



Northern Virginia Transportation Authority

The Authority for Transportation in Northern Virginia

FINANCE COMMITTEE
Thursday October 18, 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 September 20, 2018 Meeting
Recommended Action: Approval [with abstentions from those who were not present]

Presentation

III. FY2018 Audit Presentation Mr. Dwight Buracker, PBMares, LLP

Action Items

IV. FY2018 Financial and Compliance Audit Reports Mr. Longhi, CFO
(Recommended Action: Recommend Authority Acceptance of Audit Reports)

V. Investment Monitoring and Management Subscriptions Mr. Longhi, CFO
(Recommended Action: Recommend Authority Approval of Services and Related Budget Adjustments)

Information/Discussion Items

VI. Investment Portfolio Report Mr. Stavros, Investment & Debt Manager

VII. Monthly Revenue Report Mr. Longhi, CFO

VIII. Operating Budget Report Mr. Longhi, CFO

IX. Project Monitoring and Management System Procurement Update Mr. Longhi, CFO

X. Other Financial Activity Updates (Verbal Report)

Closed Session

(Potential Closed Session to discuss a procurement item.)

Adjournment

XI. Adjournment

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

3040 Williams Drive, Suite 200, Fairfax, Virginia

**Summary Minutes of the September 20, 2018 Meeting
Will Be Distributed As Soon As Possible**

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman Parrish and Members of the NVTA Finance Committee

FROM: Michael Longhi, Chief Financial Officer

SUBJECT: Fiscal Year 2018 Financial and Compliance Audit Reports

DATE: October 11, 2018

1. **Purpose.** To seek the Northern Virginia Transportation Authority (NVTA) Finance Committee recommendation of Authority acceptance of the draft FY2018 Financial and Compliance Audit Reports.
2. **Suggested motion.** *I move the Finance Committee recommend to the Authority, acceptance of the draft Northern Virginia Transportation Authority Financial and Compliance Audit Reports for the fiscal year ended June 30, 2018 (Attached).*
3. **Current Situation.**
 - a. The Finance Committee is designated as the Authority's Audit Committee.
 - b. As a political subdivision of the Commonwealth of Virginia, the is required to complete an annual audit of its financial activities for each fiscal year following standards contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Specifications for Audits of Authorities, Boards and Commissions* issued by the Auditor of Public Accounts of the Commonwealth of Virginia.
 - c. The Authority contracted with PBMares, LLP to complete the required audit of the FY2018 financial statements.
 - d. PBMares, LLP issued an unmodified (clean) opinion. This opinion reflects that the Authority's financial statements, in all material respects, fairly and accurately present the financial position of the Authority for FY2018.

Attachment: Northern Virginia Transportation Authority, Financial and Compliance Reports, Year Ended June 30, 2018 (Draft)



NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman Parrish and Members of the NVTA Finance Committee

FROM: Michael Longhi, Chief Financial Officer

SUBJECT: Investment Management and Monitoring Subscriptions

DATE: October 11, 2018

- 1) **Purpose:** To seek Northern Virginia Transportation Authority (NVTA) Finance Committee approval of a budget transfer to enable the implementation of Investment Management and Monitoring Services.
- 2) **Suggested Motion:** I move Finance Committee recommendation of Authority approval of a \$35,781.31 transfer from the NVTA Operating Reserve as detailed in Table 1 below.
- 3) **Background:**
 - a) As presented at the September 2018 meeting of the Finance Committee the NVTA investment portfolio is expected to reach \$1 billion in size in the near term.
 - b) The size of the portfolio requires an enhanced set of tools to meet the NVTA Investment Policy objectives of Safety, Liquidity, then Yield (SLY).
 - c) The NVTA Five Year Strategic Plan in Goal IV calls for; 'Supporting transportation infrastructure development through excellent stewardship of tax payer dollars, maximizing opportunities from existing sources... '.
 - d) Interest income from the NVTA portfolio is estimated at \$10 million/year.
 - e) The growing size and complexity of the portfolio was given significant attention during the FY2018 Financial Statement Audit. During the audit, NVTA staff were able to demonstrate that research into improving the toolset to meet the Investment Policy (SLY) and Strategic Plan objectives was underway.
 - f) The subscription tools have an additional benefit of improved pricing for securities leading to greater yield. The greater yield will generate as much as \$220,000.00 in additional interest income for the Regional Revenue Fund (70%).
 - g) At the September 2018 Finance Committee meeting three tools were presented. NVTA staff noted that additional cost and benefit analysis was ongoing and would be presented at the October meeting, with a recommendation.

- 4) Proposed Transfer:** After trial analysis periods, NVTA staff have determined the best combination of tools is the Bloomberg Anywhere subscription with Real Time Pricing and the Inter Continental Exchange (ICE) Best Ex Vantage subscription.
- a) The transfer noted in Table 1 below, will fund the implementation of the investment tools for the final 7 months of this fiscal year.
 - b) The FY2019 cost of the subscriptions and one time implementation costs (to be funded from the Operating Reserve) is \$35,781.31.
 - c) The Operating Reserve will be replenished as part of the FY2020 Operating Budget.
 - d) The ongoing annual costs starting in FY2020 are estimated at \$48,210.00

Table 1		
Investment Management Platform Subscription Costs (Transfer From Operating Reserve)		
	FY2019	FY2020
Bloomberg Anywhere Subscription	\$ 17,120.00	\$ 25,680.00
Bloomberg Real Time Pricing Module	\$ 1,020.00	\$ 1,530.00
Bloomberg One time Installation Fee	\$ 50.00	\$ -
ICE Best Ex Vantage Subscription	\$ 14,000.00	\$ 21,000.00
Computer	\$ 2,991.31	\$ -
Monitor	\$ 600.00	\$ -
FY2019 Transfer Total	\$35,781.31	\$48,210.00
One time	\$ 3,641.31	\$ -
Annual		\$48,210.00

5) Next Steps.

- a) With concurrence of the Finance Committee the proposed transfer will be presented to the Authority at its November meeting.
- b) If the Authority approves the transfer in November the service can be implemented that month.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman Parrish and Members of the NVTA Finance Committee

FROM: Richard Stavros, Investment & Debt Manager

DATE: October 11, 2018

SUBJECT: Investment Portfolio Report

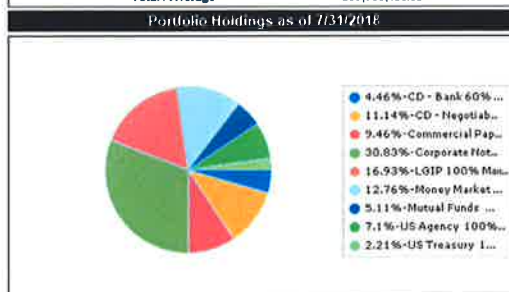
- 1) **Purpose:** To provide the Northern Virginia Transportation Authority (NVTA) Finance Committee with required reports on investment activities and portfolio performance through September 30, 2018.
- 2) **Background:**
 - a. This report is on investment activity through September 2018 and affirms 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: 7/31/2018, End Date: 9/30/2018

Asset Category Allocation					
Asset Category	Book Value 7/31/2018	% of Portfolio 7/31/2018	Book Value 9/30/2018	% of Portfolio 9/30/2018	
CD - Bank 60% Maximum	40,000,000.00	4.46	40,000,000.00	4.34	
CD - Negotiable 25% Maximum	100,010,075.44	11.14	60,004,701.14	6.51	
Commercial Paper 30% / 5% Maximum	84,923,995.83	9.46	9,832,505.54	1.07	
Corporate Notes 50% Maximum	276,788,879.15	30.83	320,743,106.77	34.78	
LQIP 100% Maximum	152,005,220.59	16.93	167,296,917.52	18.14	
Money Market 60% Maximum	114,577,751.42	12.76	174,732,077.93	18.95	
Mutual Funds 20% Maximum	45,910,246.83	5.11	46,036,454.77	4.99	
US Agency 100% Maximum	63,724,390.93	7.10	63,762,732.41	6.91	
US Treasury 100% Maximum	19,795,894.76	2.21	39,704,337.45	4.31	
Total / Average	897,736,456.95	100.00	922,112,833.53	100.00	



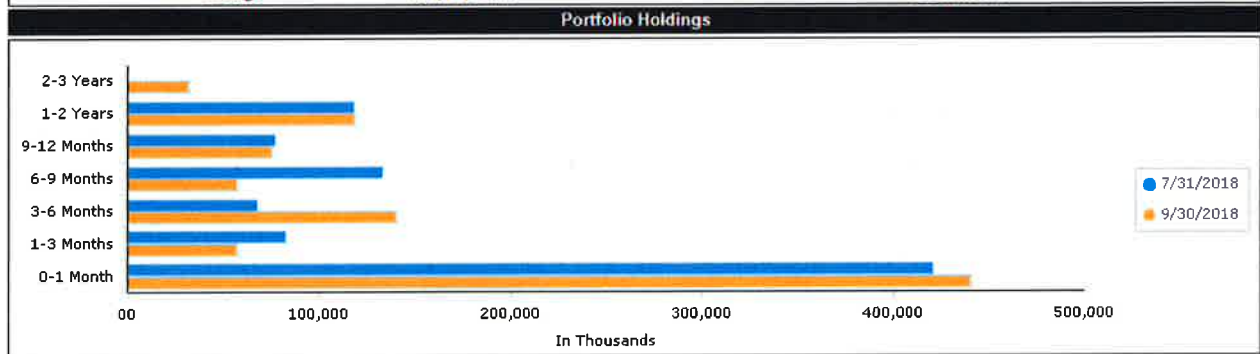
- b. The liquidity of the portfolio is reflected in the portfolio's duration of .43 (1.0 = 1 year) and the maturity schedule shown below:



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

Begin Date: 7/31/2018, End Date: 9/30/2018

Maturity Range Allocation				
Maturity Range	Book Value 7/31/2018	% of Portfolio 7/31/2018	Book Value 9/30/2018	% of Portfolio 9/30/2018
0-1 Month	419,947,198.75	46.78	440,566,297.75	47.78
1-3 Months	82,475,143.45	9.19	57,586,927.03	6.25
3-6 Months	67,589,715.78	7.53	140,298,015.65	15.21
6-9 Months	132,677,436.53	14.78	57,177,727.01	6.20
9-12 Months	76,749,609.82	8.55	75,759,333.95	8.22
1-2 Years	118,297,352.62	13.18	118,425,201.24	12.84
2-3 Years	0.00	0.00	32,299,330.90	3.50
Total / Average	897,736,456.95	100.00	922,112,833.53	100.00



- c. The yield on the portfolio at the end of September 2018 was 2.17%. The NVTA's Investment Policy specifies the benchmarks shown below for yield performance comparison:

NVTA Investment Benchmarks	FY 2018 Year End	Sep-18 Month End
Fed Funds Rate	1.82%	2.04%
Treasury 90 Day T Bill	1.92%	2.15%
Local Government Investment Pool	2.01%	2.17%
Virginia Non-Arbitrage Program	2.16%	2.21%
NVTA Performance	1.95%	2.17%

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.

b) Liquidity:

- i) The NVTA Portfolio average duration is under 6 months (.43). Given the flat yield curve, however, the NVTA has not sacrificed yield by investing in short maturities or pursuing a short duration strategy (nearly 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) Federal Reserve Raises Rates: The Federal Funds Rate was raised to a range of 2% to 2.25% at the Federal Open Market Committee Reserve Meeting in late September. The November Investment Report will reflect a step up in performance during October as NVTA has obtained greater yielding Agencies and Treasuries instruments in the average range of 2.87% (as high as 3.01%) as a result of the Fed rate increase.

5) Custodian/Safekeeping: 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) **Reposition Plan Update:** The VIP 1-3 Bond Fund was exited on September 28, 2018 with a mark-to-market loss of \$842,554.07 that was an \$89,332 higher loss than forecast. The recovery of the mark-to-market loss will occur in 1 year. Two occurrences are related to the greater than expected Mark to Market loss:
 - (1) The Federal Reserve increased rates .25%, just prior to the redemption. While this increased the mark to market loss it also increased the reinvestment opportunity.
 - (2) The VIP fund manager has total discretion as to which investments were sold to redeem our shares.

Taking advantage of the Federal Reserve rate increase, the proceeds of \$46 million were reinvested the following week in various higher yielding investments, such as U.S. Treasuries, J.P. Morgan commercial paper, Federal Agencies such Freddie Mac, as well as highly rated corporate bonds such as BlackRock.

The new investments have an average yield of 2.86%, as compared with the VIP 1-3 which has delivered a gross total return of 1.21% (.43% annualized). The new investments are producing more than twice the gross total return and 6 times the annualized.

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 9/31/2018

Description	Issuer	Face Amount Shares	Book Value	Market Value	Credit Rating 1	Credit Rating 2	Portfolio %	Days To Maturity	Days To Call Maturity	Maturity Date	YTM @ Cost	Duration To 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	1.08	25	25	10/25/2018	1.950	0.07
John Marshall Bank 2.25 10/11/2018	John Marshall Bank	17,500,000.00	17,500,000.00	17,500,000.00	None	None	1.89	11	11	10/11/2018	2.250	0.03
United Bank of VA 2.15 3/5/2019	United Bank of VA	12,500,000.00	12,500,000.00	12,500,000.00	NR	NR	1.35	156	156	03/05/2019	2.150	0.43
Sub Total / Average		40,000,000.00	40,000,000.00	40,000,000.00			4.33	60	60		2.144	0.16
Commercial Paper												
Commonwealth Bank of Australia - NY 1.75 11/2/2018	Commonwealth Bank of Australia - NY	13,530,000.00	13,526,964.51	13,522,558.50	Moody's-Aa3	S&P-AA-	1.46	33	33	11/02/2018	2.000	0.09
Commonwealth Bank of Australia - NY 1.75 11/2/2018	Commonwealth Bank of Australia - NY	15,000,000.00	14,998,983.48	14,991,750.00	Moody's-Aa3	S&P-AA-	1.62	33	33	11/02/2018	1.825	0.09
JP Morgan Securities 0.5/24/2019	JP Morgan Securities	5,000,000.00	4,916,416.66	4,904,897.22	S&P-A1	Moody's-P1	0.54	236	236	05/24/2019	2.599	0.65
JP Morgan Securities 0.5/24/2019	JP Morgan Securities	5,000,000.00	4,916,089.88	4,904,897.22	S&P-A1	Moody's-P1	0.54	236	236	05/24/2019	2.610	0.65
Sub Total / Average		38,530,000.00	38,358,453.53	38,324,102.94			4.17	86	86		2.089	0.23
Corporate Bond												
Apple Corp 1.5 9/12/2019	Apple Corp	4,685,000.00	4,643,795.47	4,633,933.50	Moody's-Aa1	S&P-AA+	0.51	347	347	09/12/2019	2.450	0.95
Apple Corp 1.8 11/3/2019	Apple Corp	15,000,000.00	14,890,509.14	14,841,450.00	Moody's-Aa1	S&P-AA+	1.62	409	409	11/13/2019	2.470	1.11
Apple Corp 1.8 11/13/2019	Apple Corp	10,000,000.00	9,934,475.47	9,894,300.00	Moody's-Aa1	S&P-AA+	1.08	409	409	11/13/2019	2.400	1.11
Apple Corp 1.8 11/13/2019	Apple Corp	4,995,000.00	4,957,597.16	4,942,202.85	Moody's-Aa1	S&P-AA+	0.54	409	409	11/13/2019	2.488	1.11
Apple Corp 2.1 1/3/2020	Apple Corp	5,000,000.00	4,926,599.02	4,911,000.00	S&P-AA+	Moody's-Aa1	0.54	775	775	11/13/2020	2.718	2.07
Australia New Zealand Bank - NY Office 1.6 7/15/20	Australia New Zealand Bank - NY Office	20,000,000.00	19,945,712.99	19,813,900.00	Moody's-Aa3	S&P-AA-	2.16	288	288	07/15/2019	1.950	0.79
Australia New Zealand Bank - NY Office 2.05 9/23/2	Australia New Zealand Bank - NY Office	5,900,000.00	5,905,628.41	5,852,387.00	Moody's-Aa3	S&P-AA-	0.64	358	358	09/23/2019	1.950	0.98
Australia New Zealand Bank - NY Office 2.05 9/23/2	Australia New Zealand Bank - NY Office	6,000,000.00	6,009,760.81	5,951,580.00	Moody's-Aa3	S&P-AA-	0.65	358	358	09/23/2019	1.880	0.98
Berkshire Hathaway 2.1 8/14/2019	Berkshire Hathaway	5,000,000.00	4,980,314.29	4,974,500.00	S&P-AA	Moody's-Aa2	0.54	318	318	08/14/2019	2.558	0.87
Berkshire Hathaway 2.2 3/15/2021	Berkshire Hathaway	7,386,000.00	7,275,936.65	7,242,268.44	S&P-AA	Moody's-Aa2	0.80	897	897	03/15/2021	2.833	2.40
Berkshire Hathaway Fin 1.7 3/15/2019	Berkshire Hathaway Fin	8,940,000.00	8,913,177.01	8,909,246.40	Moody's-Aa2	S&P-AA	0.97	166	166	03/15/2019	2.371	0.46
Chevron Corp 1.686 2/28/2019	Chevron Corp	20,000,000.00	20,010,997.69	19,925,600.00	Moody's-Aa2	S&P-AA	2.16	151	151	02/28/2019	1.551	0.41
Chevron Corp 4.95 3/3/2019	Chevron Corp	15,000,000.00	15,157,760.98	15,129,300.00	Moody's-Aa2	S&P-AA-	1.62	154	154	03/03/2019	2.410	0.43
Chevron Corp 2.1 5/16/2021	Chevron Corp	5,560,000.00	5,445,164.36	5,425,390.80	S&P-AA-	Moody's-Aa2	0.60	959	959	05/16/2021	2.923	2.55
Chevron Corp 2.193 11/15/2019	Chevron Corp	8,950,000.00	8,915,972.80	8,866,276.00	Moody's-Aa2	S&P-AA-	0.97	411	411	11/15/2019	2.540	1.11
Coca Cola 1.375 5/30/2019	Coca Cola	10,000,000.00	9,940,833.22	9,922,200.00	Moody's-Aa3	S&P-AA-	1.08	242	242	05/30/2019	2.280	0.66
Commonwealth Bank of Australia 2.05 3/15/2019	Commonwealth Bank of Australia	3,306,000.00	3,305,529.60	3,296,941.56	Moody's-Aa3	S&P-AA-	0.36	166	166	03/15/2019	2.081	0.46
Commonwealth Bank of Australia 2.05 3/15/2019	Commonwealth Bank of Australia	15,560,000.00	15,548,786.17	15,517,365.60	Moody's-Aa3	S&P-AA-	1.68	166	166	03/15/2019	2.210	0.46
Exxon Mobile Corp 1.912 3/6/2020	Exxon Mobile Corp	8,663,000.00	8,584,291.11	8,559,130.63	Moody's-Aaa	S&P-AA+	0.94	523	523	03/06/2020	2.566	1.42
Johnson and Johnson 2.95 9/1/2020	Johnson and Johnson	5,000,000.00	5,044,396.76	5,019,750.00	S&P-AAA	Moody's-Aaa	0.54	702	702	09/01/2020	2.472	1.88
Mass Institute Technology 2.051 7/1/2019	Mass Institute Technology	145,000.00	144,786.86	144,215.55	Moody's-Aaa	S&P-AAA	0.02	274	274	07/01/2019	2.250	0.75
Microsoft Corp 1.1 8/8/2019	Microsoft Corp	5,000,000.00	4,941,791.04	4,935,900.00	Moody's-Aaa	Moody's-Aaa	0.54	312	312	08/08/2019	2.483	0.85
Microsoft Corp 1.1 8/8/2019	Microsoft Corp	2,000,000.00	1,977,471.63	1,974,360.00	S&P-AAA	Moody's-Aaa	0.22	312	312	08/08/2019	2.442	0.85
Microsoft Corp 1.55 8/8/2021	Microsoft Corp	5,000,000.00	4,823,185.74	4,799,150.00	S&P-AAA	Moody's-Aaa	0.54	1,043	1,043	08/08/2021	2.850	2.80
Microsoft Corp 1.85 2/6/2020	Microsoft Corp	1,196,000.00	1,185,285.06	1,181,492.52	S&P-AAA	Moody's-Aaa	0.13	494	494	02/06/2020	2.530	1.34
National Australia Bank 2.25 1/10/2020	National Australia Bank	5,000,000.00	4,955,431.79	4,942,400.00	Moody's-Aa3	S&P-AA-	0.54	467	467	01/10/2020	2.970	1.26
Proctor and Gamble Co. 1.9 10/23/2020	Proctor and Gamble Co.	5,000,000.00	4,915,830.34	4,892,700.00	S&P-AA-	Moody's-Aa3	0.54	754	754	10/23/2020	2.746	2.02
Stanford University 4.75 5/1/2019-18	Stanford University	5,892,000.00	6,004,220.21	5,962,988.60	Moody's-Aaa	S&P-AAA	0.64	213	213	05/01/2019	1.431	0.57
Toyota Motor Credit corp 1.4 5/20/2019	Toyota Motor Credit corp	1,515,000.00	1,506,350.60	1,503,289.05	Moody's-Aa3	S&P-AA-	0.16	232	232	05/20/2019	2.311	0.64

Toyota Motor Credit corp. 1.55 10/18/2019	Toyota Motor Credit corp	16,000,000.00	15,865,327.71	15,788,160.00	Moody's-Aa3	S&P-AA-	1.73	383	383	10/18/2019	2,370	1.04
Toyota Motor Credit corp 2.125 7/18/2019	Toyota Motor Credit corp	11,043,000.00	11,002,079.74	10,996,729.83	Moody's-Aa3	S&P-AA-	1.20	291	291	07/18/2019	2,600	0.79
Toyota Motor Credit corp 2.125 7/18/2019	Toyota Motor Credit corp	1,735,000.00	1,730,978.88	1,727,790.35	Moody's-Aa3	S&P-AA-	0.19	291	291	07/18/2019	2,420	0.79
Toyota Motor Credit corp. 2.2 1/10/2020	Toyota Motor Credit corp.	5,000,000.00	4,967,569.44	4,955,450.00	S&P-AA-	Moody's-Aa3	0.54	467	467	01/10/2020	2,720	1.26
Walmart Corp 1.9 12/15/2020	Walmart Corp	5,000,000.00	4,912,614.79	4,893,600.00	S&P-AA	Moody's-Aa2	0.54	807	807	12/15/2020	2,722	2.16
Wells Fargo Bank 1.8 11/28/2018	Wells Fargo Bank	15,200,000.00	15,203,872.55	15,184,496.00	Moody's-Aa2	Fitch-AA	1.64	59	59	11/28/2018	1,639	0.16
Wells Fargo Bank 1.8 11/28/2018	Wells Fargo Bank	8,850,000.00	8,852,244.54	8,840,973.00	Moody's-Aa2	Fitch-AA	0.96	59	59	11/28/2018	1,640	0.16
Yale University 2.086 4/15/2019	Yale University	13,025,000.00	13,017,021.99	12,990,874.50	Moody's-Aaa	S&P-AAA	1.41	197	197	04/15/2019	2,200	0.54
Yale University 2.086 4/15/2019	Yale University	375,000.00	374,772.11	374,017.50	Moody's-Aaa	S&P-AAA	0.04	197	197	04/15/2019	2,200	0.54
Yale University 2.066 4/15/2019	Yale University	1,500,000.00	1,499,084.67	1,496,070.00	Moody's-Aaa	S&P-AAA	0.16	197	197	04/15/2019	2,200	0.54
Sub Total / Average		293,421,000.00	292,217,158.78	291,231,229.68			31.75	347	347		2,269	0.94
FFCB Bond												
FFCB 1.4 3/27/2019	FFCB	10,000,000.00	10,002,389.59	9,947,700.00	Moody's-Aaa	S&P-AA+	1.08	178	178	03/27/2019	1,350	0.49
Sub Total / Average		10,000,000.00	10,002,389.59	9,947,700.00			1.08	178	178		1,350	0.49
FHLB Bond												
FHLB 1.75 12/14/2018	FHLB	5,000,000.00	5,004,861.95	4,995,150.00	Moody's-Aaa	S&P-AA+	0.54	75	75	12/14/2018	1,270	0.21
FHLB Step 3/5/2020-18	FHLB	10,000,000.00	9,976,415.66	9,972,600.00	Moody's-Aaa	S&P-AA+	1.08	522	66	03/05/2020	2,696	1.41
Sub Total / Average		15,000,000.00	14,981,277.61	14,967,750.00			1.62	373	69		2,221	1.01
FHLMC Bond												
FHLMC 1.35 1/25/2019-17	FHLMC	10,000,000.00	10,000,000.00	9,969,100.00	Moody's-Aaa	S&P-AA+	1.08	117	25	01/25/2019	1,350	0.32
FHLMC 1.375 3/15/2019	FHLMC	5,000,000.00	5,000,000.00	4,977,350.00	S&P-AA+	Fitch-AAA	0.54	166	166	03/15/2019	1,375	0.46
FHLMC Step 9/30/2019-17	FHLMC	4,500,000.00	4,495,375.84	4,486,410.00	Moody's-Aaa	S&P-AA+	0.49	365	91	09/30/2019	1,772	1.00
Sub Total / Average		19,500,000.00	19,495,375.84	19,432,860.00			2.11	187	76		1,454	0.51
FNMA Bond												
FNMA 1.25 8/23/2019-17	FNMA	10,000,000.00	9,981,637.99	9,875,800.00	Moody's-Aaa	S&P-AA+	1.08	327	54	08/23/2019	1,459	0.89
Sub Total / Average		10,000,000.00	9,981,637.99	9,875,800.00			1.08	327	54		1,459	0.89
Local Government Investment Pool												
Commonwealth of Virginia LGIP	Commonwealth of Virginia	10,063,020	10,063,020	10,065,020	S&P-Aaa	NR	0.00	1	1	N/A	2,168	0.00
Commonwealth of Virginia LGIP	Commonwealth of Virginia	51,065,390.82	51,065,390.82	51,065,390.82	S&P-Aaa	NR	5.53	1	1	N/A	2,168	0.00
VIP 1-3 Year LGIP	VIP 1-3 Year	46,036,454.77	46,036,454.77	46,036,454.77	S&P-AA+	NR	4.98	1	1	N/A	2,030	0.00
VIP Stable NAV LGIP	VIP Stable NAV	116,221,463.68	116,221,463.68	116,221,463.68	S&P-Aaa	NR	12.58	1	1	N/A	2,180	0.00
Sub Total / Average		213,333,372.29	213,333,372.29	213,333,372.29			23.09	1	1		2,145	0.00
Money Market												
Access National Bank MM	Access National Bank	84,872,866.75	84,872,866.75	84,872,866.75	NR	NR	9.18	1	1	N/A	2,240	0.00
BB&T MM	BB&T	295,434.35	295,434.35	295,434.35	NR	NR	0.03	1	1	N/A	1,780	0.00
John Marshall Bank ICS MM	John Marshall Bank ICS	18,237,982.68	18,237,982.68	18,237,982.68	NR	NR	1.97	1	1	N/A	2,250	0.00
United Bank MM	United Bank	71,325,794.15	71,325,794.15	71,325,794.15	NR	NR	7.72	1	1	N/A	2,250	0.00
Sub Total / Average		174,732,077.93	174,732,077.93	174,732,077.93			18.91	1	1		2,244	0.00
Negotiable Certificate Of Deposit												
Natixis - NY office 1.75 10/23/2018	Natixis - NY office	15,000,000.00	15,000,470.71	14,995,350.00	Moody's-P1	S&P-A1	1.62	23	23	10/23/2018	1,699	0.06
Standard Charter NY 1.74 10/23/2018	Standard Charter NY	10,000,000.00	10,000,376.82	9,996,800.00	Moody's-P1	S&P-A1	1.08	23	23	10/23/2018	1,679	0.06
Standard Charter NY 2.46 3/18/2019-18	Standard Charter NY	20,000,000.00	20,000,914.92	19,983,000.00	Moody's-P1	S&P-A1	2.16	169	169	03/18/2019	2,450	0.46
Toronto Dominion Bank 2.71 5/22/2019	Toronto Dominion Bank	15,000,000.00	15,002,938.89	15,004,983.85	Moody's-P1	S&P-A1+	1.62	234	234	05/22/2019	2,679	0.65
Sub Total / Average		60,000,000.00	60,004,701.14	59,979,733.85			6.49	124	124		2,191	0.34
Treasury Bond												
T-Bond 0 2/15/2019	Treasury	20,000,000.00	19,858,459.89	19,836,600.00	Moody's-Aaa	S&P-AA+	2.16	138	138	02/15/2019	1,900	0.38
Sub Total / Average		20,000,000.00	19,858,459.89	19,836,600.00			2.16	138	138		1,900	0.38
Treasury Note												
T-Note 1.875 12/31/2019	Treasury	10,000,000.00	9,929,692.31	9,896,900.00	S&P-Aaa	Moody's-Aaa	1.08	457	457	12/31/2019	2,450	1.24

T-Note 1.875 12/31/2019	Treasury	10,000,000.00	9,916,185.45	9,896,900.00	S&P-AAA	Moody's-Aaa	1.08	457	457	12/31/2019	2,561	1.24
Sub Total / Average		20,000,000.00	19,845,877.76	19,793,800.00			2.16	457	457		2,505	1.24
U.S. Agency for International Development												
OPIC - Overseas Private Invest corp 0 11/13/2019	OPIC - Overseas Private Invest corp	9,544,505.40	9,302,051.38	9,174,600.38	Moody's-Aaa	S&P-AA+	1.03	409	409	11/13/2019	2,329	1.12
Sub Total / Average		9,544,505.40	9,302,051.38	9,174,600.38			1.03	409	409		2,329	1.12
Total / Average		924,060,955.62	922,112,833.53	920,629,827.07			100	157	147		2,179	0.43

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

FOR: Chairman Parrish and Members of the NVTA Finance Committee

FROM: Michael Longhi, Chief Financial Officer

DATE: October 11, 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 and distributed through September 2018 for the Authority's sole revenue source, sales tax.
3. **Comments:**
 - a. **FY2019 Revenues (Attachment A)**
 - i. The Authority has received approximately \$21.1 million through the September 2018 transfers from the Commonwealth. The \$21.1 million represents one month of sales tax receipts relating to July 2018 transactions.
 - ii. Actual to estimate comparison of sales tax revenues through September show a 2.24% negative variance in Sales Tax compared to the FY2019 adopted revenue estimates.
 - iii. As this denotes only one month of revenue, no changes to the FY2019 revenue estimates are recommended at this time.
 - b. **FY2019 Distribution to localities (Attachment B)**
 - i. As of the preparation of this report, eight jurisdictions have completed the HB2313 required annual certification process to receive FY2019 30% funds.
 - ii. Of the \$21.1 million received by the Authority through September for FY2019, approximately \$6.3 million represents 30% local funds of which \$5.8 million was distributed to the member jurisdictions.
 - c. **FY2015 to FY2019 Year over Year Revenue Comparison (Attachment C)**
 - i. This chart reflects a month-to-month comparison of sales tax revenue and a year-to-year comparison of fiscal year to date revenues received through September 2018.

Attachments:

- A. Sales Tax Revenues Received Compared to NVTA Estimates, Through September 2018
- B. FY2019 30% Distribution by Jurisdiction, through September 2018
- C. Month to Month Comparison of Sales Tax Revenue and YTD Receipts for September 2015 to 2019

Attachment A

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY
SALES TAX REVENUES RECEIVED BY JURISDICTION, COMPARED TO NVTA ESTIMATES
 Based on: Revenue Data Through September 2018
 FYE June 30, 2019

Regional Sales Tax*		Received		FY2019	Annualized - Actual	
Transaction Months	1	To Date	Annualized	Budget	To Budget	
City of Alexandria		\$1,304,136	\$ 15,649,629	\$ 16,057,290	\$ (407,661)	
Arlington County		\$2,134,626	\$ 25,615,511	\$ 25,308,696	\$ 306,815	
City of Fairfax		\$626,338	\$ 7,516,052	\$ 7,432,605	\$ 83,447	
Fairfax County		\$8,913,349	\$ 106,960,186	\$ 111,788,679	\$ (4,828,493)	
City of Falls Church		\$210,868	\$ 2,530,418	\$ 2,659,800	\$ (129,382)	
Loudoun County		\$4,166,863	\$ 50,002,353	\$ 50,940,000	\$ (937,647)	
City of Manassas		\$442,713	\$ 5,312,555	\$ 5,100,000	\$ 212,555	
City of Manassas Park		\$129,824	\$ 1,557,884	\$ 1,462,415	\$ 95,469	
Prince William County		\$3,165,512	\$ 37,986,150	\$ 38,176,740	\$ (190,590)	
Total Sales Tax Revenue		\$ 21,094,228	\$ 253,130,738	\$ 258,926,225	\$ (5,795,487)	-2.24%
		\$ 21,094,228				

Attachment B

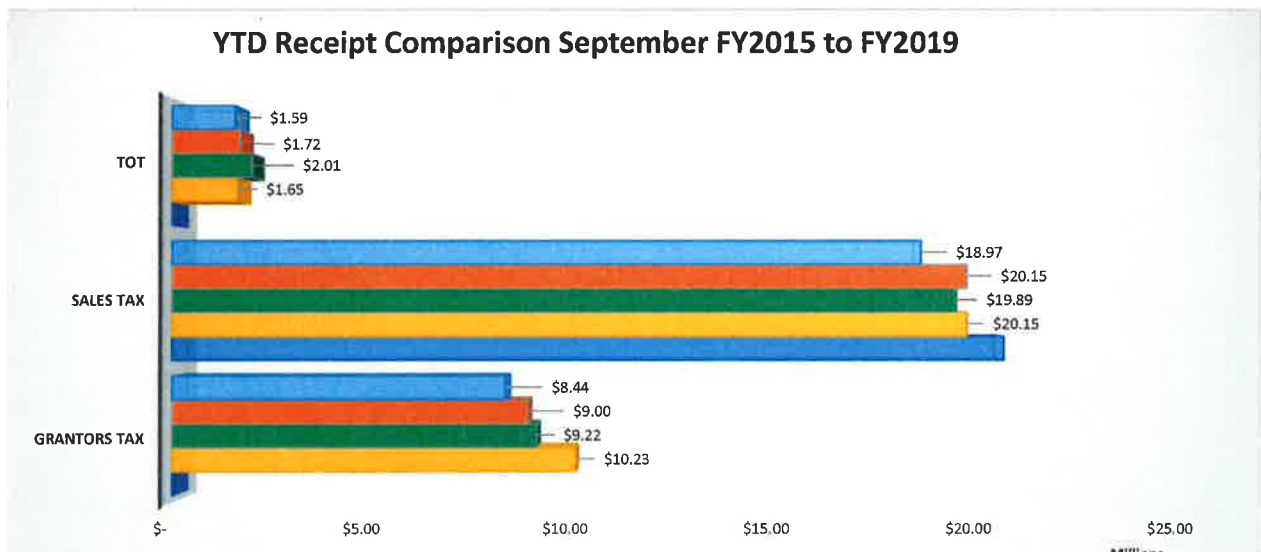
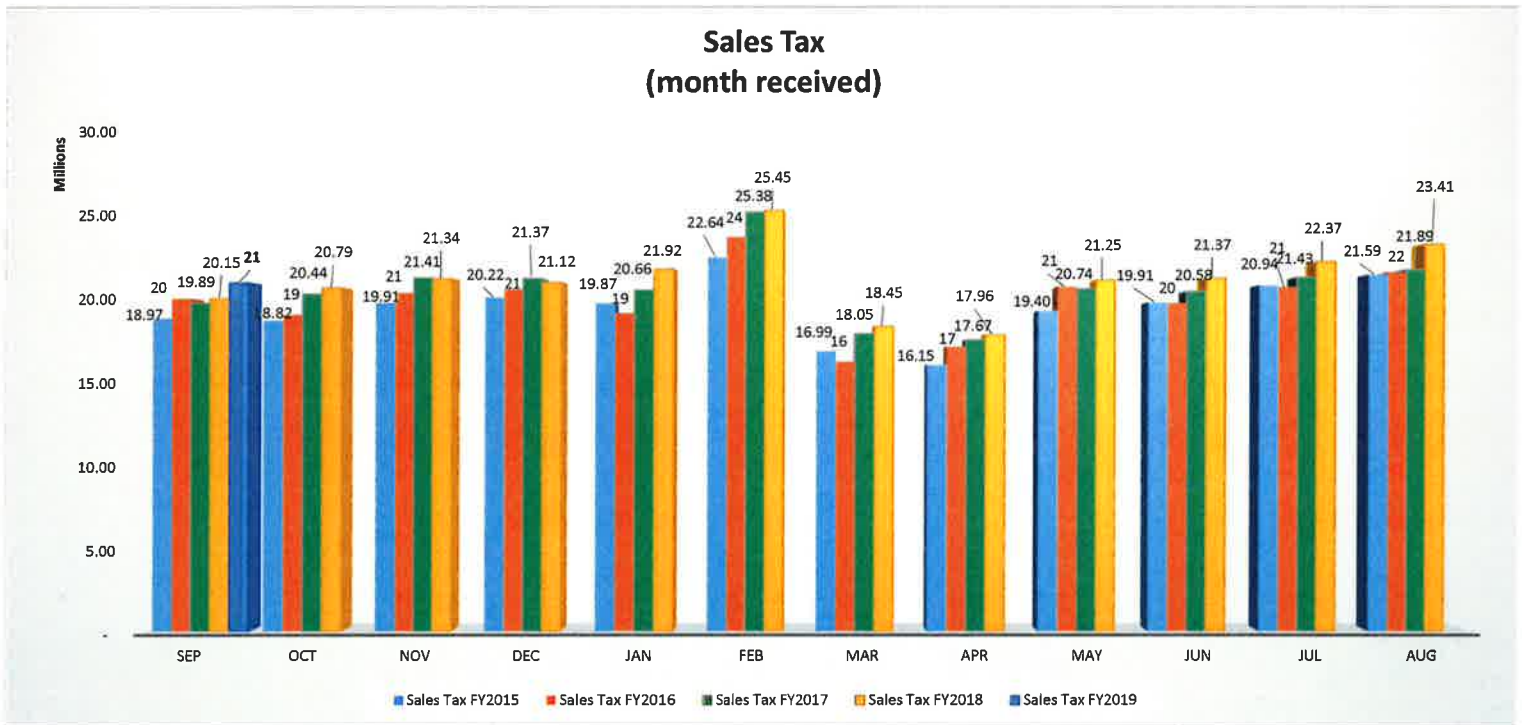
NORTHERN VIRGINIA TRANSPORTATION AUTHORITY FY2019 30% DISTRIBUTION BY JURISDICTION

Based on: Revenue Data Through September 2018

Jurisdiction	Regional Sales Tax	NVTA Fund Interest	Cumulative Total	30% Funds	Thru 8/30/18		8/31/2018 Prior Distributions	Current Month Distribution	Total Funds Transferred
					Accrued Interest (1)	(+)			
City of Alexandria	\$ 1,304,135.77	\$ -	\$ 1,304,135.77	\$ 391,240.73	\$ 131.13	\$ -	\$ 391,371.86	\$ 640,584.49	\$ 640,584.49
Arlington County	\$ 2,134,625.95	\$ -	\$ 2,134,625.95	\$ 640,387.79	\$ 196.70	\$ -	\$ 640,584.49	\$ 187,966.86	\$ 2,675,010.01
City of Fairfax	\$ 626,337.63	\$ -	\$ 626,337.63	\$ 187,901.29	\$ 65.57	\$ -	\$ 187,966.86	\$ 63,282.31	\$ 63,282.31
Fairfax County	\$ 8,913,348.82	\$ -	\$ 8,913,348.82	\$ 2,674,004.65	\$ 1,005.36	\$ -	\$ 2,675,010.01	\$ 1,250,452.22	\$ 1,250,452.22
City of Falls Church	\$ 210,868.17	\$ -	\$ 210,868.17	\$ 63,260.45	\$ 21.86	\$ -	\$ 63,282.31	\$ 132,857.59	\$ 132,857.59
Loudoun County	\$ 4,166,862.73	\$ -	\$ 4,166,862.73	\$ 1,250,058.82	\$ 393.40	\$ -	\$ 1,250,452.22	\$ 38,968.98	\$ 38,968.98
City of Manassas	\$ 442,712.92	\$ -	\$ 442,712.92	\$ 132,813.88	\$ 43.71	\$ -	\$ 132,857.59	\$ 949,959.72	\$ 949,959.72
City of Manassas Park	\$ 129,823.69	\$ -	\$ 129,823.69	\$ 38,947.11	\$ 21.87	\$ -	\$ 38,968.98	\$ -	\$ -
Prince William County	\$ 3,165,512.48	\$ -	\$ 3,165,512.48	\$ 949,653.74	\$ 305.98	\$ -	\$ 949,959.72	\$ -	\$ -
Total Revenue	\$ 21,094,228.16	\$ -	\$ 21,094,228.16	\$ 6,328,268.46	\$ 2,185.58	\$ -	\$ 6,330,454.04	\$ 5,751,115.32	\$ 5,751,115.32

(1) Interest earned through 8/31/2018

FY2019 September 2018



NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

FOR: Chairman Parrish and Members of the NVTA Finance Committee

FROM: Michael Longhi, Chief Financial Officer

DATE: October 11, 2018

SUBJECT: NVTA Operating Budget

1. **Purpose:** To update the Northern Virginia Transportation Authority (NVTA) Finance Committee on the Authority's Operating Budget for FY2019.
2. **Background:** The Authority operating budget is funded through the participating jurisdictions. All jurisdictions have contributed their respective share of the FY2019 operating budget.
3. **Comments:** Through September 30, 2018, the FY2019 Operating Budget has produced the following results:
 - a. Operating revenue is at 100% of estimate.
 - b. September 2018 represents 25% of the fiscal year. Through September 2018, the Authority has utilized 22% of its FY2019 expenditure budget.
 - c. The attached statement shows the operating budget income and expenditure activity through September 2018 for FY2019.

Attachment: FY2019 Operating Budget through September 30, 2018

1000 General Fund

		----- Current Year -----				
Account Object	Description	Current Month	Current YTD	Budget	Variance	%
Revenue						
330100	Contribution Member Jurisdiction		2,203,249.00	2,203,249.00		100
						100
	Total Revenue	0.00	2,203,249.00	2,203,249.00	0.00	100
Expenses						
410000	Personnel Expenses					
110	Salaries-Regular Pay	83,318.68	269,923.87	1,151,522.00	881,598.13	23
130	Health & Dental Benefits	11,165.10	55,509.60	160,224.00	104,714.40	35
131	Payroll Taxes	4,679.81	18,077.81	88,241.00	70,163.19	20
132	Retirement VRS	7,134.68	16,528.62	90,687.00	74,158.38	18
133	Life Insurance	1,183.91	2,382.06	14,998.00	12,615.94	16
134	Flex Spending/Dependent Care	41.33	82.66	685.00	602.34	12
135	Workers Comp	76.00	1,212.00	1,267.00	55.00	96
137	Disability Insurance	2,727.28	5,910.26	16,641.00	10,730.74	36
	Total Account	110,326.79	369,626.88	1,524,265.00	1,154,638.12	24
420000	Professional Services					
210	Audit & Accounting Services	12,000.00	12,000.00	28,500.00	16,500.00	42
220	Bank Service			750.00	750.00	
230	Insurance		5,791.00	5,905.00	114.00	98
240	Payroll Services	100.38	652.77	1,800.00	1,147.23	36
260	Public Outreach	2,701.00	2,701.00	37,500.00	34,799.00	7
261	Legal/Bond Counsel Services			65,000.00	65,000.00	
262	Financial Advisory Services			75,000.00	75,000.00	
263	Bond Trustee Fees			2,700.00	2,700.00	
264	Legislative Services	2,000.00	6,106.00	62,000.00	55,894.00	10
265	Investment Custody Svc			25,000.00	25,000.00	
	Total Account	16,801.38	27,250.77	304,155.00	276,904.23	9
430000	Technology/Communication					
310	Acctg & Financial Report Systems		7,020.00	16,500.00	9,480.00	43
320	HW SW & Peripheral Purchase	104.00	104.00		-104.00	
330	IT Support Svc Incl Hosting	1,366.55	5,522.27	19,631.00	14,108.73	28
335	GIS/Project Mgt/Modeling			69,316.00	69,316.00	
340	Phone Service	647.87	1,395.74	7,920.00	6,524.26	18
350	Web Develop & Hosting	1,157.64	2,197.19	7,897.00	5,699.81	28
	Total Account	3,276.06	16,239.20	121,264.00	105,024.80	13
440000	Administrative Expenses					
410	Advertisement	100.00	100.00	1,500.00	1,400.00	7
411	Dues & Subscriptions	1,183.23	1,830.15	6,890.00	5,059.85	27
412	Duplication & Printing	508.16	508.16	15,640.00	15,131.84	3
414	Meeting Expenses	277.80	354.10	3,600.00	3,245.90	10
415	Mileage/Transportation		413.77	10,950.00	10,536.23	4

1000 General Fund

		----- Current Year -----				
Account Object	Description	Current Month	Current YTD	Budget	Variance	%
417	Office Lease	11,608.33	45,421.22	138,406.00	92,984.78	33
418	Office Supplies	641.06	1,024.42	6,400.00	5,375.58	16
419	Postage & Delivery	38.53	38.53	700.00	661.47	6
420	Professional Develop & Training		132.97	12,920.00	12,787.03	1
421	Industry Conferences	467.00	3,556.15	6,500.00	2,943.85	55
	Total Account	14,824.11	53,379.47	203,506.00	150,126.53	26
	Total Expenses	145,228.34	466,496.32	2,153,190.00	1,686,693.68	22
	Net Income from Operations	-145,228.34	1,736,752.68			
Other Expenses						
521000	Transfers					
820	Transfer to Operating Reserve			430,638.00	430,638.00	
825	Transf to Equip Reserve	2,511.31	2,511.31	13,500.00	10,988.69	19
	Total Account	2,511.31	2,511.31	444,138.00	441,626.69	1
	Total Other Expenses	2,511.31	2,511.31	444,138.00	441,626.69	1
	Net Income	-147,739.65	1,734,241.37			

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 Procurement Update

DATE: October 11, 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).
- 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 in 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) Proposals were due on October 5th.

- c) Ten proposals were received by the deadline. Those proposals went through separate technical and cost analyses. Once the proposals are ranked on technical analysis, cost information is used to determine the top ranked proposals.
- d) As of the preparation of this report, proposal 'Best and Final' presentations were scheduled for October 15th and 16th.
- e) Based on the Best and Final presentations which potentially occurred between this report's preparation and distribution and the October 18th Finance Committee meeting:
 - i) An update to the Finance Committee may be timely and informative.
 - ii) Such an update may require a closed session since discussion in open session may jeopardize the NVTA bargaining position.
- f) 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.