

## NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

### MEMORANDUM

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

**FROM:** Mayor Parrish, Chair – NVTA Finance Committee

**SUBJECT:** Proposed FY2019 Regional Revenue Fund Budget

**DATE:** May 4, 2018

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1. **Purpose:** To seek the Northern Virginia Transportation Authority (NVTA) adoption of the Proposed FY2019 Regional Revenue Fund Budget. The NVTA Finance Committee met on May 2, 2018 and unanimously recommended Authority approval of Proposed FY2019 Regional Revenue Fund Budget.
2. **Suggested Motion:** *I move Authority adoption of the Proposed FY2019 Regional Revenue Fund Budget.*
3. **Background:** Regional Revenues (70% funds) are largely programmed through the Authority's approval of specific projects on a PayGo basis, after all debt service and reserve funding obligations are met for a fiscal period. Any unused funds from one fiscal year are available for use in a future fiscal year. Finance Committee guidance is to conservatively estimate revenues. The details of the Proposed FY2019 Regional Revenue Fund Budget are presented in Attachment 1.

**(ED. Note - The following report sections tie to the Notes Column on Attachment 1.)**

4. **Revenues:** Revenues are adjusted for the 2018 legislative action to eliminate the Transient Occupancy Tax and Grantor's Tax as available revenue streams. Interest earnings reflect the establishment of a Regional Revenue Fund investment program in FY2017.
5. **Expenditures:** Prior to determining the funds available for projects, the annual debt service payment and reserve amounts must be budgeted. The Authority currently has two Regional Revenue Fund reserves as required in the adopted Debt Policy.
  - a. **Debt service principal and interest.** Total debt service for FY2019 is \$5,549,950.
  - b. **TransAction Update (SYP/CRRC/LTB Tech Support).** This expense of \$160,000 provides technical support for Six Year Plan (SYP) two year updates.
  - c. **Working Capital Reserve (WCR).** The Authority took action in June 2017 to cap the Working Capital Reserve at \$120 million.
  - d. **Debt Service Reserve.** This reserve of \$5,551,000 was funded through bond proceeds and exists to protect NVTA's bondholders.
6. **Carry Forward/Released Project Funds.** This amount represents unassigned Regional Revenue Funds from prior fiscal periods and previously assigned project funds that have

been released. As shown on Attachment 1, this amount is projected at \$340.6 million. This amount reflects:

- a. Non-appropriated FY2018 Revenue of \$229.3 million
- b. Released funds from FY2017 from the cancelled I-66 Outside the Beltway Project.
- c. Carryforward of positive revenue estimate variations and residual appropriation balances from completed projects.

**7. Funding available for projects.** This is the amount available through the proposed FY2019 Regional Revenue Fund for PayGo projects. The actual amount to be programmed will be determined when the Authority adopts the Six Year Program. Total availability for FY2019 is \$526.2 as shown on Attachment 1.

**8. Cumulative Regional Revenue Reserve Balances.** This section shows the reserve balances under the Proposed FY2019 Regional Revenue Fund Budget.

**Attachment 1:** Proposed FY2019 Regional Revenue Fund Budget

# Attachment 1

Northern Virginia Transportation Authority Proposed FY2019 Regional Revenue Fund Budget					
	Adopted FY2018	Budget Adjustment	Revised Budget FY2018	Proposed FY2019	Notes
<b>Revenue 70% Regional Funds</b>					
Sales Tax	\$ 177,395,044		\$ 177,395,044	\$ 181,248,357	
TOT	21,153,287		21,153,287	-	4
Grantor's Tax	31,231,637		31,231,637	-	4
CoVa NVTA Fund Interest	70,000		70,000	54,040	
Bond Proceeds	-		-	-	
Reimbursable Expenditures	-		-	-	
Investment Earnings	5,530,000		5,530,000	10,000,000	4
<b>Total Revenue with Debt Proceeds</b>	<b>\$ 235,379,968</b>	<b>\$ -</b>	<b>\$ 235,379,968</b>	<b>\$ 191,302,397</b>	
<b>Expenditures</b>					
Debt Service - Principal	\$ 2,500,000		\$ 2,500,000	\$ 2,600,000	5a
Debt Service - Interest	3,049,950		3,049,950	2,949,950	5a
Professional Services - Bond Issuance Costs			-		
TransAction Update (SYP/CRRC/LTB Tech Support)	524,175		524,175	160,000	5b
<b>Total Expenditures</b>	<b>\$ 6,074,125</b>	<b>\$ -</b>	<b>\$ 6,074,125</b>	<b>\$ 5,709,950</b>	
<b>Current Year Available Balance For Projects</b>	<b>\$ 229,305,843</b>	<b>\$ -</b>	<b>\$ 229,305,843</b>	<b>\$ 185,592,447</b>	
Available Project Expenditures (PayGo)	\$ 229,305,843	\$ -	\$ 229,305,843	\$ 185,592,447	6a
Release of FY2017 Project Budget	100,000,000		100,000,000		6b
Carry Forward/Released Project Funds	11,314,885		11,314,885	340,620,728	6c
<b>Total Available for Project Assignments</b>	<b>\$ 340,620,728</b>	<b>\$ -</b>	<b>\$ 340,620,728</b>	<b>\$ 526,213,175</b>	7
<b>Cumulative Regional Revenue Reserve Balances</b>					
Working Capital Reserve	\$ 120,000,000		\$ 120,000,000	\$ 120,000,000	5c
Debt Service Reserve (Held by Trustee)	5,551,000		5,551,000	5,551,000	5d
<b>Cumulative Reserve Balances</b>	<b>\$ 125,551,000</b>		<b>\$ 125,551,000</b>	<b>\$ 125,551,000</b>	8