2018	% of Portfolio 6/30/2018	Book Value 8/31/2018	% of Portfolio 8/31/2018
0-1 Month	311,521,288.86	35.44	414,075,200.57	45.60
1-3 Months	137,299,935.25	15.62	87,583,444.84	9.64
3-6 Months	92,595,370.69	10.53	34,834,496.78	3.84
6-9 Months	127,784,994.63	14.54	145,195,356.67	15.99
9-12 Months	59,016,768.70	6.71	54,702,004.44	6.02
1-2 Years	150,883,124.06	17.16	139,411,024.24	15.35
2-3 Years	0.00	0.00	32,277,532.98	3.55
Total / Average:	879,101,482.19	100.00	908,079,060.52	100.00



- c. The yield on the portfolio at the end of August 2018 was 2.14%. The NVTA's Investment Policy specifies the benchmarks shown below for yield performance comparison:

NVTA Investment Benchmarks	FY 2018 Year End	Aug-18 Month End
Fed Funds Rate	1.82%	1.91%
Treasury 90 Day T Bill	1.92%	2.06%
Local Government Investment Pool	2.01%	2.13%
Virginia Non-Arbitrage Program	2.16%	2.19%
NVTA Performance	1.95%	2.14%

4) Portfolio Analysis & Statistics Overview

- a) **Safety:** The portfolio is invested primarily in;
- i) AAA/AA rated investment grade corporate bonds
 - ii) Liquid Government Investment Pools (LGIPs) and;
 - iii) Collateralized bank money market accounts. During the period, the portfolio sought further diversification in its corporate debt portfolio, adding investment grade consumer staples, technology and energy holdings (Johnson & Johnson, Microsoft, Berkshire

Hathaway, Chevron, etc.), as well as adding high grade commercial paper (J.P. Morgan) and one-year Treasuries.

b) Liquidity:

- i) The NVTA Portfolio average duration is 6 months (.46). Given the flat yield curve, however, the NVTA has not sacrificed yield by investing in short maturities or pursuing a short duration strategy (50% of the portfolio is in 0-3 Month Maturities).
- ii) Analysis of forward transportation project liabilities (reimbursements) associated with the Six Year Program found that the portfolio has the flexibility to extend modestly to 2-3 year maturities (3.55% of the portfolio at present).

c) Yield:

- i) **FY 2018:** Portfolio performance was affected in Fiscal Year End 2018 by the investment program suspension in June/July 2018 that took place with the retirement of the former Investment & Debt Manager, and the transition period to a successor.
- ii) **August 2018:** Aided by a rising rate environment, however, the portfolio recovered lost performance with the restart of the investment program in late August 2018, outperforming 3 of 4 benchmarks.

5) Custodian Certification: BB&T Retirement & Institutional Services is the custodian of all of NVTA's investment purchases and is where all of NVTA's non-deposit investments are held. Deposit type investments are protected through the Commonwealth of Virginia collateralization program or FDIC Insurance.

6) Policy Required Reports: The attached Compliance - GASB 40 Report addresses specific Investment Policy requirements regarding the purchase and holding of securities. The attached report, documents:

- a. **Compliance – Investment Policy, Summary.** The report shows the percentage of the portfolio by each type of investment.
- b. **Investment Portfolio – By Maturity Range.** The report shows the yield to maturity, and percentage of the portfolio which each type of investment represents.
- c. **Portfolio Holdings by Custodian.** This report shows each depository, investment firm or custodian holding NVTA securities or cash.

7) Investment Repositioning, Exiting the VIP 1-3 High Quality Bond Fund:

- i) **Fund Description:** NVTA undertook an investment in the VIP 1-3 prior to having established an internal investment program. An analysis of the NVTA Portfolio finds that the VIP 1-3 High Quality Bond Fund is significantly underperforming similar investments and has certain features (issue shares/price point) that make the investment incompatible with NVTA's current investment goals.
- ii) **Performance:** Since inception, the VIP 1-3 has delivered a gross total return of 1.21% (.43% annualized) over 33 months. Therefore, the position is now a drag on overall portfolio performance.



iii) Reposition Plan: We intend to exit the \$46 million position in the VIP 1-3 Fund which will incur a realized mark-to-market loss of \$753,222. Based on current portfolio performance, we expect to recover this loss in a minimum of 7-8 months. The recovery analysis is based on the return of a 1-Year U.S. Treasury Bond yielding 2.55% (market price at this reporting). Thereafter these funds will earn almost 6 times over the VIP 1-3 historical performance.

Attachments: Compliance - GASB 40 Report shows reporting requirements as listed above, and not otherwise presented. This report is also fundamental for the Authority's Annual Financial Statements and annual audit.



Northern Virginia Transportation Authority
Portfolio Holdings
Compliance - GASB 40 Report
 As of 8/31/2018

Description	Issuer	Face Amount	Book Value	Market	Credit	Credit Rating	Portfolio %	Days To	Days To Call	Maturity Date	Next Call	YTM @	Duration to
		Shares		Value	Rating 1	Rating 2		Maturity	Maturity		Date	Cost	Maturity
Certificate Of Deposit													
John Marshall Bank 1.95 10/25/2018	John Marshall Bank	10,000,000.00	10,000,000.00	10,000,000.00	NR	NR	1.10	55	55	10/25/2018		1.950	0.15
John Marshall Bank 2.23 9/13/2018	John Marshall Bank	17,500,000.00	17,500,000.00	17,500,000.00	None	None	1.92	13	13	09/13/2018		2.230	0.04
United Bank 1.833 9/6/2018	United Bank	12,500,000.00	12,500,000.00	12,500,000.00	NR	NR	1.37	6	6	09/06/2018		1.833	0.02
Sub Total / Average		40,000,000.00	40,000,000.00	40,000,000.00			4.40	21	21			2.036	0.06
Commercial Paper													
Commonwealth Bank of Australia - NY 1.75 11/2/2018	Commonwealth Bank of Australia - NY	15,000,000.00	14,998,059.38	14,981,400.00	Moody's-Aa3	S&P-AA-	1.65	63	63	11/02/2018		1.825	0.17
Commonwealth Bank of Australia - NY 1.75 11/2/2018	Commonwealth Bank of Australia - NY	13,530,000.00	13,524,204.98	13,513,222.80	Moody's-Aa3	S&P-AA-	1.49	63	63	11/02/2018		2.000	0.17
Credit Suisse -NY 0 9/7/2018	Credit Suisse -NY	15,000,000.00	14,994,604.17	14,794,187.50	Moody's-P1	S&P-A1	1.65	7	7	09/07/2018		1.903	0.02
JP Morgan Securities 0 5/24/2019	JP Morgan Securities	5,000,000.00	4,905,422.21	4,904,897.22	S&P-A1	Moody's-P1	0.55	266	266	05/24/2019		2.610	0.73
JP Morgan Securities 0 5/24/2019	JP Morgan Securities	5,000,000.00	4,905,791.66	4,904,897.22	S&P-A1	Moody's-P1	0.55	266	266	05/24/2019		2.599	0.73
Sub Total / Average		53,530,000.00	53,328,082.40	53,098,604.74			5.88	85	85			2.037	0.23
Corporate Bond													
Apple Corp 1.5 9/12/2019	Apple Corp	4,685,000.00	4,640,233.12	4,638,712.20	Moody's-Aa1	S&P-AA+	0.51	377	377	09/12/2019		2.450	1.02
Apple Corp 1.8 11/13/2019	Apple Corp	4,995,000.00	4,954,853.67	4,950,294.75	Moody's-Aa1	S&P-AA+	0.55	439	439	11/13/2019		2.488	1.19
Apple Corp 1.8 11/13/2019	Apple Corp	10,000,000.00	9,929,669.27	9,910,500.00	Moody's-Aa1	S&P-AA+	1.10	439	439	11/13/2019		2.400	1.19
Apple Corp 1.8 11/13/2019	Apple Corp	15,000,000.00	14,882,478.02	14,865,750.00	Moody's-Aa1	S&P-AA+	1.65	439	439	11/13/2019		2.470	1.19
Apple Corp 2.11 11/3/2020	Apple Corp	5,000,000.00	4,923,757.69	4,914,500.00	S&P-AA+	Moody's-Aa1	0.55	805	805	11/13/2020		2.718	2.15
Australia New Zealand Bank - NY Office 1.6 7/15/20	Australia New Zealand Bank - NY Office	20,000,000.00	19,940,058.09	19,817,400.00	Moody's-Aa3	S&P-AA-	2.20	318	318	07/15/2019		1.950	0.87
Australia New Zealand Bank - NY Office 2.05 9/23/2	Australia New Zealand Bank - NY Office	5,900,000.00	5,906,100.06	5,846,664.00	Moody's-Aa3	S&P-AA-	0.65	388	388	09/23/2019		1.950	1.05
Australia New Zealand Bank - NY Office 2.05 9/23/2	Australia New Zealand Bank - NY Office	6,000,000.00	6,010,578.76	5,945,760.00	Moody's-Aa3	S&P-AA-	0.66	388	388	09/23/2019		1.880	1.05
Berkshire Hathaway 2.2 3/15/2021	Berkshire Hathaway	7,386,000.00	7,272,255.60	7,267,897.86	S&P-AA	Moody's-Aa2	0.81	927	927	03/15/2021		2.633	2.46
Berkshire Hathaway Fin 1.7 3/15/2019	Berkshire Hathaway Fin	8,940,000.00	8,908,329.49	8,907,994.80	Moody's-Aa2	S&P-AA	0.98	196	196	03/15/2019		2.371	0.53
Chevron Corp 1.686 2/28/2019	Chevron Corp	20,000,000.00	20,013,182.66	19,913,200.00	Moody's-Aa2	S&P-AA-	2.20	181	181	02/28/2019		1.551	0.49
Chevron Corp 4.95 3/3/2019	Chevron Corp	15,000,000.00	15,188,493.64	15,187,500.00	Moody's-Aa2	S&P-AA-	1.65	184	184	03/03/2019		2.410	0.49
Chevron Corp 2.1 5/16/2021	Chevron Corp	5,560,000.00	5,441,572.00	5,439,681.60	S&P-AA-	Moody's-Aa2	0.61	989	989	05/16/2021		2.923	2.63
Chevron Corp 2.193 11/15/2019	Chevron Corp	8,950,000.00	8,913,489.06	8,897,374.00	Moody's-Aa2	S&P-AA-	0.98	441	441	11/15/2019		2.540	1.19
Coca Cola 1.375 5/30/2019	Coca Cola	10,000,000.00	9,933,498.50	9,915,400.00	Moody's-Aa3	S&P-AA-	1.10	272	272	05/30/2019		2.280	0.75
Commonwealth Bank of Australia 2.05 3/15/2019	Commonwealth Bank of Australia	15,560,000.00	15,546,759.58	15,508,963.20	Moody's-Aa3	S&P-AA-	1.71	196	196	03/15/2019		2.210	0.53
Commonwealth Bank of Australia 2.05 3/15/2019	Commonwealth Bank of Australia	3,306,000.00	3,305,444.59	3,295,156.32	Moody's-Aa3	S&P-AA-	0.36	196	196	03/15/2019		2.081	0.53
Exxon Mobile Corp 1.912 3/6/2020	Exxon Mobile Corp	8,663,000.00	8,579,776.26	8,566,407.55	Moody's-Aaa	S&P-AA+	0.95	553	553	03/06/2020		2.566	1.49
Johnson and Johnson 2.95 9/1/2020	Johnson and Johnson	5,000,000.00	5,046,294.05	5,041,600.00	S&P-AAA	Moody's-Aaa	0.55	732	732	09/01/2020		2.472	1.93
Mass Institute Technology 2.051 7/1/2019	Mass Institute Technology	145,000.00	144,763.52	144,288.05	Moody's-Aaa	S&P-AAA	0.02	304	304	07/01/2019		2.250	0.83
Microsoft Corp 1.1 8/8/2019	Microsoft Corp	2,000,000.00	1,975,305.44	1,974,520.00	S&P-AAA	Moody's-Aaa	0.22	342	342	08/08/2019		2.442	0.93
Microsoft Corp 1.55 8/8/2021	Microsoft Corp	5,000,000.00	4,818,100.00	4,818,150.00	S&P-AAA	Moody's-Aaa	0.55	1,073	1,073	08/08/2021		2.850	2.88
Microsoft Corp 1.85 2/6/2020	Microsoft Corp	1,196,000.00	1,184,634.35	1,183,023.40	S&P-AAA	Moody's-Aaa	0.13	524	524	02/06/2020		2.530	1.42
National Australia Bank 2.25 1/10/2020	National Australia Bank	5,000,000.00	4,952,568.74	4,952,700.00	Moody's-Aa3	S&P-AA-	0.55	497	497	01/10/2020		2.970	1.34
Proctor and Gamble Co. 1.9 10/23/2020	Proctor and Gamble Co.	5,000,000.00	4,912,481.42	4,902,800.00	S&P-AA-	Moody's-Aa3	0.55	784	784	10/23/2020		2.746	2.10
Stanford University 4.75 5/1/2019-18	Stanford University	5,892,000.00	6,020,025.87	5,974,782.60	Moody's-Aaa	S&P-AAA	0.65	243	243	05/01/2019		1.431	0.66
Toyota Motor Credit corp 1.4 5/20/2019	Toyota Motor Credit corp	1,515,000.00	1,505,232.15	1,502,592.15	Moody's-Aa3	S&P-AA-	0.17	262	262	05/20/2019		2.311	0.72
Toyota Motor Credit corp 1.55 10/18/2019	Toyota Motor Credit corp	16,000,000.00	15,854,778.96	15,797,440.00	Moody's-Aa3	S&P-AA-	1.76	413	413	10/18/2019		2.370	1.12

Toyota Motor Credit corp 2.125 7/18/2019	Toyota Motor Credit corp	1,735,000.00	1,730,564.33	1,728,268.20	Moody's-Aa3	S&P-AA-	0.19	321	321	07/18/2019		2.420	0.88
Toyota Motor Credit corp 2.125 7/18/2019	Toyota Motor Credit corp	11,043,000.00	10,997,861.16	11,000,153.16	Moody's-Aa3	S&P-AA-	1.21	321	321	07/18/2019		2.600	0.88
Toyota Motor Credit corp. 2.2 1/10/2020	Toyota Motor Credit corp.	5,000,000.00	4,965,486.11	4,961,200.00	S&P-AA-	Moody's-Aa3	0.55	497	497	01/10/2020		2.720	1.34
Walmart Corp 1.9 12/15/2020	Walmart Corp	5,000,000.00	4,909,366.27	4,905,750.00	S&P-AA	Moody's-Aa2	0.55	837	837	12/15/2020		2.722	2.24
Wells Fargo Bank 1.8 11/28/2018	Wells Fargo Bank	15,200,000.00	15,205,841.64	15,178,416.00	Moody's-Aa2	Fitch-AA	1.67	89	89	11/28/2018		1.639	0.24
Wells Fargo Bank 1.8 11/28/2018	Wells Fargo Bank	8,850,000.00	8,853,385.83	8,837,433.00	Moody's-Aa2	Fitch-AA	0.97	89	89	11/28/2018		1.640	0.24
Yale University 2.086 4/15/2019	Yale University	1,500,000.00	1,498,945.28	1,495,275.00	Moody's-Aaa	S&P-AAA	0.16	227	227	04/15/2019		2.200	0.62
Yale University 2.086 4/15/2019	Yale University	375,000.00	374,737.40	373,818.75	Moody's-Aaa	S&P-AAA	0.04	227	227	04/15/2019		2.200	0.62
Yale University 2.086 4/15/2019	Yale University	13,025,000.00	13,015,807.04	12,983,971.25	Moody's-Aaa	S&P-AAA	1.43	227	227	04/15/2019		2.200	0.62
Sub Total / Average		283,421,000.00	282,256,709.62	281,545,337.84			31.14	378	378			2.260	1.02
FFCB Bond													
FFCB 1.4 3/27/2019	FFCB	10,000,000.00	10,002,792.33	9,946,100.00	Moody's-Aaa	S&P-AA+	1.10	208	208	03/27/2019		1.350	0.57
Sub Total / Average		10,000,000.00	10,002,792.33	9,946,100.00			1.10	208	208			1.350	0.57
FHLB Bond													
FHLB 1.75 12/14/2018	FHLB	5,000,000.00	5,006,806.73	4,993,150.00	Moody's-Aaa	S&P-AA+	0.55	105	105	12/14/2018		1.270	0.29
FHLB Step 3/5/2020-18	FHLB	10,000,000.00	9,975,060.24	9,972,500.00	Moody's-Aaa	S&P-AA+	1.10	552	5	03/05/2020	09/05/2018	2.696	1.48
Sub Total / Average		15,000,000.00	14,981,866.97	14,965,650.00			1.65	403	38			2.221	1.08
FHLMC Bond													
FHLMC 1.35 1/25/2019-17	FHLMC	10,000,000.00	10,000,000.00	9,965,100.00	Moody's-Aaa	S&P-AA+	1.10	147	55	01/25/2019	10/25/2018	1.350	0.40
FHLMC 1.375 3/15/2019	FHLMC	5,000,000.00	5,000,000.00	4,975,450.00	S&P-AA+	Fitch-AAA	0.55	196	196	03/15/2019		1.375	0.54
FHLMC Step 9/30/2019-17	FHLMC	4,500,000.00	4,494,995.78	4,483,215.00	Moody's-Aaa	S&P-AA+	0.49	395	30	09/30/2019	09/30/2018	1.772	1.07
Sub Total / Average		19,500,000.00	19,494,995.78	19,423,765.00			2.14	217	85			1.454	0.59
FNMA Bond													
FNMA 1.25 8/23/2019-17	FNMA	10,000,000.00	9,979,953.40	9,877,700.00	Moody's-Aaa	S&P-AA+	1.10	357	84	08/23/2019	11/23/2018	1.459	0.97
Sub Total / Average		10,000,000.00	9,979,953.40	9,877,700.00			1.10	357	84			1.459	0.97
Local Government Investment Pool													
Commonwealth of Virginia LGIP	Commonwealth of Virginia	10,045.14	10,045.14	10,045.14	S&P-AAA	NR	0.00	1	1	N/A	N/A	2.133	0.00
Commonwealth of Virginia LGIP	Commonwealth of Virginia	39,275,960.28	39,275,960.28	39,275,960.28	S&P-AAA	NR	4.32	1	1	N/A	N/A	2.133	0.00
VIP 1-3 Year LGIP	VIP 1-3 Year	46,053,332.14	46,053,332.14	46,053,332.14	S&P-AA+	NR	5.06	1	1	N/A	N/A	2.040	0.00
VIP Stable NAV LGIP	VIP Stable NAV	99,023,324.46	99,023,324.46	99,023,324.46	S&P-AAA	NR	10.88	1	1	N/A	N/A	2.160	0.00
Sub Total / Average		184,362,662.02	184,362,662.02	184,362,662.02			20.26	1	1			2.124	0.00
Money Market													
Access National Bank MM	Access National Bank	84,718,200.31	84,718,200.31	84,718,200.31	NR	NR	9.31	1	1	N/A	N/A	2.210	0.00
BB&T MM	BB&T	11,720,507.74	11,720,507.74	11,720,507.74	NR	NR	1.29	1	1	N/A	N/A	1.720	0.00
John Marshall Bank ICS MM	John Marshall Bank ICS	18,174,469.27	18,174,469.27	18,174,469.27	NR	NR	2.00	1	1	N/A	N/A	2.230	0.00
United Bank MM	United Bank	50,104,264.90	50,104,264.90	50,104,264.90	NR	NR	5.51	1	1	N/A	N/A	2.250	0.00
Sub Total / Average		164,717,442.22	164,717,442.22	164,717,442.22			18.10	1	1			2.190	0.00
Negotiable Certificate Of Deposit													
Mizuho Bank, New York 1.55 9/18/2018	Mizuho Bank, New York	20,000,000.00	20,000,492.16	19,995,400.00	Moody's-P1	S&P-A1	2.20	18	18	09/18/2018		1.499	0.05
Natixis - NY office 1.75 10/23/2018	Natixis - NY office	15,000,000.00	15,001,084.68	14,992,650.00	Moody's-P1	S&P-A1	1.65	53	53	10/23/2018		1.699	0.15
Standard Charter NY 1.74 10/23/2018	Standard Charter NY	10,000,000.00	10,000,868.33	9,994,300.00	Moody's-P1	S&P-A1	1.10	53	53	10/23/2018		1.679	0.15
Standard Charter NY 2.46 3/18/2019-18	Standard Charter NY	20,000,000.00	20,001,077.33	19,985,400.00	Moody's-P1	S&P-A1	2.20	199	199	03/18/2019		2.450	0.55
Toronto Dominion Bank 2.71 5/22/2019	Toronto Dominion Bank	15,000,000.00	15,003,315.44	15,004,583.85	Moody's-P1	S&P-A1+	1.65	264	264	05/22/2019		2.679	0.73
Sub Total / Average		80,000,000.00	80,006,837.94	79,972,333.85			8.79	120	120			2.018	0.33
Treasury Bond													
T-Bond 0 2/15/2019	Treasury	20,000,000.00	19,827,690.05	19,798,600.00	Moody's-Aaa	S&P-AA+	2.20	168	168	02/15/2019		1.900	0.46
Sub Total / Average		20,000,000.00	19,827,690.05	19,798,600.00			2.20	168	168			1.900	0.46
Treasury Note													

T-Note 1 875 12/31/2019	Treasury	10,000,000.00	9,910,683.40	9,911,300.00	S&P-AAA	Moody's-Aaa	1.10	487	487	12/31/2019		2.561	1.32
T-Note 1 875 12/31/2019	Treasury	10,000,000.00	9,925,076.92	9,911,300.00	S&P-AAA	Moody's-Aaa	1.10	487	487	12/31/2019		2.450	1.32
Sub Total / Average		20,000,000.00	19,835,760.32	19,822,600.00			2.20	487	487			2.505	1.32
U.S. Agency for International Development													
OPIC - Overseas Private Invest corp 0 11/13/2019	OPIC - Overseas Private Invest corp	9,544,505.40	9,284,267.47	9,174,600.38	Moody's-Aaa	S&P-AA+	1.05	439	439	11/13/2019		2.329	1.20
Sub Total / Average		9,544,505.40	9,284,267.47	9,174,600.38			1.05	439	439			2.329	1.20
Total / Average		910,075,609.64	908,079,060.52	906,705,396.05			100	171	159			2.137	0.46

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

FOR: Chairman Parrish and Members of the NVTA Finance Committee
FROM: Michael Longhi, Chief Financial Officer
DATE: September 14, 2018
SUBJECT: Monthly Revenue Report

1. **Purpose:** To update the Northern Virginia Transportation Authority (NVTA) Finance Committee on monthly revenue receipts and 30% funds distributed to member localities.
2. **Background:** The attached reports reflect funding received or in process through August 2018. August receipts represent FYE June 30, 2018 final accrued revenues.
3. **Fiscal Analysis:**
 - a. As reported in detail below, revenue for FY2018 is projected as being 3.87% above estimate or \$12.7 million on total revenues of \$340.9 million.
 - i. Grantors Tax generated \$9.4 million or was 21.12% above estimate.
 - ii. Transient Occupancy Tax (TOT) generated \$1.1 million or is 3.72% above estimate.
 - b. Sales Tax had a .85% positive variance.
 - c. Starting in FY2019, the loss of TOT and Grantors taxes introduces increased risk of revenue fluctuations and decreased resiliency to changing econometrics.
 - d. The 2018 General Assembly action eliminated two of the three smallest, yet fastest growing revenues, as part of an annual fixed amount, dedicated to the Washington Metropolitan Area Transit Authority.
 - e. The increased risk of a single revenue source will be considered when the FY2019 through FY2025 revenue estimates are prepared this Fall.
 - f. The revenue estimate process will change from a six year range to an eight year range in support of the Six Year Program with two year updates (FY2019 to FY2025).
4. **Comments:**
 - a. **FY2018 Revenues (Attachment A)**
 - i. The Authority has received or accrued approximately \$340.9 million through the August 2018 transfers from the Commonwealth. These are effectively the unaudited ending revenue numbers for FY2018.
 - ii. Actual to estimate comparison for revenues through June year end show a 21.1% positive variance in Grantors Tax, a .85% positive variance in Sales Tax and a 3.7% positive variance in Transient Occupancy Tax compared to the adopted revenue estimates.

- iii. This report reflects 12 months of collections (accrual basis) for Sales Tax and Grantors Tax. Transient Occupancy Tax is still in the accrual stages, due to routine differences in the collection cycles.
- iv. Overall revenue receipts are 3.87% above estimates for FYE June 30, 2018.

b. FY2018 Distribution to localities (Attachment B)

- i. Through the month of August, the Authority was still receiving FY2018 Sales Tax and Transient Occupancy Tax revenues.
- ii. Of the \$340.9 million received or accrued by the Authority through August for FY2018, approximately \$102.3 million represents 30% local funds.
- iii. Of the \$102.3 million eligible 30% local funds, \$99.6 has been distributed to the member jurisdictions as of the end of August. As the accrued revenue amounts for FY2018 arrive, those funds will be transferred to the appropriate jurisdictions.

c. FY2015 to FY2018 Year over Year 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 or accrued through August 2018.

Attachments:

- A. Revenues Received By Tax Type, Compared to NVTA Estimates, Through August 2018
- B. FY2018 30% Distribution by Jurisdiction, through August 2018
- C. Month to Month Comparison By Tax Type and YTD Receipts for August 2015 to 2018

Attachment A

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY
REVENUES RECEIVED, BY TAX TYPE AND JURISDICTION, COMPARED TO NVTA BUDGET
 Based on: Revenue Data Through August 2018
 FYE June 30, 2018

Grantors Tax		Received		NVTA	Annualized - Actual	Projected Variance
Transaction Months	12	To Date	Annualized	FY2018 Budget	To Budget	
City of Alexandria		\$ 5,590,769	\$ 5,590,769	\$ 3,360,000	\$ 2,230,769	
Arlington County		\$ 5,340,307	\$ 5,340,307	\$ 4,650,000	\$ 690,307	
City of Fairfax		\$ 422,164	\$ 422,164	\$ 432,500	\$ (10,336)	
Fairfax County		\$ 23,471,111	\$ 23,471,111	\$ 21,021,600	\$ 2,449,511	
City of Falls Church		\$ 316,401	\$ 316,401	\$ 257,704	\$ 58,697	
Loudoun County		\$ 10,927,606	\$ 10,927,606	\$ 9,200,000	\$ 1,727,606	
City of Manassas		\$ 490,300	\$ 490,300	\$ 370,000	\$ 120,300	
City of Manassas Park		\$ 238,109	\$ 238,109	\$ 152,820	\$ 85,289	
Prince William County		\$ 7,243,233	\$ 7,243,233	\$ 5,172,000	\$ 2,071,233	
Total Grantors Tax Revenue		\$ 54,039,999	\$ 54,039,999	\$ 44,616,624	\$ 9,423,375	21.12%
Regional Sales Tax*		Received		FY2018	Annualized - Actual	Projected Variance
Transaction Months	12	To Date	Annualized	Budget	To Budget	
City of Alexandria		\$15,691,652	\$ 15,691,652	\$ 15,741,728	\$ (50,076)	
Arlington County		\$25,974,931	\$ 25,974,931	\$ 25,927,100	\$ 47,831	
City of Fairfax		\$7,251,258	\$ 7,251,258	\$ 7,359,015	\$ (107,757)	
Fairfax County		\$110,313,409	\$ 110,313,409	\$ 109,062,127	\$ 1,251,282	
City of Falls Church		\$2,528,208	\$ 2,528,208	\$ 2,546,900	\$ (18,692)	
Loudoun County		\$49,456,502	\$ 49,456,502	\$ 49,460,000	\$ (3,498)	
City of Manassas		\$5,089,614	\$ 5,089,614	\$ 5,000,000	\$ 89,614	
City of Manassas Park		\$1,451,111	\$ 1,451,111	\$ 1,439,384	\$ 11,727	
Prince William County		\$37,815,218	\$ 37,815,218	\$ 36,885,240	\$ 929,978	
Total Sales Tax Revenue		\$ 255,571,902	\$ 255,571,902	\$ 253,421,494	\$ 2,150,408	0.85%
Transient Occupancy Tax (TOT)		Received		FY2018	Annualized - Actual	Projected Variance
Transaction Months		To Date	Annualized	Budget	To Budget	
City of Alexandria	Months	12.00	\$ 3,510,854	\$ 3,510,854	\$ 3,496,154	\$ 14,700
Arlington County	Months	12.00	\$ 10,012,186	\$ 10,012,186	\$ 9,886,298	\$ 125,888
City of Fairfax	Quarters	3.00	\$ 298,951	\$ 398,601	\$ 400,000	\$ (1,399)
Fairfax County	Quarters	4.00	\$ 12,328,595	\$ 12,328,595	\$ 11,584,628	\$ 743,967
City of Falls Church	Months	12.00	\$ 200,708	\$ 200,708	\$ 187,900	\$ 12,808
Loudoun County	Quarters	4.00	\$ 3,152,200	\$ 3,152,200	\$ 3,020,000	\$ 132,200
City of Manassas	Months	12.00	\$ 63,822	\$ 63,822	\$ 61,000	\$ 2,822
City of Manassas Park	n/a		\$ -	\$ -	\$ -	\$ -
Prince William County	Quarters	4.00	\$ 1,675,768	\$ 1,675,768	\$ 1,583,000	\$ 92,768
Total TOT Revenue			31,243,085	31,342,735	\$ 30,218,980	1,123,755
Total Revenue Received			\$ 340,854,986	\$ 340,954,637	\$ 328,257,098	\$ 12,697,539
			\$ 340,854,986			3.87%

*The Regional Sales Tax is reported net of fees when applicable.

Attachment B

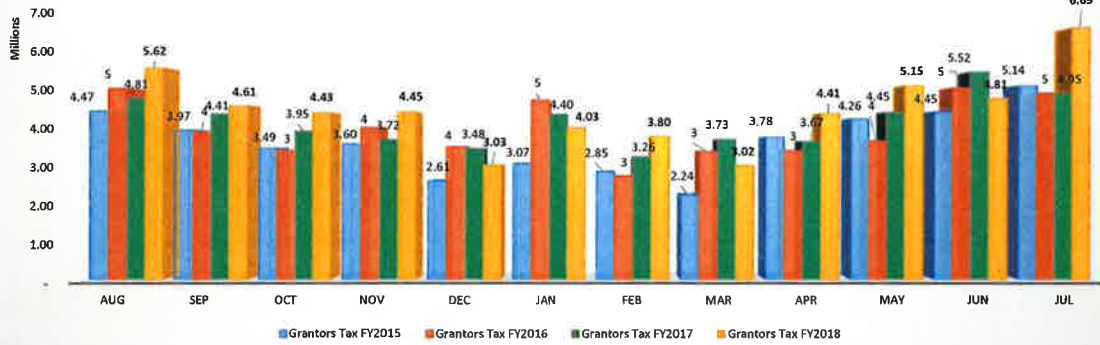
NORTHERN VIRGINIA TRANSPORTATION AUTHORITY FY2018 30% DISTRIBUTION BY JURISDICTION

Based on: Revenue Data Through August 2018

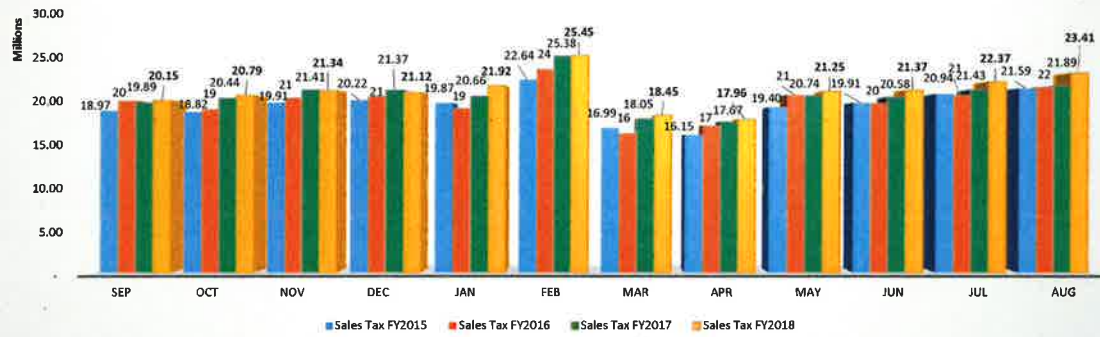
Jurisdiction	Grantor's Tax	*Regional Sales Tax (1)	Transient Occupancy Tax (2)	NVTA Fund Interest	Cumulative Total	30% Funds	FY2019 NVTA Operational Budget Contrib	Thru 6/30/18 Accrued Interest (3)	8/20/2018 Prior Distributions	Current Month Distribution	Total Funds Transferred
								(+)			
City of Alexandria	\$ 5,590,769.10	\$ 15,691,651.71	\$ 3,510,854.34	\$ 23,444.03	\$ 24,816,719.18	\$ 7,445,015.75	\$ 144,313.00	\$ 2,566.10	\$ 7,303,268.85	\$ -	\$ 7,303,268.85
Arlington County	\$ 5,340,306.76	\$ 25,974,930.51	\$ 10,012,185.85	\$ 39,627.68	\$ 41,367,050.80	\$ 12,410,115.24	\$ 212,173.00	\$ 4,399.03	\$ 12,202,341.27	\$ -	\$ 12,202,341.27
City of Fairfax	\$ 422,164.05	\$ 7,251,258.24	\$ 298,951.11	\$ 7,734.98	\$ 7,980,108.38	\$ 2,394,032.51	\$ 20,931.00	\$ 733.17	\$ 2,373,834.68	\$ -	\$ 2,373,834.68
Fairfax County	\$ 23,471,110.91	\$ 110,313,408.89	\$ 12,328,594.99	\$ 138,335.63	\$ 146,251,450.42	\$ 43,875,435.13	\$ 1,021,646.00	\$ 15,030.00	\$ 41,906,020.68	\$ 962,798.45	\$ 42,868,819.13
City of Falls Church	\$ 316,401.29	\$ 2,528,207.55	\$ 200,708.43	\$ 2,873.88	\$ 3,048,191.15	\$ 914,457.35	\$ 12,779.00	\$ 366.59	\$ 902,044.94	\$ -	\$ 902,044.94
Loudoun County	\$ 10,927,605.83	\$ 49,456,502.32	\$ 3,152,199.96	\$ 59,984.53	\$ 63,596,292.64	\$ 19,078,887.79	\$ -	\$ 6,965.12	\$ 19,085,852.91	\$ -	\$ 19,085,852.91
City of Manassas	\$ 490,299.80	\$ 5,089,614.25	\$ 63,822.13	\$ 5,445.56	\$ 5,649,181.74	\$ 1,694,754.52	\$ -	\$ 733.17	\$ 1,695,487.69	\$ -	\$ 1,695,487.69
City of Manassas Park	\$ 238,108.95	\$ 1,451,110.68	\$ -	\$ 1,624.93	\$ 1,690,844.56	\$ 507,253.37	\$ 14,101.00	\$ 733.17	\$ 493,885.54	\$ -	\$ 493,885.54
Prince William County	\$ 7,243,232.70	\$ 37,815,218.16	\$ 1,675,767.70	\$ 44,377.53	\$ 46,778,596.09	\$ 14,033,578.83	\$ 400,991.00	\$ 5,132.20	\$ 13,637,720.03	\$ -	\$ 13,637,720.03
Total Revenue	\$ 54,039,999.39	\$ 255,571,902.31	\$ 31,243,084.51	\$ 323,448.75	\$ 341,178,434.96	\$ 102,353,530.49	\$ 1,826,934.00	\$ 36,658.55	\$ 99,600,456.59	\$ 962,798.45	\$ 100,563,255.04
									\$ 100,563,255.04		

1 Net of Dept. of Taxation Fees
 2 County TOT includes any town collections
 3 Interest earned through 6/30/2018

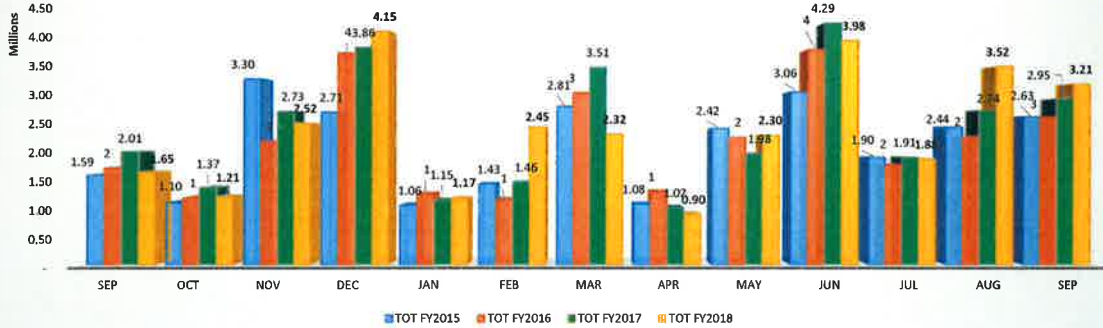
**Grantors Tax
(month received)**



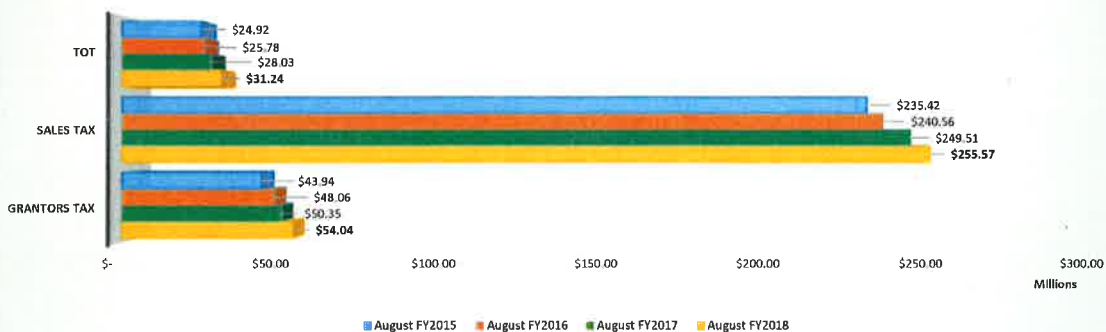
**Sales Tax
(month received)**



**Transient Occupancy Tax
(month received)**



YTD Receipt Comparison August FY2015 to FY2018



NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

FOR: Chairman Parrish and Members of the NVTA Finance Committee

FROM: Michael Longhi, Chief Financial Officer

DATE: September 14, 2018

SUBJECT: NVTA Operating Budget

1. **Purpose:** To update the Northern Virginia Transportation Authority (NVTA) Finance Committee on the Authority's Operating Budget for FY2018.
2. **Background:** The Authority operating budget is funded through the participating jurisdictions. All jurisdictions have contributed their respective share of the FY2018 and the FY2019 operating budget. This is the final monthly recap of FY2018 activities.
3. **Comments:** The Operating Budget produced the following results:
 - a. Operating revenue is at 100% of estimate.
 - b. On February 1, 2018, the Authority approved a Budget Adjustment for the Communications and Public Affairs Manager position. The budget adjustment transferred funds between accounts and did not increase total expenditures.
 - c. The 2018 Legislative Session required an unexpected level of consultation with bond counsel. Staff alerted the Committee that the \$25,000 budget line could be exceed by \$20,000 or more in FY2018. Actual bond counsel cost was \$53,166 and exceeded the budget line by \$28,166. The Operating Reserve covered the out of budget FY2018 expenditure. The FY2019 budgeted increase of \$40,000 will replenish the Operating Reserve from FY2018 and provide additional resources for FY2019, if needed.
 - d. The 2018 Legislative Session action also required an unexpected level of financial advisory services. Staff alerted the Committee that the \$35,000 budget line could be exceed by \$20,000 or more in FY2018. Actual financial advisory cost was \$55,000. The Operating Reserve covered the out of budget FY2018 expenditure. The FY2019 budgeted increase of \$40,000 will replenish the Operating Reserve from FY2018 and provide additional resources for FY2019, if needed.
 - e. The NVTA website redesign completed during FY2018 originally budgeted for FY2017 exceeded the budget by \$3,367. Savings in other cost categories covered the additional cost.
 - f. As predicted when the Committee approved the Equipment Reserve in FY2017, four of NVTA's computers required replacement at the end of FY2018 resulting in a cost of \$8,714 being applied to the reserve.
 - g. The attached statement shows the total operating budget income and expenditure activity for FY2018.

Attachment: FY2018 Operating Budget through FYE June 30, 2018

1000 General Fund

		----- Current Year -----				
Account Object	Description	Current Month	Current YTD	Budget	Variance	%
Revenue						
330100	Contribution Member Jurisdiction		1,922,196.00	1,922,196.00		100
						100
	Total Revenue	0.00	1,922,196.00	1,922,196.00	0.00	100
Expenses						
410000	Personnel Expenses					
110	Salaries-Regular Pay	22,340.82	1,071,114.84	1,080,634.40	9,519.56	99
130	Health & Dental Benefits		132,997.40	121,125.60	-11,871.80	110
131	Payroll Taxes	1,974.50	74,300.42	82,671.77	8,371.35	90
132	Retirement VRS	135.29	103,595.83	106,337.00	2,741.17	97
133	Life Insurance	84.88	13,862.99	13,122.00	-740.99	106
134	Flex Spending/Dependent Care		461.89	604.00	142.11	76
135	Workers Comp		1,102.00	1,187.00	85.00	93
137	Disability Insurance		16,576.12	15,920.00	-656.12	104
	Total Account	24,535.49	1,414,011.49	1,421,601.77	7,590.28	99
420000	Professional Services					
210	Audit & Accounting Services		38,220.00	28,300.00	-9,920.00	135
220	Bank Service		147.07	750.00	602.93	20
230	Insurance		5,624.00	4,725.00	-899.00	119
240	Payroll Services		1,730.44	1,725.00	-5.44	100
260	Public Outreach		17,622.12	33,000.00	15,377.88	53
261	Legal/Bond Counsel Services		53,165.97	25,000.00	-28,165.97	213
262	Financial Advisory Services	28,750.00	55,000.00	50,611.23	-4,388.77	109
263	Bond Trustee Fees		2,687.50	2,700.00	12.50	100
264	Legislative Services		58,854.34	60,000.00	1,145.66	98
265	Investment Custody Svc		20,160.00	25,000.00	4,840.00	81
	Total Account	28,750.00	253,211.44	231,811.23	-21,400.21	109
430000	Technology/Communication					
310	Acctg & Financial Report Systems		8,141.00	16,000.00	7,859.00	51
320	HW SW & Peripheral Purchase	-6,391.93	5,542.95	6,306.00	763.05	88
330	IT Support Svc Incl Hosting		16,154.90	16,930.00	775.10	95
340	Phone Service		7,557.80	7,970.00	412.20	95
350	Web Develop & Hosting		11,016.95	7,650.00	-3,366.95	144
	Total Account	-6,391.93	48,413.60	54,856.00	6,442.40	88
440000	Administrative Expenses					
410	Advertisement		442.18	1,500.00	1,057.82	29
411	Dues & Subscriptions		4,194.38	4,590.00	395.62	91
412	Duplication & Printing		8,924.56	15,500.00	6,575.44	58
413	Furniture & Fixture		544.40		-544.40	
414	Meeting Expenses		7,044.10	3,600.00	-3,444.10	196
415	Mileage/Transportation		4,365.18	10,950.00	6,584.82	40

1000 General Fund

Account Object	Description	----- Current Year -----				%
		Current Month	Current YTD	Budget	Variance	
417	Office Lease		134,051.87	130,515.00	-3,536.87	103
418	Office Supplies		6,339.78	6,400.00	60.22	99
419	Postage & Delivery		225.19	700.00	474.81	32
420	Professional Develop & Training		6,172.54	14,065.00	7,892.46	44
421	Industry Conferences		6,383.76	7,000.00	616.24	91
	Total Account		178,687.94	194,820.00	16,132.06	92
	Total Expenses	46,893.56	1,894,324.47	1,903,089.00	8,764.53	100
	Net Income from Operations	-46,893.56	27,871.53			
Other Expenses						
521000	Transfers					
820	Transfer to Operating Reserve			385,081.00	385,081.00	
825	Transf to Equip Reserve	6,391.93	8,714.24	18,000.00	9,285.76	48
	Total Account	6,391.93	8,714.24	403,081.00	394,366.76	2
	Total Other Expenses	6,391.93	8,714.24	403,081.00	394,366.76	2
	Net Income	-53,285.49	19,157.29			