



Northern Virginia Transportation Authority
The Authority for Transportation in Northern Virginia

FINANCE COMMITTEE

Thursday March 21, 2019 – 1:20:00 PM

3040 Williams Drive, Suite 200

Fairfax, VA 22031

AGENDA

I. Call to Order/Welcome Mayor Parrish, Chairman

II. Summary Minutes of the February 21, 2019 meeting.
Recommended Action: Approval [with abstentions from those who were not present]

Action Items

III. FY2020 Through FY2025 Revenue Projections Mr. Longhi, CFO
Recommended Action: Recommend Authority adoption of proposed revenue estimates

IV. FY2020 Local Distribution Fund Budget Mr. Longhi, CFO
Recommended Action: Recommend Authority adoption of the proposed Local Distribution Fund Budget.

V. FY2020 Regional Revenue Fund Budget Mr. Longhi, CFO
Recommended Action: Recommend Authority adoption of the proposed Regional Revenue Fund Budget.

VI. FY2020 Operating Budget Mr. Longhi, CFO
Recommended Action: Recommend Authority adoption of the proposed Operating Budget.

VII. FY2020 Six Year Program Appropriations Mr. Longhi, CFO
Recommended Action: Recommend Authority approval of the proposed FY2020 Six Year program appropriations.

VIII. Draft Policy 29 – Project Activation, Monitoring and De-Appropriation Mr. Longhi, CFO
Recommended Action: Recommend Authority Approval of Draft Policy 29 – Project Activation, Monitoring and De-Appropriation

Information/Discussion Items

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

X. Monthly Revenue Report

Mr. Longhi, CFO

XI. Operating Budget Report

Mr. Longhi, CFO

Adjournment

Next Meeting

April 18, 2019 – 1:00PM

3040 Williams Drive, Suite 200, Fairfax, Virginia

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

FOR: Chairman Parrish and Members of the NVTA Finance Committee
FROM: Michael Longhi, Chief Financial Officer
DATE: March 15, 2019
SUBJECT: Revenue Projections FY2020 through FY2025

1. **Purpose:** To seek the Northern Virginia Transportation Authority (NVTA) Finance Committee recommendation of Authority approval of proposed revenue projections for FY2020 through FY2025.
2. **Suggested Motion:** *I move the Finance Committee recommend Authority adoption of the FY2020 - FY2025 revenue projections as presented below.*
3. **Background:**
 - a. NVTA staff, with information provided by member jurisdictions, review and revise if necessary, the multi-year revenue estimates. This process includes new projections for the fiscal periods for any upcoming funding program years.
 - b. Based on information received from participating jurisdictions, no changes are recommended to the FY2019 through FY2023 projections.
 - c. New estimates for FY2024 and FY2025, in support of the two year update to the Six Year Program (SYP) are reflected in the table below.

Northern Virginia Transportation Authority						
Proposed Revenue Projections						
Revenue Source	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Sales Tax Revenue	\$ 265,846,393	\$ 272,982,830	\$ 280,453,992	\$ 288,142,662	\$ 296,018,140	\$ 303,658,988
Regional Revenue	\$ 186,092,475	\$ 191,087,981	\$ 196,317,794	\$ 201,699,863	\$ 207,212,698	\$ 212,561,292
30% local Distribution	\$ 79,753,918	\$ 81,894,849	\$ 84,136,198	\$ 86,442,799	\$ 88,805,442	\$ 91,097,696
Y2Y % Change	2.67%	2.68%	2.74%	2.74%	2.73%	2.58%

4. **Next Steps:**
 - a. With Finance Committee approval, the proposed revenue projections will be presented to the Authority for adoption.
 - b. The new revenue projections for FY2024 and FY2025, permit NVTA staff to prepare proposed Regional Revenue Fund and Local Distribution Fund Budgets.
 - c. The Regional Revenue Fund Budget will permit the projection of the PayGo availability for the SYP two year update.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman Parrish and Members of the NVTA Finance Committee
FROM: Michael Longhi, Chief Financial Officer
SUBJECT: FY2020 Local Distribution Fund Budget (30%)
DATE: March 15, 2019

1. **Purpose:** To seek the Northern Virginia Transportation Authority (NVTA) Finance Committee recommendation of Authority approval of the Proposed FY2020 Local Distribution Fund Budget.
2. **Suggested Motion:** *I move the Finance Committee recommend Authority adoption of the Proposed FY2020 Local Distribution Fund Budget, as presented below.*
3. **Background:**
 - a. Local Distribution Fund (30%) revenues are distributed in their entirety to member jurisdictions in accord with HB2313 (2013), as amended.
 - b. Previous Finance Committee guidance is to conservatively estimate revenues.
 - c. Member jurisdictions will receive the amount of Local Distribution Funds they are entitled to in accord with HB2313, as amended based on the transactions within the jurisdiction.
 - d. Many member jurisdictions either net their jurisdictional share of the NVTA Operating Budget from their 30% Local Distribution Funds received, or pay the obligations from those funds once received
 - e. SB1468, Chief Patron – Senator Black; will permit the Authority to charge the Operating budget to the Regional Revenue Fund. If the Authority avails itself of this option, it will have the effect of increasing jurisdiction Local Distribution Fund revenues as indicated below:

Member Jurisdiction Operating Budget Support			
		FY2019 Adopted	Proposed FY2020
		Budget	Budget
Arlington County	\$	212,173	\$ 285,386
Fairfax County	\$	1,021,646	\$ 1,374,177
Loudoun County	\$	338,639	\$ 455,491
Prince William County	\$	400,991	\$ 539,358
City of Alexandria	\$	144,313	\$ 194,110
City of Fairfax	\$	20,931	\$ 28,153
City of Falls Church	\$	12,779	\$ 17,188
City of Manassas	\$	37,676	\$ 50,676
City of Manassas Park	\$	14,101	\$ 18,966

4. **Proposed Budget:** The table below shows the proposed FY2020 Local Distribution Fund Budget. Distributions to jurisdictions are based on the actual transactions conducted within the jurisdiction.

Northern Virginia Transportation Authority Proposed FY2020 Local Distribution Budget (30%)			
		Adopted FY2019	Proposed FY2020
Carryforward		\$ -	\$ -
<u>Income:</u>			
	Sales Tax	\$ 77,677,868	\$ 79,753,918
	VA NVTA Fund Interest	\$ 21,319	\$ 104,552
Total Revenue		\$ 77,699,187	\$ 79,858,470
<u>Expenditures:</u>			
	Distribution to Member Jurisdictions	\$ 77,699,187	\$ 79,858,470
Total Expenditures		\$ 77,699,187	\$ 79,858,470
Budget Balance		\$ -	\$ -

5. **Assumptions:**
- a. The Authority will continue to follow HB2313 in the management of the Local Distribution Fund.
 - b. Actual distributions to jurisdictions will be contingent on completion of the annual certification process and will be determined by the actual revenues received based on transactions within the jurisdiction (as reported by the Commonwealth).
 - c. All prior fiscal year accruals and Commonwealth revenue adjustments of Local Distribution Fund revenues will be distributed to the appropriate jurisdiction in FY2020 in accord with HB2313.
6. **Next Steps.** With Finance Committee approval and guidance, the proposed budget will be presented to the Authority for adoption.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman Parrish and Members of the NVTA Finance Committee

FROM: Michael Longhi, Chief Financial Officer

SUBJECT: Proposed FY2020 Regional Revenue Fund Budget

DATE: March 15, 2019

1. **Purpose:** To seek the Northern Virginia Transportation Authority (NVTA) Finance Committee recommendation of Authority approval of the Proposed FY2020 Regional Revenue Fund Budget.
2. **Suggested Motion:** *I move the Finance Committee recommend to the Authority, adoption of the Proposed FY2020 Regional Revenue Fund Budget, as presented in Attachment 1.*
3. **Background:**
 - a. Regional Revenues (70% funds) are largely programmed through the Authority's approval of specific projects in the Six Year Program (SYP) and subsequent updates, after all debt service and reserve funding obligations are met for a fiscal period.
 - b. Any unused funds from one fiscal year are accumulated as HB2313 Restricted Fund Balance and will be available for the FY2024/25 update to the SYP.
 - c. Finance Committee guidance is to conservatively estimate revenues.
 - d. The details of the Proposed FY2020 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:**
 - a. **Revenues** were adjusted for the 2018 legislative action to eliminate the Transient Occupancy Tax and Grantor's Tax as available revenue streams.
 - b. **CoVa interest** is earned on funds while they are processed by the Commonwealth and before arriving at the Authority.
 - c. **Future Financing (if required due to cash flow.)**
 - i. This budget category reflects the October 11, 2018 FY2019 Revenue Fund Appropriations for the inaugural SYP. As part of that adoption, the Authority implemented a project funding strategy which relies on the strength of the Authority's Balance Sheet to advance the timing of project funding.
 - ii. This strategy is saving the Authority approximately \$194 million compared to tradition project funding approaches.

- iii. The classification recognizes that if the majority of FY2019/20 SYP projects were to exceed their original cash flow projections, outside liquidity would need to be obtained.
- iv. As of the preparation of this report, FY2019 project appropriations of \$527 million have only resulted in approximately \$1 million in reimbursement requests. (All for the Loudoun County - Route 9 project in the Town of Hillsboro).
- d. **Investment Portfolio Earnings** reflects the NVTAs portfolio interest earnings. Currently actual earnings are trending at a level which will result in an \$8 million positive variance to budget. Any FY2019 positive variance will be programmed to the FY2024/25 SYP update as part of the FY2021 budget.

5. **Expenditures:** Prior to determining the funds available for projects, the annual debt service payment and reserve amounts must be budgeted. No additions to the reserves are required from the proposed FY2020 budget.

- a. **Debt service principal and interest.** Total debt service for FY2020 is \$5,549,950.
- b. **TransAction Update (SYP/CRRC/LTB Tech Support).** This expense of \$3,650,000 provides \$3,500,000 for the next update of TransAction and \$150,000 for technical support for Long Term Benefit analysis.
- c. **Six Year Program PayGo Project Funding.** This represents the appropriation of project funding for the Six Year Program.

6. **Transfers and Carryforward**

a. **Transfer Out to the Operating Fund.**

- i. Utilizing the authorization provided in SB1468 (2019), member jurisdictions are relieved from the obligation of funding the NVTAs Operating Budget from their own revenues (typically their 30% Local Distribution Funds).
- ii. Transferring the cost from the jurisdictions to the Regional Revenue Fund will increase the net available 30% Local Distribution Funds for FY2020 to member jurisdictions as noted below:

Jurisdiction	30% Fund Benefit
Arlington County	\$ 285,413
Fairfax County	\$ 1,374,311
Loudoun County	\$ 455,535
Prince William County	\$ 539,410
City of Alexandria	\$ 194,128
City of Fairfax	\$ 28,156
City of Falls Church	\$ 17,190
City of Manassas	\$ 50,681
City of Manassas Park	\$ 18,968

- b. **HB2313 Restricted Fund Balance - Carryforward to FY2024.** This amount reflects net positive variances in the Authority's revenue projections, interest earnings and released balances from completed or cancelled projects. It is based on FY2018 audited actual balances.

c. **Total Available for Project Assignments/FY2024 Carryforward.** This amount reflects net positive variance in the Regional Revenue Fund. It is an accumulator for funds to be available for projects as part of the FY2024/25 two year update to the Six Year Program. Its basis is the net balance of the FY2020 Operating Budget and FY2018 HB2313 Restricted Fund Balance (FY2018 Audited Actuals). It does not include a projection for the ending positive variance for FY2019.

7. Cumulative Regional Revenue Reserve Balances

a. **Working Capital Reserve (WCR).** The WCR is required by the Authority's Debt Policy. The Authority took action in June 2017 to cap the Working Capital Reserve at \$120 million.

b. **Debt Service Reserve.** This reserve of \$5,551,000 was funded through bond proceeds and exists to protect NVRTA's bondholders. It is required by the Authority's Debt Policy.

8. Next Steps. With any additional guidance from the Finance Committee, the proposed budget will be presented to the Authority for adoption.

Attachment 1: Proposed FY2020 Regional Revenue Fund Budget

Attachment 1

Northern Virginia Transportation Authority Proposed FY2020 Regional Revenue Fund Budget			
	Adopted FY2019 Budget	Proposed FY2020 Budget	Notes
Revenue 70% Regional Funds			
Sales Tax	\$ 181,248,357	\$ 186,092,475	
TOT	-	-	4a
Grantor's Tax	-	-	4a
CoVa Interest	54,040	243,956	4b
Bond Proceeds	-	-	
Future Financing (if required due to cash flow.)	339,341,512	383,052,841	4c
Investment Portfolio Earnings	10,000,000	10,000,000	4d
Total Revenue	\$ 530,643,909	\$ 579,389,272	
Expenditures			
Debt Service - Principal	\$ 2,600,000	\$ 2,730,000	5a
Debt Service - Interest	2,949,950	2,819,950	5a
Professional Services - Bond Issuance Costs			
TransAction Update (SYP/CRRC/LTB Tech Support)	160,000	3,650,000	5b
Six Year Program PayGo Project Funding	524,933,959	570,189,322	5c
Total Expenditures / Six Year Program Commitments	\$ 530,643,909	\$ 579,389,272	
Transfers & Carryforward			
Transfer Out to Operating Fund	\$ -	\$ (2,960,769)	6a
HB2313 Restricted Fund Balance - Carryforward to FY2024		12,857,991	6b
Total Available for Project Assignments/FY2024 Carryforward	\$ -	\$ 9,897,222	6c
Cumulative Regional Revenue Reserve Balances			
Working Capital Reserve	\$ 120,000,000	\$ 120,000,000	7a
Debt Service Reserve (Held by Trustee)	5,551,000	5,551,000	7b
Cumulative Reserve Balances	\$ 125,551,000	\$ 125,551,000	

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman Parrish and Members of the NVTA Finance Committee

FROM: Michael Longhi, Chief Financial Officer

SUBJECT: FY2020 Operating Budget

DATE: March 15, 2019

1. **Purpose:** To seek the Northern Virginia Transportation Authority (NVTA) Finance Committee recommendation of Authority adoption of the proposed FY2020 NVTA Operating Budget and proposed budget initiatives as outlined below.
2. **Suggested Motion:** *I move the Finance Committee recommend Authority adoption of the proposed FY2020 Operating Budget as presented in Attachment 1.*

(ED. Note – The following report sections tie to the Notes Column on Attachment1.)

3. **FY2020 Operations Base Budget Changes:**

A. **Personnel Expenditures:**

1. **Salaries-Regular Pay:**

- Performance based staff compensation changes will be budgeted based on the average annual increases adopted by NVTA member jurisdiction's FY2020 budgets and those of other Authorities and Commissions in Northern Virginia.
- Member jurisdictions have not finalized their FY2020 budgets, therefore, a 4% increase is proposed to be programmed in the base budget for estimation purposes.
- Maximum average annual performance increases will be in line with member jurisdictions. An analysis will be undertaken once jurisdictions have passed their FY2020 Operating Budgets.

2. **Health & Dental Benefits:**

- NVTA's benefit rate increases/decreases are based on the experience (claims) of the Commonwealth's, The Local Choice, participant pool of approximately 60,000 employees, retirees and family members.
- NVTA experienced an 11.43% increase in benefit premiums during the FY2019 budget process.

- The FY2020 base budget assumes an additional 5% increase in health premiums. The actual renewal rate will not be available until May.
- For FY2020 staff members may elect NVTA coverage changes during the open enrollment period, any elections are unknown at this time and not budgeted.

3. Retirement VRS:

- Based on NVTA's most recent VRS actuarial study, the FY2019 and FY2020 contribution rate is 7.50%.
- The next VRS actuarial study will be completed and the contribution rate updated for FY2021.

4. Life & Disability Insurance:

- This insurance type is priced using salaries and age tiers, NVTA employees are moving into higher age tiers.

B. Professional Service Changes:

5. Audit & Accounting Services:

- Previously contracted rate increase of \$1,000 of audit services included in this budget line.

6. Insurance:

- NVTA's general liability, causality, cyber, officers and directors insurance renewal rates will not be available until after June 2019. The FY2020 base budget includes an estimated 5% increase above the FY2019 renewal.

7. Public Outreach & Regional Event Support:

- For FY2020, \$20,000 has been added to fund the cost of an expanded, follow-up to the recent Chmura Economics & Analytics, Economic Impact Study that will be expanded to show the impacts of Authority funded transportation project implementation and use within Northern Virginia and the Commonwealth as a whole. Previously, this was funded at \$8,810 through expense cutting in other cost areas and only covered the impact of project funding, not use.
- Budget for Public Hearings is reduced by \$2,000.
- Graphic design and printing cost for the Annual Report is expected to increase by \$1,000.

8. Legal Services/Bond Counsel:

- Bond Counsel is the only legal service obtained under this budget line. This line was previously reduced to \$25,000 based on prior cost experience with the expectation additional fees would be added to the cost of future debt issuances.
- During the FY2019 budget process, the Committee was informed of the unexpected level of consultation required with bond counsel due to the 2018

General Assembly actions. At the time, staff expected the \$25,000 budget line to be exceed by \$20,000 or more with the excess being covered by the Operating Reserve. The budget line was actually exceeded by \$28,166 in FY2018.

- The FY2019 budget was increased \$40,000 to replenish the Operating Reserve from FY2018 and to provide additional resources for FY2019.
- For FY2020, staff recommends decreasing this budget line back to \$25,000, and employing the same technique as used in FY2018 should the FY2020 General Assembly Session require additional services.

9. Financial Advisory Services:

During FY2018, a new contract was executed for Financial Advisory Services reducing the annual retainer to \$35,000 per year.

- During the FY2019 budget process, the Committee was informed of the unexpected level of consultation required for Financial Advisory Services due to the proposed 2018 General Assembly actions. At the time staff expected the \$35,000 budget line to be exceed by \$20,000 or more with the excess being covered by the Operating Reserve. The budget line was actually exceeded by \$28,750 in FY2018.
- The FY2019 budget was increased \$40,000 to replenish the Operating Reserve from FY2018 and to provide additional resources for FY2019.
- For FY2020, staff recommends decreasing this budget line back to \$35,000, and employing the same technique as used in FY2018 should the FY2020 General Assembly Session require additional services.

C. Technology/Communications:

10. General Ledger/Financial Reporting & Investment Monitoring/Management Systems:

- On November 8, 2018, the Finance Committee recommended and the Authority approved a budget adjustment to transfer \$35,781 from the Operating Reserve to obtain/implement Investment Management and Monitoring Services tools, specifically Bloomberg Anywhere with Real Time Pricing and Inter Continental Exchange (ICE) Best Ex Vantage Subscription during FY2019.
- The FY2020 budget includes \$35,781 to replenish the FY2019 Operating Reserve.
- The annual ongoing costs of \$48,210 for the Bloomberg and ICE investment monitoring and management services has been included in the FY2020 budget.
- The budget line also includes the annual costs for:
 - Black Mountain, the General Ledger/Financial Reporting System
 - Tracker, the Portfolio Management System.

- 11. IT Support Svc & Hosting:** NVTA contracts with a third party provider to host, manage, monitor and support the email, networking and workstation needs of the office.

- This budget line includes a one-time contract increase of 7.5% effective November 1, 2019 to extend the contract for three additional years with the current service provider. The cost escalates once every three years with no further escalation during the three year period. Increases in the number and capacity of servers, computer memory capacity, workstations and processing capacity, increase fees incrementally.
- Effective with FY2020, the budget line includes the annual licensing costs of \$851 for staff use of Adobe Acrobat software. Adobe changed their licensing requirements which prevented the transfer of existing Adobe licenses to replacement workstations. The category also includes NVTA's Cox internet connection at \$185/mo.

12. GIS/Project Monitoring & Management/Modeling:

- The FY2019 Budget included \$60,000 for Phase 1 of the Project Implementation, Monitoring and Management System. Phase 1 is the development of an Online Application Form replacing an MS Excel based form.
- Phase 1 is scheduled to be fully implemented by June 2019. The automated application system will be available for the anticipated July 2019, Call for Regional Transportation Projects for the FY2024/FY2025 update to the SYP.
- As discussed during the FY2019 budgeting process, Phase 2 and Phase 3 will be implemented during the FY2020 budget cycle.
- Phase 2, Project Status Monitoring has been added to the budget with a one-time cost of \$57,500. The Project Status Monitoring component will streamline the currently manual process that uses MS Office. Phase 2 will enhance a critical programmatic responsibility to ensure that the Authority's 122 regional projects which increase every two years, deliver their intended scope, on schedule, and within budget.
- The Project Status Monitoring phase will permit project sponsors to submit more detailed and timely updates for projects which will facilitate the monitoring process and provide increased transparency consistent with NVTA's priorities.
- Phase 3, Online Dashboard has been added to the FY2020 budget with a one-time cost of \$57,500. The Online Dashboard, designed for public use, will include all programmatic oversight details including project progress, fund utilization, public meetings, and other details including GIS-based reporting.
- Other than the Authority's annual report, NVTA provides limited visualizations of project status information. The NVTA website does provide an interactive mapping tool, containing some project status information. However, most information is historic and in a non-visual format (tabular or spreadsheet), with limited interactive capabilities.
- The FY2020 budget for this line item also includes \$25,000 for the Annual Maintenance cost for all three phases of PIMMS listed above. This cost includes the hosting cost for PIMMS for the first year.

- This budget line also includes the annual GIS maintenance contract cost and the IT costs of installing the routine GIS updates.

13. Web Development & Hosting:

- This category includes the maintenance and support costs for the Authority and Transaction websites. It also includes costs for the Social Media services added during the FY2019 budget process.
- The 5 year web domain registration costs of \$900 and \$2,500 to adjust the Web site for expected changes has been added for FY2020.

D. Administrative Expenses:

14. Dues & Subscriptions, Professional Development, and Industry Conferences:

- The Professional Development/Training and Industry Conference accounts have been merged into a single general ledger account for the FY2020 budget to facilitate ongoing reporting.
- The FY2020 budget for Memberships & Subscriptions is projected to increase \$1,950 due to the addition of an APTA and Public Relations membership.
- Professional Development, Training and Conferences category is expected to increase \$2,500 due to the addition of a Government Social Media conference deemed valuable to enhance NVTA's communications plan.

15. Office Lease:

- NVTA's office lease with NVRC has an annual escalation of 2.5%. The current lease expires in October 2019. As reviewed with the Committee at the September 2018 meeting, the expectation is to renew the lease with NVRC utilizing similar contract terms.

E. Operating Reserve:

16. The NVTA Debt Policy requires a 20% Operating Reserve. Any changes in the base budget result in year-to-year changes in this reserve.

F. Equipment Replacement Reserve:

17. Effective with the FY2017 Operating Budget the Authority approved an Equipment Replacement Reserve to be funded at \$4,500 per year. This reserve recognizes that virtually all the Authority equipment and furnishings were purchased and placed in service at the same time. This reserve is designed to provide funding for replacements over time.

- In June 2018, 4 of the 6 initially purchased laptops had to be replaced due to inconsistent performance at a cost of \$8,711.
- In August 2018 an additional laptop was replaced.

- The FY2020 budget includes the \$4,500 annual equipment reserve allocation plus \$8,700 to replenish the reserve for the FY2018 expenditures.
- The budgeted purchase of a GIS plotter was postponed due to an agreement with NVRC to share their existing plotter. The \$9,000 amount allocated for the plotter was added to the equipment reserve in FY2018.
- The plotter has been experiencing issues and is expected to be replaced using the funds in the Equipment Reserve in FY2019.

4. FY2020 Proposed Budget Initiatives:

Attachment 1 shows three initiatives proposed for FY2020. These include, additional resources for Public Outreach & Regional Event Support (note 20), one additional finance position (note 21) and two additional planning positions (note 22). The full costs of adding the positions include compensation, technology, office space and administrative overhead costs are noted in Attachment 1.

20. Public Outreach & Regional Event Support:

- Photography services is requested to increase \$3,000 to \$4,500 to enable the Authority staff, in coordination with project sponsors, to begin capturing high quality photographs and video of regionally funded projects for use in the Annual Report and other outreach efforts.
- Staff is proposing increasing the budget \$1,250 for ground breaking, ribbon cutting and outreach commemorative items.
- Staff is proposing increasing the budget for the Annual Report by \$6,000 in order to enhance the graphics and produce a video highlights package to be available to citizens and regional partners. Regional partners can then include the digital version on their websites, newsletters and re-share on social media.

21. Financial Analyst Position Request Justification. The NVTA finance team is currently comprised of three staff members; Chief Financial Officer, Assistant Finance Officer and the Investment and Debt Manager. All staff members in both finance and planning undertake their own clerical and support functions for their related professional duties. The finance team supports all administrative duties of the Authority.

Maintaining Excellent Professional Standards

The day to day operational demands of the Authority are making it difficult to meet the emerging demands of a multi-billion dollar operation with a finance team of three. For example:

- Initial efforts to develop the draft of Policy 29 – Project Activation, Monitoring and De-Appropriation, requested by the Finance Committee, started in May 2017. Policy development has been delayed due to competing priorities until February 2019.

- Separation of duties as an internal control mechanism has become increasingly difficult due to the increase in transaction volume and value. As demonstrated by:
 - Investments alone will require 71 transactions to place \$356.4 million buy orders at \$5 million each in FY2019.
 - These investment transactions will trigger 107 Tracker Portfolio System Transactions, and; approximately 200 General Ledger transactions. This in addition to approximately 300 transactions which have been automated through interfaces between the Tracker Portfolio System and the General Ledger.
- Based on an average project reimbursement request of \$394,000:
 - 1,423 reimbursement valued at \$560 million are expected in support of the FY2014 through FY2017 funding programs.
 - 727 reimbursements valued at \$286 million are backlogged from their original SPA expenditure schedule, making workload planning very unpredictable.
 - The SYP will generate an estimated 1,332 reimbursement requests valued at \$525 million, just for FY2019 appropriations.
 - All reimbursements require review by a Planner and the Assistant Finance Officer prior to being presented for CFO approval and payment.
 - Reimbursements require up to date certificates of insurance (COI) among other verification requirements. Monitoring just COIs and coordinating compliance with project sponsors is currently taking an extraordinary amount of NVTA staff time. This is one example of the items that have to be verified on each reimbursement.
 - NVTA has made a commitment to attempt to turn reimbursement requests around in 20 days.
- Several jurisdictions have indicated they will be using their 30% Local Distribution Funds to increase staffing. It is hoped that this will expedite project progress with a resulting increase in project reimbursements and completions.
- Jurisdictions staffing increases through the use of 30% funds will increase the demands on the Authority staff in:
 - Responding to questions on appropriate use of 30% and 70% funds.
 - Increased complexity in 30% fund annual certifications.
 - Generate strategy discussions on navigating project changes while maintaining compliance with Authority approved project scopes and annual 30% certification compliance.
 - Maintaining and updating relevant policies and procedures as the transportation project environment evolves.
- NVTA finance team members, by the nature of their positions are responsible for Authority financial policies related to:
 - Debt (Policy 9)

- Financial Management (Policy 10)
- Investments (Policy 13)
- Continuing Disclosure (Policy 21)
- Tax Compliance (Policy 23)
- NVTA Finance Team members are required to maintain licenses and certifications and keep professional skills current. Meeting annual Continuing Professional Education (CPE) credit requirements is becoming increasingly difficult. While many of these courses are online, they require interactive responses during the course to ensure attentiveness and earn required CPE credits.
- Meeting workload demands, while maintaining license, certification and professional requirements has become progressively problematic. Therefore, the ability of staff to maintain current professional standards has become weakened.

Ballooning Workload/Long Term Responsibilities

- NVTA's finance team has to monitor adopted projects (represented in individual SPAs) throughout their economic life. For many projects the economic life is measured in decades and includes:
 - 27 formally closed SPA's valued at \$110 million.
 - 6 bond funded projects valued at \$74.6 million, each requiring additional individual annual reviews until calendar year 2034.
 - 49 active SPAs valued at \$560 million.
 - Total requests for reimbursement are estimated 2,755 (all funding programs).
 - 17 anticipated appropriations for FY2020 SYP plan year of \$537.6 million
 - With 3 current requests to advance appropriations of \$32.7 million from FY2021 planned appropriations to FY2020.
 - 11 remaining planned appropriations for FY2021/23 valued at \$220.5 million.
- Development of a SYP, two year update funding strategy, when 83% of the FY2018/23 SYP funding strategy is front loaded to FY2019/20 appropriations to provide maximum project advancement opportunities while eliminating the need for outside financing. (A strategy which saved \$194 million in debt service costs.)

Single Points of Failure

- NVTA's financial operation has too many single points of failure, with only a marginal ability to mitigate for a short period of time. For example:
 - This was demonstrated when the June 2018 retirement of the Investment and Debt Manager required the suspension of investment portfolio purchases and maturity reinvestments for 4 months.
 - Given the expected volume of investment maturities (\$180 million in six months in FY2019), suspending investment activities for three months during that six month period this fiscal year would result in a \$640,000 decrease in portfolio earnings.

- A long term, 2 week, unscheduled inability of the Assistant Finance Officer to attend to duties would require the refocusing of the CFO's efforts within 10 calendar days to just support:
 - Payroll & Staff Benefits
 - General Accounting
 - Project reimbursement disbursements
 - Debt service payment transfers.
 - Depending on the time of month/time of year local distribution fund disbursements (11 transactions, valued at \$6.7 million monthly, or 132 transactions valued at \$77.7 million annually) would need to be suspended.
- Depending on time of year and or fiscal cycle outside accounting support would be required for:
- Financial statement preparation
- External audit support
- Tax filing compliance

22. Regional Transportation Planner Position Request Justification (Two Positions)

The request for two Regional Transportation Planner positions is presented as an executive summary below and in full detail in Attachment 2.

● Executive Summary, Overview

- Transportation planning (TransAction) and programming Six Year Program (SYP) are widely recognized as NVTA's two primary responsibilities.
 - By extension, these responsibilities are therefore the primary responsibilities of the Authority's three person transportation planning team.
 - These responsibilities include Standard Project Agreement (SPA) and project oversight and reporting, reimbursement requests, project evaluations, consultant oversight, committee support, and many other regionally focused responsibilities.
- In addition to TransAction and the Six Year Program, NVTA's transportation planning staff have numerous secondary responsibilities, consistent with NVTA's role as the regional transportation planning entity for Northern Virginia.
 - These include coordination of monthly transfers and annual program funding coordination related to Federal funding through CMAQ and RSTP.
 - Planning staff have significant roles in the development of NVTA's Annual Report and the annual Joint Commission on Transportation Accountability (JCTA) report, and planning and execution of the Annual NoVA Transportation Roundtable, in conjunction with ITS Virginia.

- **Achieving TransAction and Six Year Program Updates Expectations**
 - The next Six Year Program update cycle (July 2019 thru June 2020) will overlap with preparatory and early procurement activities for the next TransAction update.
 - The subsequent Six Year Program update cycle (July 2021 thru June 2022) will fully overlap with development of the next TransAction update. Compounding this challenge is an expanding workload, driven by an increasing portfolio of approved SPAs/projects, and the addition of new responsibilities and enhanced service offerings.
 - Previously, these activities were done in sequence. In the future major portions of these responsibilities will be occurring concurrently. This will make FY2020 (and FY2021 thru FY2022) busier for the Authority's transportation planning staff than any of the past several years.
- **Maintaining Excellence**
 - While NVTA's transportation planning staff have accomplished much since 2014, oftentimes this has been achieved by placing significant task responsibilities on single individuals, with little or no staff backup.
 - Extended staff absence due to sickness, family illness, jury service, planned vacation, or other unforeseen events at critical points in time such as FOIA requests and computing and/or communications disruptions can lead to single points of failure that can only be mitigated for short periods of time and create risks for the Authority.
 - These risks jeopardize being able to complete TransAction updates and Six Year Program Updates concurrently.
 - While NVTA has been fortunate in avoiding extended staff absences to date, the loss of an individual who has sole responsibility for an activity will be detrimental to continuity of business operations.
 - The Authority is vulnerable to the increasing possibility of:
 - Schedule delays and decline in robustness of analyses and related recommendations associated with TransAction and the Six Year Program;
 - Incorrect, inaccurate, and delayed payment of reimbursement requests;
 - Delays to non-urgent tasks, potentially for extended periods of time; and
 - Work-life balance may be negatively affected, leading to staff recruitment and retention challenges. This in turn will reduce the institutional knowledge and operational efficiency of the team.
 - Work-balancing actions are underway to achieve a degree of resiliency in the transportation planning team. Continuity of business operations is also being addressed. However, with just three planners covering such a wide

range of primary and secondary responsibilities, two additional planners are now required to avoid jeopardizing the ability to maintain five-year and two-year update cycles for TransAction and the Six Year Program respectively.

- Attachments:**
- 1. Base/Proposed FY2020 Operating Budget**
 - 2. Regional Transportation Planner Position Justification**

Attachment 1

Northern Virginia Transportation Authority Base/Proposed FY2020 Operating Budget					
INCOME:	Adopted Budget FY2019	Proposed Base Budget FY2020	Budget Note	Proposed Budget w/FY2020 Initiatives	Budget Note
Budget Carryforward including Operating Reserve	\$ 394,081	\$ 444,138		\$ 444,138	
330100 Contribution Member Jurisdiction	2,203,248				
330000 Other Income					
Total Income	\$ 2,597,329	\$ 444,138		\$ 444,138	
EXPENDITURES:	Adopted Budget FY2019	Proposed Base Budget FY2020	Budget Note	Proposed Budget w/FY2020 Initiatives	Budget Note
410000 Personnel Expenditures					
110 Salaries-Regular Pay	\$ 1,151,522	\$ 1,209,032	3.A.1	\$ 1,474,032	4.21/22
130 Health & Dental Benefits	160,224	168,235	3.A.2	243,109	4.21/22
131 Payroll Taxes	88,241	92,579	3.A.1	112,878	4.21/22
132 Retirement VRS	90,687	98,053	3.A.3	120,377	4.21/22
133 Life Insurance	14,998	15,752	3.A.4	19,223	4.21/22
134 Flex Spending/Dependent Care	685	685		874	4.21/22
135 Workers Comp	1,267	1,330	3.A.1	1,621	4.21/22
137 Disability Insurance	16,641	15,154	3.A.1	16,654	4.21/22
Personnel Subtotal	\$ 1,524,265	\$ 1,600,820		\$ 1,988,769	
420000 Professional Service					
210 Audit & Accounting	\$ 28,500	\$ 29,500	3.B.5	\$ 29,500	
220 Bank Service	750	750		750	
230 Insurance	5,905	6,081	3.B.6	6,081	
240 Payroll Service	1,800	1,826		2,606	4.21/22
260 Public Outreach & Regional Event Support	37,500	56,500	3.B.7	66,750	4.20
261 Legal Services/Bond Counsel	65,000	25,000	3.B.8	25,000	
262 Financial Advisor Services	75,000	35,000	3.B.9	35,000	
263 Bond Trustee Fees	2,700	2,700		2,700	
264 Legislative Services	62,000	62,000		62,000	
265 Investment Custody Fees	25,000	25,000		25,000	
Professional Subtotal	\$ 304,155	\$ 244,357		\$ 255,387	
430000 Technology/Communication					
310 GL Financial Reporting & Invest Monitoring/Mgt Systems	\$ 16,500	\$ 98,631	3.C.10	\$ 98,631	
320 HW SW & Peripheral Purchase	-	-		5,600	4.21/22
330 IT Support Svc Incl Hosting	19,631	20,926	3.C.11	23,374	4.21/22
335 GIS/Project Monitoring & Management/Modeling	69,316	150,232	3.C.12	150,232	
340 Phone Service	7,920	8,520		10,716	4.21/22
350 Web Development & Hosting	7,897	9,756	3.C.13	9,756	
Subtotal Technology/Communication	\$ 121,264	\$ 288,065		\$ 298,309	
440000 Administrative Expenses					
410 Advertisement	\$ 1,500	\$ 1,500		\$ 1,500	
411 Memberships & Subscriptions	6,890	8,844	3.D.14	10,544	4.21/22
412 Duplication & Printing	15,640	16,640		16,640	
413 Furniture & Fixture	-	-		8,100	4.21/22
414 Hosted Meetings	3,600	3,780		3,780	
415 Mileage/Transportation	10,950	10,950		11,450	4.21/22
416 Misc Expenses	-	-		-	
417 Office Lease	138,406	142,161	3.D.15	190,561	4.21/22
418 Office Supplies	6,400	7,465		8,065	
419 Postage & Delivery	700	700		700	
420 Professional Develop, Training & Conferences	19,420	21,950	3.D.14	23,650	4.21/22
Subtotal Administrative Expenses	\$ 203,506	\$ 213,990		\$ 274,990	
Expenditure Subtotal	2,153,190	2,347,232		2,817,454	
Operating Reserve (20%)	\$ 430,638	\$ 469,446	3.E.16	\$ 563,491	3.E.16
Equipment Replacement Reserve	13,500	26,986	3.F.17	\$ 26,986	
Reserve Subtotal	444,138	496,432		590,477	
Total Expenditures	\$ 2,597,329	\$ 2,843,664		\$ 3,407,931	
FY2020 Transfer In From Regional Revenue Fund	\$ 2,203,248	\$ 2,399,526		\$ 2,963,793	

Attachment 2

Regional Transportation Planner Position Request Justification (Two Positions)

Executive Summary

Overview

Transportation planning (TransAction) and programming Six Year Program (SYP) are widely recognized as NVTA's two primary responsibilities. By extension, these responsibilities are therefore the primary responsibilities of the Authority's three person transportation planning team. These responsibilities include Standard Project Agreement (SPA) and project oversight and reporting, reimbursement requests, project evaluations, consultant oversight, committee support, and many other regionally focused responsibilities.

In addition to TransAction and the Six Year Program, NVTA's transportation planning staff have numerous secondary responsibilities, consistent with NVTA's role as the regional transportation planning entity for Northern Virginia. These include coordination of monthly transfers and annual program funding coordination related to Federal funding through CMAQ and RSTP. Planning staff have significant roles in the development of NVTA's Annual Report and the annual Joint Commission on Transportation Accountability (JCTA) report, and planning and execution of the Annual NoVA Transportation Roundtable, in conjunction with ITS Virginia.

Achieving TransAction and Six Year Program Updates Expectations

The next Six Year Program update cycle (July 2019 thru June 2020) will overlap with preparatory and early procurement activities for the next TransAction update. The subsequent Six Year Program update cycle (July 2021 thru June 2022) will fully overlap with development of the next TransAction update. Compounding this challenge is an expanding workload, driven by an increasing portfolio of approved SPAs/projects, and the addition of new responsibilities and enhanced service offerings. Previously, these activities were done in sequence. In the future major portions of these responsibilities will be occurring concurrently. This will make FY2020 (and FY2021 thru FY2022) busier for the Authority's transportation planning staff than any of the past several years.

Maintaining Excellence

While NVTA's transportation planning staff have accomplished much since 2014, oftentimes this has been achieved by placing significant task responsibilities on single individuals, with little or no staff backup. Extended staff absence due to sickness, family illness, jury service, planned vacation, or other unforeseen events at critical points in time such as FOIA requests and computing and/or communications disruptions can lead to single points of failure that can only be mitigated for short periods of time and create risks for the Authority. These risks jeopardize being able to complete TransAction updates and Six Year Program Updates concurrently.

While NVTA has been fortunate in avoiding extended staff absences to date, the loss of an individual who has sole responsibility for an activity will be detrimental to continuity of business operations. The Authority is vulnerable to the increasing possibility of:

- Schedule delays and decline in robustness of analyses and related recommendations associated with TransAction and the Six Year Program;
- Incorrect, inaccurate, and delayed payment of reimbursement requests;
- Delays to non-urgent tasks, potentially for extended periods of time; and

- Work-life balance may be negatively affected, leading to staff recruitment and retention challenges. This in turn will reduce the institutional knowledge and operational efficiency of the team.

Work-balancing actions are underway to achieve a degree of resiliency in the transportation planning team. Continuity of business operations is also being addressed. However, with just three planners covering such a wide range of primary and secondary responsibilities, two additional planners are now required to avoid jeopardizing the ability to maintain five-year and two-year update cycles for TransAction and the Six Year Program respectively.

Proposed Planner Staffing Detail

Primary Responsibilities

Transportation planning and programming are widely recognized as NVRTA's two primary responsibilities. By extension, these responsibilities are therefore the primary responsibilities of the Authority's transportation planners, and include:

- **TransAction:** the Authority's long range, multi-modal transportation plan for Northern Virginia. The current version was adopted in October 2017. TransAction is updated on a five-year cycle. The Authority can only allocate regional revenues to projects that are included in TransAction.
 - TransAction is both fiscally and geographically unconstrained, meaning it includes regional projects that are critical to addressing future travel demand in Northern Virginia, even if their cost exceeds the Authority's direct funding resources and they are located beyond Northern Virginia. It is noted that TransAction includes 352 regional projects with an estimated total cost of \$43.2 billion.
 - Consistent with transportation planning agencies in metropolitan and other areas across the nation, greater emphasis will be required in the next TransAction update on emerging, technology-driven travel behavioral trends.
 - Development of the next TransAction plan will be necessarily more complex and extensive than the current version, due in part to the need for more sophisticated analysis, and higher levels of engagement. Consequently, TransAction may be contractually divided into two separate but integrated components – a technical services contract and a public engagement services contract.
 - Pre-contract preparatory activities for the next update are already underway. Formal procurement activities will begin in spring 2020 (FY2020) with consultant selection in fall 2020 (FY2021). Adoption must occur by the end of calendar year 2022 (FY2023) in order to maintain the five-year schedule.
- **Six Year Program:** This is the Authority's program that prioritizes the allocation of regional revenues to the highest performing regional projects. The Authority adopted its first full Six Year Program in June 2018 (using six years of regional revenues for FY2018 thru FY2023). Moving forward, it will be updated every two years (starting with two years of regional revenues for FY2024 and FY2025.)
 - The Six Year Program is both fiscally and geographically constrained, meaning that the Authority can only allocate funds included in its approved regional revenue budget, and selected projects must be substantially or wholly located in Northern Virginia
 - Future Six Year Program updates are expected to be even more competitive than for the inaugural Six Year Program, due to the anticipated high level of funding requests and the reduced amount of funding available. It is noted that the inaugural Six Year Program

- generated applications for more than 60 candidate projects with approximately \$2.5 billion in associated funding requests.
- Future Six Year Program updates will additionally need to address the ‘Long Term Benefit’ requirement included in HB2313. The Authority approved principles to address the Long Term Benefit requirement in December 2014. These principles must be developed into an actionable process that will, in turn, be incorporated into the project selection process.
 - Long Term Benefit must move from principles to policy then procedure which will require extensive regional coordination and collaboration. This will be an entirely new activity which must occur while preparing both TransAction and SYP updates.
 - Many of the above requirements necessitate the use of advanced modeling and simulation tools and extensive project evaluations in both the TransAction and Six Year Program development processes.
 - Subject to future Authority action, and assuming on-time completion of the Commonwealth’s current SMART SCALE cycle, the next Six Year Program update is expected to formally commence with a Call for Regional Transportation Projects (CfRTP) in early July 2019 (FY2020).
 - Jurisdictions, agencies, and other eligible regional entities will have until the end of September 2019 to submit online applications (end of November 2019 for governing body resolutions) using the Authority’s new Program Monitoring and Management System (PMMS).
 - NVTa staff will need to conduct detailed evaluations during fall/winter calendar 2019/2020 (FY2020), followed by extensive public and committee engagement during spring 2020 (FY2020). Program adoption is scheduled for June 2020 (FY2020).
 - Future updates to the Six Year Program will occur on a two year cycle, starting with a CfRTP in July 2021.

The TransAction and Six Year Program development processes are necessarily complex due to numerous requirements contained in the Virginia Code, such as the Authority’s founding legislation in 2002, HB599 (2012) and HB2313 (2013).

Regional Collaboration

NVTa has an effective committee structure that fosters regional collaboration and objective inputs. The committees function through specific responsibilities to contribute in the development processes for TransAction and the Six Year Program including:

- Technical Advisory Committee (statutory)
- Planning Coordination and Advisory Committee (statutory)
- Planning and Programming Committee (standing)
- Transportation Technology Committee (advisory, reports to the ED)
- Regional Jurisdiction and Agency Coordinating Committee (advisory, reports to the ED)

It is noted that the next Six Year Program update cycle in July 2019 thru June 2020 (FY2020) will overlap with preparatory and early procurement activities for the next TransAction update. The subsequent Six Year Program update cycle July 2021 thru June 2022 will fully overlap with development

of the next TransAction update. FY2020 (and FY2021 thru FY2022) will be as busy for the Authority's transportation planning staff as any of the past several years.

In addition to overall development of TransAction and the Six Year Program, the transportation planning team's responsibilities directly related to transportation planning and programming include:

- Review and evaluation of responses to each CfRTP, including pre-submittal reviews of draft applications.
- Development of project selection recommendations.
- Development, review, and approval of Standard Project Agreements (SPAs) for each approved project. With the adoption of the Six Year Program, there are 122 SPAs, or contracts covering 95 discreet projects across the nine member jurisdictions, four of the five largest Towns, transit agencies and other regional entities.
- Identification and mitigation of project/SPA scope, schedule, and budget changes, and other risks.
- Review and approval/rejection of reimbursement requests associated with each SPA. Ultimately each SPA must be formally closed out from a financial perspective, although project oversight continues well beyond SPA financial closure.
- Attendance at all public information meetings and hearings associated with projects/SPAs.
- Participation in project/SPA technical meetings.
- SPA/project monitoring, including monthly and quarterly reviews and reporting with associated follow up actions. In the near future this will be expanded and enhanced when the phase 2 of the PMMS is complete.
- Development and maintenance of GIS-based interactive project maps on the Authority's websites.
- Update and maintain databases associated with PMMS.
- Participation in regular (approximately quarterly) regional project briefings with individual jurisdictions and agencies.
- Preparation for, and participation in, public and stakeholder engagement activities, including the Authority's Open Houses and Public Hearings, and Jurisdictional Town Hall meetings and briefings. Transportation planners are responsible for reviewing and summarizing public comments received.
- Responding to information requests from citizens and stakeholders, including FOIA requests.
- Procurement and management of consultants.
- Supporting NVTA-hosted events such as SPA development workshops.
- Supporting (and occasionally participating in) project groundbreakings and ribbon cuttings.

These three staff must coordinate the activities of the five NVTA Committees (listed above) that are engaged in TransAction and the Six Year Program. In addition, these staff are responsible for developing and presenting TransAction and the Six Year Program information and action items to the Authority.

Secondary Responsibilities

The foregoing addresses the activities of NVTA's three transportation planning staff with respect to the Authority's primary responsibilities of transportation planning and programming. However, these three staff have further responsibilities, consistent with NVTA's role as a regional transportation entity, such as:

- Coordination of monthly transfers and annual strawman related to federal funding programs (CMAQ and RSTP).

- Supporting the development of NVTA's Annual Report and the annual JCTA report, including summaries of projects funded by local (30 percent) revenues.
- Planning and execution of the Annual NoVA Transportation Roundtable, in conjunction with ITS Virginia.
- Preparation of grant requests, e.g. SMART SCALE. In FY2020, it is anticipated that NVTA's transportation planners will be involved in leading the development of the RM3P project, funded with Commonwealth ITTF funds.
- Supporting regional initiatives such as the ongoing WMATA's Bus Transformation Project, and the now-completed East-West Corridor Integrated Corridor Management project, led by VDOT.
- Supporting content updates to the Authority's website, and irregular oversight of social media.
- Supporting external communications by preparing factual content, talking points, etc. for the Executive Director and/or Communications Manager. Also supporting Communications Manager in responding to media requests for information.
- Representing the Authority by manning booths at events such as CTB meetings, or making presentations at Town Hall meetings organized by local elected officials.
- Conducting data analyses and GIS-based visualizations related to transportation trends in Northern Virginia, including the use of RITIS data, Streetlight Data, and other readily available GIS data.
- Supporting NVTA initiatives such as economic impact studies.
- Supporting the development of, and annual updates to, the Authority's Five-Year Strategic Plan.
- Monitoring of non-NVTA funding allocations to NoVA projects.
- Participation in monthly governing body and staff coordination meetings for other regional entities such as TPB, NVTC, and to a lesser extent PRTC, VRE, and WMATA.
- Coordination and participation in the regional transportation modelers group.
- Preparation of content for the bi-weekly 'Driven by Innovation' eblast.
- Responding to ad-hoc questions and information requests from jurisdiction and agency staff.
- Professional development activities, including presentations and attendance at regional, state, and national transportation conferences.

Expanding Workload/Long Term Responsibilities

NVTA's transportation planning and programming team is preparing for the next update cycles for TransAction and the Six Year Program. In FY2020, this necessitates some significant, overlapping tasks:

- Development of a Six Year Program update, with associated consultant task order for congestion reduction relative to cost analysis and, potentially, Long Term Benefit analysis.
- Development of an enhanced statement of work for the next TransAction update, and related procurement activities. Two significant inputs to the statement of work, both led by the Authority's transportation planning staff, will be:
 - Authority 'Listening Session' scheduled for September 2019
 - Review and, if necessary, Authority approval of the TransAction vision statement and associated goals. This activity is scheduled during fall 2019.
- Other pre-procurement activity by NVTA staff during FY2020 includes pre-cursor transportation modeling research and research on a variety of other pertinent topics, such as:
 - First/last mile opportunities and impacts, including non-motorized, personal motorized, micro-transit
 - Connected, Autonomous, Shared, Electric (CASE) vehicles

- Impact of Transportation Network Companies on vehicle ownership, travel behaviors
- Impact of Transit Signal Priority on operational performance
- Regional demographic trends
- Regional travel trends
- Repeat of the outsourced TransAction-related Tracking Survey, previously conducted in late 2015 and again in late 2016, targeted for November/December 2019. The updated Tracking Survey will provide important inputs to the development of an enhanced statement of work for the next TransAction update. [Note the period of performance for the current AECOM contract expires in July 2020.]
- Development of the above-mentioned supplement to the Authority's Annual Report, summarizing transportation metrics and trends in Northern Virginia. This will necessitate a number of data analyses and is ultimately expected to be integrated into the Authority's dashboard. It will likely provide an opportunity to visualize Long Term Benefit, and serve as a long term aid to understanding the impact of the Authority's regional transportation investments.
- A longer term goal for the transportation planning and programming team continues to include the development of in-house capabilities in transportation modeling. Transportation planners continue to work closely with regional and jurisdictional partners to ensure the optimal path forward is identified, with execution in FY2021. However, it is important to start to build staff capacity and capabilities in FY2020.

In addition to these new activities, the Authority's transportation planners will continue to monitor adopted projects (represented in individual SPAs) throughout their economic life. For many projects the economic life is measured in decades and includes:

- 27 formally closed SPA's valued at \$110 million.
- 6 bond funded projects valued at \$74.6 million which require additional annual reviews until calendar year 2034.
- 49 active SPAs valued at \$560 million.
- 16 FY2019 Six Year Program (SYP) appropriated SPAs valued at \$527.2 million
- 17 anticipated appropriations for FY2020 SYP plan year of \$537.6 million
 - With 3 current requests to advance appropriate \$32.7 million from FY2021 planned appropriations to FY2020.
- 11 remaining planned appropriations for FY2021/23 valued at \$220.5 million.
- Development of a SYP, two year update funding strategy, when 83% of the FY2018/23 SYP funding strategy is front loaded to FY2019/20 appropriations to provide maximum project advancement opportunities while eliminating the need for outside financing. (A strategy which saved \$194 million in finance costs.)
- Backlog of \$652 million in projected but unmaterialized project reimbursements from FY2014 through February of FY2019.

It is increasingly difficult to initiate completely new tasks, unless they are closely related to primary responsibilities, such as Long Term Benefit.

Single Points of Failure

Day to day execution of these primary and secondary responsibilities currently rests with just three staff – two Transportation Planners, both reporting to a Principal.

While NVTA's transportation planning staff have accomplished much since 2014, oftentimes this has been achieved by placing significant task responsibilities on single individuals, with little or no staff backup. Extended staff absence due to sickness, family illness, jury service, planned vacation, or other unforeseen events at critical points in time such as FOIA requests and computing and/or communications disruptions can lead to single points of failure that can only be mitigated for short periods of time and create risks for the Authority. While NVTA has been fortunate in avoiding extended staff absences to date, the loss of an individual who has been solely responsible for an activity could be detrimental to continuity of business operations. For example:

- Schedule adherence for primary responsibilities is extremely vulnerable to single points of failure. For example, project management responsibilities for TransAction, the Six Year Program, and the other funding programs that preceded it have rested with a single person with no back-up in place. A single point of failure could lead to schedule delays that will affect project selection recommendations and potentially Authority adoption, management (and possibly cost) of consultant contracts, and sub-optimal engagement with citizens and stakeholders.
- The Authority has allocated almost \$2 billion in regional revenues to date, using a project selection process comprising quantitative and qualitative components. Data-driven processes are only as good as the data, methodologies, and quality control on which they are based, and are particularly vulnerable to single points of failure. In order to maintain a five-year cycle for TransAction and two-year cycle for updates to the Six Year Program, it is critical that the Authority can continue to depend on robust analyses and recommendations.
- \$2 billion in regional funding allocations will eventually result in the same level of reimbursement requests. Diligence and accuracy are essential in processing these requests, as is the ability to achieve or exceed the SPA-mandated 20-day payment terms. Single points of failure jeopardize correct, accurate, and timely payment of reimbursement requests.
- Allocation of NVTA's transportation planning resources is prioritized for the Authority's primary responsibilities, and other important time-sensitive needs. Consequently, non-urgent tasks can be delayed, often for extended periods of time. One example is the finalization of the detailed TransAction Technical Report, which was not completed until October 2018 – one year after adoption of TransAction – as a result of other demands on NVTA staff availability. Even now, contractual loose ends remain related to TransAction. Another example is the development of a supplement to the Authority's Annual Report summarizing transportation metrics and trends in Northern Virginia.
- Work-life balance may be negatively affected, leading to staff recruitment and retention challenges. This in turn will reduce the operational efficiency of the team.

Work-balancing actions are underway to achieve a degree of resiliency in the team. Continuity of business operations is also being addressed. However, with just three planners covering such a wide range of primary and secondary responsibilities, two additional Regional Transportation Planners are now required.

VII.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman Parrish and Members of the NVRTA Finance Committee

FROM: Michael Longhi, Chief Financial Officer

DATE: March 15, 2019

SUBJECT: FY2020 Regional Revenue Fund Appropriations

I. Purpose: To seek Northern Virginia Transportation Authority (NVRTA) Finance Committee recommendation for Authority budget appropriation action for those projects from the FY2018 to FY2023 Six Year Program (SYP) requiring FY2020 Regional Revenue Funds.

II. Suggested Motion: *I move the Finance Committee recommend the Authority budget and appropriate \$570,189,322 of FY2020 Regional Revenue Funds to the 20 projects in the FY2018-FY2023 Six Year Program as detailed in Table 1 below:*

NVRTA FY2018 to FY2023 Six Year Program (FY2020 Appropriations)

Table 1

SPA Number	Jurisdiction/Agency	Project	Proposed FY2020 Appropriation
2018-004-1	Arlington County	Pentagon City Multimodal Connections and Transitway Extension	\$ 28,850,000
2018-003-1	Arlington County	Crystal City Metrorail Station East Entrance & Intermodal connections	\$ 5,000,000
2018-041-1	City of Alexandria	Alexandria ITS Projects	\$ 1,195,491
2018-043-1	City of Alexandria	DASH Transit Service Enhancements and Expansion	\$ 11,933,161
2018-045-1	City of Alexandria	Alexandria Duke St Transitway	\$ 12,000,000
2018-048-1	City of Fairfax	Old Lee Highway Multimodal Improvements Phase 1	\$ 5,000,000
2018-051-1	City of Falls Church	West Falls Church & Joint Campus Revitalization District Multimodal Transportation Project	\$ 15,700,000
2018-017-1	Fairfax County	Rock Hill Road Bridge	\$ 20,604,670
2018-014-2	Fairfax County	Rolling Road Widening: Hunter Village Drive to Old Keene Mill Road	\$ 11,111,000
2018-016-3	Fairfax County	Fairfax County Pkwy Widen from Ox Rd to Lee Hwy w/ separated interchange at Popes Head Rd	\$ 67,000,000
2018-006-2	Fairfax County	Route 1 Widening (Mount Vernon Memorial Highway to Napper Road)	\$ 127,000,000
2018-009-2	Fairfax County	Frontier Drive Extension and Intersection Improvements#	\$ 25,000,000
2018-023-1	Loudoun County	Extend Shellhorn Road: Loudoun County Parkway (Route 607) to Randolph Drive (Route 1072)	\$ 16,000,000
2018-022-1	Loudoun County	Northstar Boulevard - Shreveport Drive to Tall Cedars Parkway	\$ 64,805,000
2018-026-1	Loudoun County	Prentice Drive Extension: Lockridge Road (Route 789) to Shellhorn Road (Route 643)	\$ 76,230,000
2018-032-2	Prince William County	Route 28 Corridor Feasibility Study - EIS (City of Manassas to Fairfax County)	\$ 3,500,000
2018-053-2	Town of Dumfries	Widen Route 1 (Fraleys Blvd) to six lanes between Brady's Hill Rd and Dumfries Rd (RT234)	\$ 44,860,000
2018-054-3	Town of Leesburg	Construct Interchange at Route 7 and Battlefield Parkway	\$ 25,000,000
2018-055-3	Town of Leesburg	Interchange Improvements at Route 15 Leesburg Bypass and Edwards Ferry Road	\$ 5,400,000
2018-058-2	VRE	VRE Crystal City Station Improvements	\$ 4,000,000
Total By Fiscal Year			\$ 570,189,322

III. Background:

- a. The NVTA Finance Committee initiated development of a funding strategy for the Authority's inaugural FY2018 - FY2023 Six Year Program (SYP) in May of 2017.
- b. On June 6, 2018 the Finance Committee made a \$1.285 billion PayGo funding recommendation to the NVTA Planning and Programming Committee (PPC) for the SYP.
- c. In September of 2018, the Finance Committee recommended a SYP funding strategy to the Authority. This strategy included recommendations for actual FY2019 appropriations and an appropriation schedule for the remaining years in the SYP.
- d. In October 2018, the Authority approved the Finance Committee recommended FY2019 appropriations and appropriation schedule.
- e. In February 2019, the Authority removed the appropriation for Town of Vienna Mill Street Parking Garage Project ID 2018-057-0 (at the Town's request) to provide additional project planning time. For appropriation planning purposes this project has been moved to FY2023.

IV. Discussion:

- a. The 20 projects in the proposed FY2020 appropriation recommendation total \$570 million.
- b. Three SYP projects representing \$32.6 million in funding scheduled for FY2021 appropriation have requested to advance the appropriation to FY2020.
- c. After a review of the requests and discussions with the jurisdictions, NVTA staff recommend the changes as follow:
 - i. City of Falls Church - West Falls Church & Joint Campus Revitalization District Multimodal Transportation Project (2018-051-1) for \$15,700,000.

City staff reports that the project can move forward at a faster than anticipated pace with utility undergrounding. Advancing utility undergrounding improves project certainty and coordination options with the City's Public Schools.
 - ii. City of Alexandria - Dash Transit Service Enhancements & Expansion (2018-043-1) for \$11,933,161.

City staff reports DASH has been able to acquire six electric buses outside of the adopted project (through another funding source) and therefore needs to accelerate the project's facility improvements to support earlier deployment of those buses.

- iii. Arlington County – Crystal City Metrorail East Entrance (2018-003-1) for \$5,000,000.

County staff report the project schedule is being accelerated in support of a corporate headquarters initiative in Crystal City.

V. Fiscal/Funding Strategy Impact:

The Appropriation Based Balances (Budget Basis) table presented below, on first look appears to set the stage for an over expenditure of \$383.3 million in FY2020. However, this reflects the appropriation of 100% of approved project funding in the first year the project requires funding. This strategy allows projects to move forward faster and with more certainty; rather than having to wait for annual appropriations of project phases. Actual project spenddown often will occur over several years.

	Appropriation Based Balances (Budget Basis)					
	FY2019*	FY2020	FY2021	FY2022	FY2023	FY2024+
SYP Project Appropriations*	\$524.9 M	\$570.2 M	\$163.2 M	\$22.8 M	\$4.2 M	\$.0 M
PayGo Revenue Projections**	\$526.6 M	\$186.9 M	\$190.5 M	\$190.7 M	\$190.5 M	\$207.2 M
Balance	\$1.7 M	(\$383.3 M)	\$27.3 M	\$168.0 M	\$186.3 M	\$207.2 M

*No Expenditures Appropriated for FY2024, Pending SYP 2 Year Update

**FY2019 Includes Carry Forward From FY2018, FY2024 includes projected revenues

- a. Outside financings (bonds, short term loans etc.) are often used to address negative appropriation balances, such as those shown in FY2020, in the above table.
- b. Since the Authority funds projects on a reimbursement versus grant basis, cash related to unspent project appropriations remains with the Authority resulting in a significant level of restricted liquidity.
- c. The liquidity noted above is reflected in the Authority’s Balance Sheet. The Regional Revenue Fund, as of February 2019, has cash and investment assets in excess of \$1 billion.
- d. Other than required reserves (Working Capital and Debt Service) these funds have all been appropriated to transportation projects.
- e. As shown in the Expenditure Based Balances (Cash Flow Basis) table below, the Authority can advance appropriations in FY2020 and schedule appropriations for FY2021 through FY2023 while maintaining a very positive liquidity position.

	Expenditure Based Balances (Cash Flow Basis)					
	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024+
SYP Project Expenditures	\$58.7 M	\$256.8 M	\$237.9 M	\$269.8 M	\$240.2 M	\$221.9 M
PayGo Revenue Projections*	\$526.6 M	\$186.9 M	\$190.5 M	\$190.7 M	\$190.5 M	\$207.2 M
Year to Year Balance	\$467.9 M	(\$69.9 M)	(\$47.4 M)	(\$79.1 M)	(\$49.7 M)	(\$14.6 M)
	Year to Year Cash Balances					
FY2014/17 Project Balances Available**	\$308.1 M	\$132.9 M	\$64.1 M	\$56.4 M	\$.8 M	\$.8 M
Combined Cash Flow	\$776.1 M	\$63.0 M	\$16.8 M	(\$22.7 M)	(\$48.9 M)	(\$13.9 M)
Cash Flow Balances	\$776.1 M	\$839.0 M	\$855.8 M	\$833.1 M	\$784.2 M	\$770.3 M

*FY2019 Includes Carry Forward From FY2018, FY2024 Projected

**18 Projects Worth \$55.7 Million Have Expired Cash Flow Projections

- f. The expenditure based cash flow data presented above is developed from actual and preliminary project Appendix B's submitted by project sponsors.
- g. As backstops to a surge in liquidity demands the Authority has:
 - i. The \$120 million Working Capital Reserve (WCR) which is not included in these numbers.
 - ii. Debt Service Capacity of approximately \$1.4 billion over 20 years.
 - iii. The ability to manage liquidity demands through the approval of Appendix B changes.

Advancing SYP projects using NVTA's liquidity, rather than financing is saving the Authority approximately \$194.3 million over 20 years (or \$9.7 million a year for 20 years).

- VI. **Appropriation Schedule:** The updated NVTA FY2018 to FY2023 Six Year Program Appropriation Schedule is included in Attachment 1. This schedule provides projects in the SYP, adopted by the Authority, a plan for when their projects will receive an appropriation. It will be updated in conjunction with any future appropriation action taken by the Authority.

Attachment: NVTA FY2018 to FY2023 Six Year Program Appropriation Schedule

NVTA FY2018 to FY2023 Six Year Program Appropriation Schedule

Project ID#	Jurisdiction / Agency	Project	Appropriated FY2019	Proposed FY2020	Scheduled FY21	Scheduled FY22	Scheduled FY23
2018-005-0	Arlington County	Intelligent Transportation System Improvements	10,000,000				
2018-004-0	Arlington County	Pentagon City Multimodal Connections and Transitway Extension		28,850,000			
2018-001-0	Arlington County	ART Operations and Maintenance Facilities	39,027,000				
2018-003-0	Arlington County	Crystal City Metrorail Station East Entrance & Intermodal connections		5,000,000			
2018-041-0	City of Alexandria	Alexandria ITS Projects	150,000	1,195,491			
2018-042-1	City of Alexandria	Alexandria Bus Network ITS		11,933,161			
2018-043-0	City of Alexandria	DASH Transit Service Enhancements and Expansion		12,000,000	2,200,000		
2018-040-1	City of Alexandria	West End Transitway: Northern Segment (Phase 1)					
2018-045-2	City of Alexandria	Alexandria Duke St Transitway					
2018-046-0	City of Fairfax	Jermantown Road Corridor Improvements Project	21,000,000				
2018-049-0	City of Fairfax	Roadway Network Northfax West	2,500,000				
2018-047-0	City of Fairfax	Intersection Improvements at Eaton Place/Chain Bridge Road				10,750,000	
2018-051-0	City of Falls Church	Old Lee Highway Multimodal Improvements Phase 1		5,000,000			
2018-017-0	Fairfax County	West Falls Church & Joint Campus Revitalization District Multimodal Transportation Project		15,700,000			
2018-014-1	Fairfax County	Rock Hill Road Bridge		20,604,670			
2018-010-2	Fairfax County	Rolling Road Widening: Hunter Village Drive to Old Keene Mill Road		11,111,000			
2018-016-2	Fairfax County	Route 28 Widening: Route 29 to Prince William County Line			16,000,000		
2018-007-0	Fairfax County	Fairfax County Parkway Widening from Ox Road to Lee Highway w/separated interchange at Popes Head Rd		67,000,000			
2018-006-1	Fairfax County	Richmond Highway Bus Rapid Transit - Phases 1 & II	250,000,000	127,000,000			
2018-012-0	Fairfax County	Route 1 Widening (Mount Vernon Memorial Highway to Napper Road)		25,000,000			
2018-009-1	Fairfax County	Richmond Highway (Route 1)/CSX Underpass Widening				12,000,000	
2018-021-0	Loudoun County	Frontier Drive Extension and Intersection Improvements#					
2018-023-0	Loudoun County	Route 28 Northbound Widening—between the Dulles Toll Road and Sterling Boulevard	20,000,000				
2018-022-0	Loudoun County	Route 15 Bypass Widening: Battlefield Parkway to Montresor Road					
2018-026-0	Loudoun County	Extend Shellhorn Road: Loudoun County Parkway (Route 607) to Randolph Drive (Route 1072)					
2018-028-0	Loudoun County	Northstar Boulevard - Shreveport Drive to Tall Cedars Parkway					
2018-027-0	Loudoun County	Prentice Drive Extension: Lockridge Road (Route 789) to Shellhorn Road (Route 643)					
2018-029-0	Loudoun County	Dulles West Boulevard Widening: Loudoun County Parkway to Northstar Boulevard	47,800,000				
2018-062-0	NOVA Parks	Route 9 Traffic Calming	12,112,000				
2018-030-3	Prince William County	Evergreen Mills Road Intersection Realignments – Watson Road and Reservoir Road	14,000,000				
2018-039-0	Prince William County	Falls Church Enhanced Regional Bike Routes (W&OD)	3,244,959				
2018-031-1	Prince William County	RT28 corridor improvements (Fitzwater Dr to Pennsylvania Ave)	15,000,000				
2018-035-0	Prince William County	Construct Interchange at Prince William Parkway and Clover Hill Road					
2018-032-1	Prince William County	Construct Interchange at Prince William Parkway and University Boulevard	24,200,000				
2018-034-0	Prince William County	Route 28 Corridor Feasibility Study - Environmental Impact Statement (City of Manassas to Fairfax County)		3,500,000			1,900,000
2018-036-0	Prince William County	Construct Route 28 Corridor Roadway Improvements				89,000,000	
2018-053-1	Town of Dumfries	Construct Interchange at Route 234 and Brentsville Road	54,900,000				
2018-054-2	Town of Leesburg	Summit School Rd Extension and Telegraph Rd Widening	11,000,000				
2018-056-0	Town of Leesburg	Widen Route 1 (Fraleigh Blvd) to six lanes between Brady's Hill Rd and Dumfries Rd (RT234)		44,860,000			
2018-055-2	Town of Leesburg	Construct Interchange at Route 7 and Battlefield Parkway		25,000,000			
2018-057-0	Town of Vienna	Construct Interchange at Route 15 Bypass and Battlefield Parkway					2,000,000
2018-058-1	VRE	Interchange Improvements at Route 15 Leesburg Bypass and Edwards Ferry Road# Mill St NE Parking Garage VRE Crystal City Station Improvements		5,400,000			
				4,000,000			
Total by Fiscal Year			\$ 524,933,959	\$ 570,189,322	\$ 163,200,000	\$ 22,750,000	\$ 4,200,000
Cumulative by Fiscal Year			\$ 524,933,959	\$ 1,095,123,281	\$ 1,258,323,281	\$ 1,281,073,281	\$ 1,285,273,281

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman Parrish and Members of the NVTA Finance Committee

FROM: Michael Longhi, Chief Financial Officer

DATE: March 15, 2019

SUBJECT: Draft Policy 29 – Project Activation, Monitoring and De-Appropriation

- I. **Purpose.** To seek the Northern Virginia Transportation Authority (NVTA) Finance Committee recommendation of Authority adoption of Policy 29 – Project Activation, Monitoring and De-Appropriation.
- II. **Suggested Motion:** *I move the Finance Committee recommend Authority adoption of Policy 29 – Project Activation, Monitoring and De-Appropriation.*
- III. **Discussion.**
 - a. The proposed policy is modeled after, and combines elements of, two previously adopted policies: Policy 24 – Standard Project Agreement (SPA) Activation and Policy 25 – FY2017 Program First Drawdown Commitment.
 - b. The proposed draft policy will supersede and replace both Policy 24 and Policy 25.
 - c. In June 2018, an early softcopy of Draft Policy 29 – Project Activation, Monitoring and De-Appropriation was circulated to member jurisdictions and transit agencies for comment.
 - d. Comments from all respondents (5 jurisdictions and 2 transit agencies) were consolidated, circulated and discussed at the January 2019, Regional Jurisdiction and Agency Coordinating Committee (RJACC).
 - e. Further RJACC discussion occurred on February 28, 2019. This discussion resulted in extending the time period for the first project drawdown from 12 to 18 months.
 - f. An additional clarification edit was added to include Appendix A with updates to Appendix B.

Attachment: Policy 29 – Project Activation, Monitoring and De-Appropriation (DRAFT)

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

Policy Number 29 – Project Activation, Monitoring and De-Appropriation

- I. **Purpose.** The purpose of this policy is to provide a mechanism for the Authority to monitor project activation, progress and appropriation in accordance with project descriptions and Standard Project Agreements (SPA). The monitoring activities in the policy are designed to set benchmarks and guidelines for the evaluation of de-appropriation (cancellation) of project funding.

Expenditure reimbursement requests presented later than the existing cash flow schedule (as documented on the SPA Appendix B form), result in disruption of the Authority's cash management, liquidity and investment programs.

Expending tax exempt financing through bonds issued by the Authority later than originally projected, may present Internal Revenue Service arbitrage compliance issues.

Undertaking any form of debt to meet project sponsor expenditure projections that do not materialize, will result in unnecessary debt service expenses, reducing PayGo funds for other projects.

II. **Key Definitions.**

- A. **Adopted Project** – A project which has been approved by the Authority for inclusion in the Six Year Program, and updates, but for which an appropriation has not been made.
- B. **Appropriation** - The formal approval for the expenditure of public funds by the governing body of a governmental jurisdiction. Appropriations are made for the full amount of a project in the first fiscal year the project is approved for funding, by the Authority.
- C. **Appropriated Project** - A project which was approved for inclusion in the Six Year Program and which has received an appropriation for the project amount.
- D. **De-appropriate** – Removal of an appropriation resulting in the cancellation of the project.
- E. **Project Sponsor** – Jurisdiction, Agency or representative submitting a project request to the Authority which was subsequently adopted.
- F. **Six Year Program** - The Six Year Program (SYP) is a short-term constrained funding program which has been formally adopted for the development or acquisition of a series of regionally significant transportation improvement projects. The SYP has specific planned projects, each of which is identified for specific amounts of funding, starting in specific fiscal years.
- G. **SYP Updates** - Updates to the Six Year Program are expected to occur approximately every two years, on a schedule approved by the Authority. SYP updates will add additional adopted projects approximately four to five years ahead of the expected appropriation.

- H. Substantive drawdown – A request for reimbursement which through the incurrence of directly relevant project costs clearly demonstrates project start up and/or progress. The Executive Director may accept the documented expenditure of funds from other sources, directly appropriated to the project, as a substitute for the expenditure of Authority funds.

III. General.

- A. This policy will be in effect for all Regional Revenue Fund projects approved by the Authority and supersedes Policy 24 and Policy 25.
- B. There are three milestones which the Authority will use to assess project progress:
 - 1. Standard Project Agreement (SPA) approval by the Authority for a project within three months of the appropriation of Regional Revenue Funds.¹
 - 2. Project activation/progression documented through monthly updates submitted to NVTa and reported in the Executive Director's monthly report to the Authority for appropriated projects.
 - 3. Project sponsor's submission of an initial substantive drawdown on appropriated funds within 12-18 months of the initial appropriation of Regional Revenue Funds, demonstrating meaningful project progress.
- C. For any project at risk of missing one of these three milestones, the project's sponsor may request an extension of time from the Executive Director.
- D. The Executive Director may request additional information from the project sponsor in making a decision on an extension recommendation.
- E. Agreement on project status will be sought with the implementing jurisdiction or agency.
- F. If agreement is not reached, the Executive Director may take a project de-appropriation recommendation to the Finance Committee prior to referral to the Authority for action.
- G. Project sponsors must keep their SPA-Appendix A and B forms up to date. Appendix B's can be updated in accordance with Policy 20. III B. 2.
- H. All funds de-appropriated from actions taken under this policy will remain in the Regional Revenue Fund for future appropriation by the Authority.
- I. Projects which had funds de-appropriated may reapply for funding during the next call for projects. Such applications will need to meet the application requirements of that SYP update cycle.
- J. The Executive Director may extend SPA deadlines for adopted projects in proportion to the number of months no meetings were held by the Authority within the next three months after project appropriations.

IV. Responsibilities.

A. Project sponsoring jurisdiction or agency primary responsibilities:

¹ For example, a project approved in year four of the Six Year Program, must have its SPA approved within three months of the Authority's appropriation action for year four as opposed to within three months of the adoption of the Six Year Plan.

1. Completion of SPAs within three months of Authority appropriation of Regional Revenue Funds to the project.
2. Document project activation/progression on appropriated projects through monthly updates submitted to NVT A for inclusion in the Executive Director's monthly report to the Authority.
3. Submittal of initial substantive drawdown on appropriated projects within 12 months of the Authority's appropriation of Regional Revenue Funds for the project.
4. Proactively inform the Executive Director of material circumstances which may delay or otherwise impede the prospects for successful start, draw down of project funds or completion of adopted and appropriated projects included in the SYP.
5. Proactively inform the Executive Director of appropriated project scheduling issues, providing a revised timeline to be submitted on SPA Appendix A forms with action steps required for timely completion of the project.
6. Proactively inform the Executive Director of adopted project scheduling issues, providing information as to a revised timeline to be submitted with action steps required to timely project completion.
7. Proactively request cancellation of an appropriated or adopted project if the project sponsor determines the project is no longer necessary or executable.
8. Provide additional project information upon request.
9. Provide continued updates as necessary to the project SPA — Appendix A & B form (Tables B-2 and B-3) reimbursement timing/schedule for appropriated projects.

B. NVT A Executive Director.

1. Monitor project progress through requests for reimbursements and submission of project activation/progress reports by project sponsors.
2. Include a report of appropriated project status in the Executive Director's monthly report to the Authority. Status reports will be consistent with project progress documented by project sponsors, unless otherwise noted.
3. Receive notice from project sponsors of possible delays in submitting drawdown requests or activating/progressing the project by the deadline.
4. Request information, when required, to evaluate project sponsor notice of delay or to request information on delay.
5. Receive and evaluate notices from project sponsors of adopted projects included in the SYP which are facing schedule or other risks which may impede their successful completion.
6. Accept requests for appropriated or adopted project cancellations from project sponsors and forward with a recommendation to the Finance Committee in advance of submission to the Authority with a recommendation to accept or reject the request.

7. Evaluate requests for extension of time or other accommodations requested by project sponsor.
8. Make recommendations to the Finance Committee on project de-appropriations to be referred to the Authority.

Approval by the Finance Committee:

Approved by Northern Virginia Transportation Authority:

DRAFT

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman Parrish and Members of the NVTA Finance Committee

FROM: Richard Stavros, Investment & Debt Manager

DATE: March 15, 2019

SUBJECT: Investment Portfolio Report

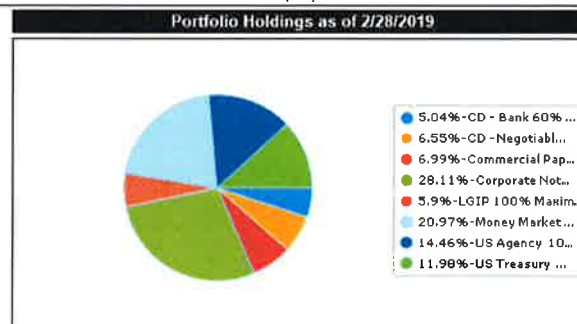
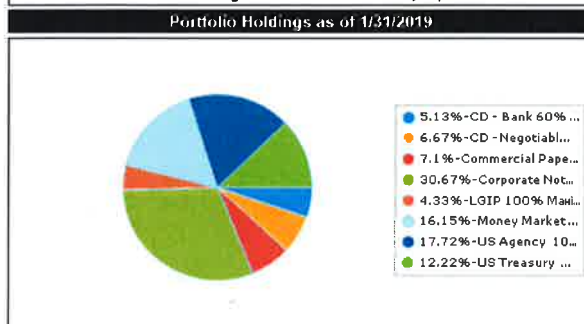
- 1) **Purpose:** To provide the Northern Virginia Transportation Authority (NVTA) Finance Committee with required reports on investment activities and portfolio performance through February 28, 2019.
- 2) **Background:**
- This report is on investment activity through February 2019 and affirms the portfolio 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.
 - Additionally, a monthly report is attached which complies with all reporting requirements prescribed in the NVTA Investment Policy.
- 3) **Current Period Reports:**
- 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: 1/31/2019, End Date: 2/28/2019

Asset Category	Asset Category Allocation			
	Book Value 1/31/2019	% of Portfolio 1/31/2019	Book Value 2/28/2019	% of Portfolio 2/28/2019
CD - Bank 60% Maximum	50,000,000.00	5.13	50,000,000.00	5.04
CD - Negotiable 25% Maximum	65,001,643.02	6.67	65,001,139.80	6.55
Commercial Paper 30% / 5% Maximum	89,212,720.97	7.10	89,364,293.44	6.99
Corporate Notes 50% Maximum	298,930,309.71	30.67	279,020,590.54	28.11
LGIP 100% Maximum	42,159,326.09	4.33	58,608,166.97	5.90
Money Market 60% Maximum	157,408,948.66	16.15	208,109,278.54	20.97
US Agency 100% Maximum	172,719,736.01	17.72	143,554,079.00	14.46
US Treasury 100% Maximum	119,112,576.27	12.22	118,940,066.83	11.98
Total / Average	974,545,260.95	100.00	992,697,615.12	100.00



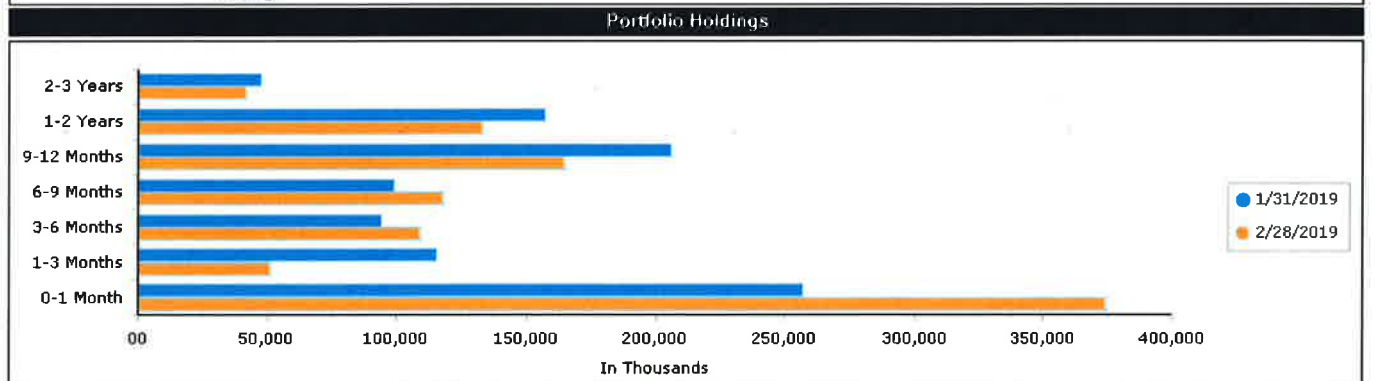
- b. The liquidity of the portfolio is reflected in the portfolio's duration of .56 (1.0 = 1 year) and the maturity schedule shown below:



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

Begin Date: 1/31/2019, End Date: 2/28/2019

Maturity Range Allocation				
Maturity Range	Book Value 1/31/2019	% of Portfolio 1/31/2019	Book Value 2/28/2019	% of Portfolio 2/28/2019
0-1 Month	257,054,929.46	26.38	374,523,499.13	37.73
1-3 Months	115,225,343.46	11.82	51,350,566.30	5.17
3-6 Months	93,829,887.03	9.63	108,933,644.38	10.97
6-9 Months	98,519,549.13	10.11	117,718,140.60	11.86
9-12 Months	205,570,295.39	21.09	164,560,524.97	16.58
1-2 Years	157,053,130.83	16.12	133,282,529.59	13.43
2-3 Years	47,292,125.85	4.85	42,228,710.15	4.25
Total / Average	974,545,260.96	100.00	992,597,615.12	100.00



- c. The yield on the portfolio at the end of February 2019 was 2.57%. The NVTA's Investment Policy specifies the benchmarks shown below for yield performance comparison:

NVTA Investment Benchmarks	FY 2018 Year End	Feb-19 Month End
Fed Funds Rate	1.82%	2.40%
Treasury 90 Day T Bill	1.92%	2.38%
Local Government Investment Pool	2.01%	2.60%
Virginia Non-Arbitrage Program	2.16%	2.65%
NVTA Performance	1.95%	2.57%

Source: Bloomberg, Statements

4) Portfolio Analysis & Statistics Overview

- a) **Safety:** The portfolio is invested primarily in;
- i) AAA/AA rated investment grade corporate bonds
 - ii) AAA/AA rated U.S. Treasury and Agency Bonds
 - iii) Collateralized bank money market accounts.

b) Liquidity:

- i) The NVTa Portfolio average duration decreased slightly (from .64 to .56) or around 6 months – reflecting called Agency securities that are in response to expectations of the end of Fed rate increases and a lower overall rate environment.
- ii) As noted last year, 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 (4.25% of the portfolio presently).

c) Yield:

- i) **Fed Rate Pause:** Since our prior report in February 2019, the Fed pause on rates and new comments by the central bank has heightened market expectations that there will be no rate increases during 2019. The Federal Reserve has been concerned of a possible weakening in U.S. economic growth as a result of China trade tensions and slowing global growth.
 - (1) At this writing, the Virginia Local Government Investment Pool (LGIP), one of our benchmarks, fell on March 7, 2019 to 2.57% from 2.60% the prior month. The 2-year Treasury, a benchmark for corporate notes, has also suffered a decline in the last month from 2.53% to 2.47% (See Chart Below).
- ii) **Rate Strategy:** The potential of no rate increases in 2019 and speculation of a Recession in 2020 or 2021 could cap portfolio performance beyond current levels. In particular, money market accounts and LGIPs would be most affected. Where possible, longer dated maturities will be pursued to capture historically high rates in outer years to protect income.

Bloomberg Constant Maturity 2-Year Index



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.

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 2/28/2019

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 Bank2 52 4/25/2019	John Marshall Bank	10,000,000.00	10,000,000.00	10,000,000.00	NR	NR	1.00	56	56	04/25/2019	2.520	0.15
John Marshall Bank 2 67 3/28/2019	John Marshall Bank	17,500,000.00	17,500,000.00	17,500,000.00	NR	NR	1.76	28	28	03/28/2019	2.670	0.08
United Bank2.75 1/17/2020	United Bank	10,000,000.00	10,000,000.00	10,000,000.00	NR	NR	1.00	323	323	01/17/2020	2.750	0.88
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	1.25	5	5	03/05/2019	2.150	0.01
Sub Total / Average		50,000,000.00	50,000,000.00	50,000,000.00			5.02	87	87		2.526	0.24
Commercial Paper												
CSFB NY 0 10/4/2019	CSFB NY	5,476,000.00	5,386,135.80	5,370,863.62	S&P-A1	Moody's-P1	0.55	218	218	10/04/2019	2.763	0.60
CSFB NY 0 8/19/2019	CSFB NY	9,705,000.00	9,579,341.82	9,552,310.70	S&P-A1	Moody's-P1	0.97	172	172	08/19/2019	2.753	0.47
CSFB NY 0 9/6/2019	CSFB NY	10,000,000.00	9,849,673.25	9,787,960.16	S&P-A1	Moody's-P1	1.00	190	190	09/06/2019	2.910	0.52
JP Morgan Securities0 7/26/2019	JP Morgan Securities	10,000,000.00	9,880,366.66	9,792,590.28	S&P-A1	Moody's-P1	1.00	148	148	07/26/2019	2.975	0.41
JP Morgan Securities0 7/26/2019	JP Morgan Securities	10,000,000.00	9,879,955.55	9,782,590.28	S&P-A1	Moody's-P1	1.00	148	148	07/26/2019	2.985	0.41
JP Morgan Securities 0 5/24/2019	JP Morgan Securities	5,000,000.00	4,989,895.84	4,904,897.22	S&P-A1	Moody's-P1	0.50	85	85	05/24/2019	2.599	0.23
JP Morgan Securities 0 5/24/2019	JP Morgan Securities	5,000,000.00	4,989,777.77	4,904,897.22	S&P-A1	Moody's-P1	0.50	85	85	05/24/2019	2.610	0.23
JP Morgan Securities 0 6/28/2019	JP Morgan Securities	10,000,000.00	9,911,666.67	9,802,722.22	S&P-A1	Moody's-P1	1.00	120	120	06/28/2019	2.729	0.33
JP Morgan Securities 0 7/29/2019	JP Morgan Securities	5,000,000.00	4,937,490.08	4,888,623.44	S&P-A1	Moody's-P1	0.50	151	151	07/29/2019	3.049	0.41
Sub Total / Average		70,181,000.00	69,364,293.44	68,777,475.14			7.04	150	150		2.897	0.41
Corporate Bond												
Apple Corp 1.1 8/2/2019	Apple Corp	5,000,000.00	4,965,912.60	4,967,750.00	S&P-AA+	Moody's-Aa1	0.50	155	155	08/02/2019	2.727	0.43
Apple Corp 1.1 8/2/2019	Apple Corp	5,000,000.00	4,965,345.53	4,967,750.00	S&P-AA+	Moody's-Aa1	0.50	155	155	08/02/2019	2.755	0.43
Apple Corp 1.5 9/12/2019	Apple Corp	4,685,000.00	4,661,725.97	4,657,780.15	S&P-AA+	Moody's-Aa1	0.47	196	196	09/12/2019	2.450	0.54
Apple Corp 1.8 11/13/2019	Apple Corp	15,000,000.00	14,930,932.41	14,914,650.00	S&P-AA+	Moody's-Aa1	1.51	258	258	11/13/2019	2.470	0.70
Apple Corp 1.8 11/13/2019	Apple Corp	10,000,000.00	9,956,666.68	9,943,100.00	S&P-AA+	Moody's-Aa1	1.00	258	258	11/13/2019	2.400	0.70
Apple Corp 1.9 2/7/2020	Apple Corp	4,995,000.00	4,971,406.03	4,966,578.45	S&P-AA+	Moody's-Aa1	0.50	258	258	11/13/2019	2.488	0.70
Apple Corp 2 11/13/2020	Apple Corp	5,403,000.00	5,356,313.41	5,364,098.40	S&P-AA+	Moody's-Aa1	0.54	344	344	02/07/2020	2.840	0.94
Apple Corp 2 11/13/2020	Apple Corp	5,000,000.00	4,940,900.37	4,947,900.00	S&P-AA+	Moody's-Aa1	0.50	624	624	11/13/2020	2.718	1.68
Australia New Zealand Bank - NY Office 1.6 7/15/20	Australia New Zealand Bank - NY	20,000,000.00	19,974,175.97	19,918,800.00	S&P-AA-	Moody's-Aa3	2.01	137	137	07/15/2019	1.950	0.38
Australia New Zealand Bank - NY Office 2.05 9/23/2	Australia New Zealand Bank - NY	5,900,000.00	5,903,254.42	5,875,633.00	S&P-AA-	Moody's-Aa3	0.59	207	207	09/23/2019	1.950	0.56
Australia New Zealand Bank - NY Office 2.05 9/23/2	Australia New Zealand Bank - NY	6,000,000.00	6,005,643.82	5,975,220.00	S&P-AA-	Moody's-Aa3	0.60	207	207	09/23/2019	1.880	0.56
Berkshire Hathaway2.1 8/14/2019	Berkshire Hathaway	5,000,000.00	4,989,661.90	4,986,600.00	S&P-AA	Moody's-Aa2	0.50	167	167	08/14/2019	2.558	0.46
Berkshire Hathaway2.2 3/15/2021	Berkshire Hathaway	7,390,000.00	7,294,464.59	7,318,713.54	S&P-AA	Moody's-Aa2	0.74	746	746	03/15/2021	2.893	1.99
Berkshire Hathaway Fin 1.7 3/15/2019	Berkshire Hathaway Fin	8,940,000.00	8,937,576.24	8,937,854.40	S&P-AA	Moody's-Aa2	0.90	15	15	03/15/2019	2.371	0.05
BlackRock 5 12/10/2019	BlackRock	1,097,000.00	1,115,347.71	1,115,736.76	S&P-AA-	Moody's-Aa3	0.11	285	285	12/10/2019	2.804	0.77
Chevron Corp 4.95 3/3/2019	Chevron Corp	15,000,000.00	15,003,073.27	15,000,000.00	S&P-AA	Moody's-Aa2	1.51	3	3	03/03/2019	2.410	0.01
Chevron Corp 1.961 3/3/2020	Chevron Corp	5,000,000.00	4,948,855.24	4,967,000.00	S&P-AA	Moody's-Aa2	0.50	369	369	03/03/2020	2.988	1.00
Chevron Corp 2.1 5/16/2021	Chevron Corp	5,560,000.00	5,463,245.88	5,482,493.60	S&P-AA	Moody's-Aa2	0.56	808	808	05/16/2021	2.923	2.16
Chevron Corp 2.193 1/15/2019	Chevron Corp	8,950,000.00	8,928,474.28	8,923,329.00	S&P-AA	Moody's-Aa2	0.90	260	260	1/15/2019	2.540	0.71
Commonwealth Bank of Australia 2.05 3/15/2019	Commonwealth Bank of Australia-NY	3,306,000.00	3,305,957.49	3,305,471.04	S&P-AA-	Moody's-Aa3	0.33	15	15	03/15/2019	2.081	0.05
Commonwealth Bank of Australia 2.05 3/15/2019	Commonwealth Bank of Australia-NY	15,560,000.00	15,558,986.70	15,557,510.40	S&P-AA-	Moody's-Aa3	1.56	15	15	03/15/2019	2.210	0.05
Exxon Mobile Corp 1.912 3/6/2020	Exxon Mobile Corp	8,663,000.00	8,607,015.85	8,599,586.84	S&P-AA+	Moody's-Aaa	0.87	372	372	03/06/2020	2.566	1.01

Exxon Mobile Corp 1 912 3/6/2020	Exxon Mobile Corp	5,000,000.00	4,947,242.24	4,963,400.00	S&P-AA+	Moody's-Aaa	0.50	372	372	03/06/2020	2,973	1.01
Johnson and Johnson 2 95 9/1/2020	Johnson and Johnson	5,000,000.00	5,034,847.03	5,022,150.00	S&P-Aaa	Moody's-Aaa	0.50	551	551	09/01/2020	2,472	1.47
Mass Institute Technology 2 051 7/1/2019	Mass Institute Technology	145,000.00	144,904.32	144,749.15	S&P-Aaa	Moody's-Aaa	0.01	123	123	07/01/2019	2,250	0.34
Microsoft Corp 1 1 8/8/2019	Microsoft Corp	2,000,000.00	1,988,374.79	1,987,980.00	S&P-Aaa	Moody's-Aaa	0.20	161	161	08/08/2019	2,442	0.44
Microsoft Corp 1 1 8/8/2019	Microsoft Corp	5,000,000.00	4,969,962.89	4,969,950.00	S&P-Aaa	Moody's-Aaa	0.50	161	161	08/08/2019	2,483	0.44
Microsoft Corp 1 55 8/8/2021	Microsoft Corp	5,000,000.00	4,848,783.97	4,870,700.00	S&P-Aaa	Moody's-Aaa	0.50	892	892	08/08/2021	2,850	2.41
Microsoft Corp 1 85 2/12/2020	Microsoft Corp	5,000,000.00	4,951,066.63	4,962,550.00	S&P-Aaa	Moody's-Aaa	0.50	349	349	02/12/2020	2,900	0.95
Microsoft Corp 1 85 2/12/2020	Microsoft Corp	3,000,000.00	2,972,480.79	2,978,040.00	S&P-Aaa	Moody's-Aaa	0.30	343	343	02/06/2020	2,851	0.93
Microsoft Corp 1 85 2/12/2020	Microsoft Corp	5,000,000.00	4,952,884.62	4,983,400.00	S&P-Aaa	Moody's-Aaa	0.50	343	343	02/06/2020	2,878	0.93
Microsoft Corp 1 65 2/16/2020	Microsoft Corp	1,196,000.00	1,188,560.27	1,187,245.28	S&P-Aaa	Moody's-Aaa	0.12	343	343	02/06/2020	2,530	0.93
National Australia Bank 2 25 1/10/2020	National Australia Bank	5,000,000.00	4,969,842.50	4,977,100.00	S&P-Aa-	Moody's-Aa3	0.50	316	316	01/10/2020	2,970	0.86
Proctor and Gamble Co 1 9 11/1/2019	Proctor and Gamble Co	2,386,000.00	2,370,309.90	2,374,070.00	S&P-Aa-	Moody's-Aa3	0.24	246	246	11/01/2019	2,897	0.67
Proctor and Gamble Co 1 9 10/23/2020	Proctor and Gamble Co	5,000,000.00	4,932,686.60	4,949,000.00	S&P-Aa-	Moody's-Aa3	0.50	603	603	10/23/2020	2,746	1.62
Toyota Motor Credit corp 1 4 5/20/2019	Toyota Motor Credit corp	1,515,000.00	1,511,980.17	1,511,621.55	S&P-Aa-	Moody's-Aa3	0.15	81	81	05/20/2019	2,311	0.23
Toyota Motor Credit corp 1 55 10/18/2019	Toyota Motor Credit corp	16,000,000.00	15,918,423.05	15,888,080.00	S&P-Aa-	Moody's-Aa3	1.61	232	232	10/18/2019	2,370	0.64
Toyota Motor Credit corp 2 125 7/18/2019	Toyota Motor Credit corp	1,735,000.00	1,733,055.44	1,731,582.05	S&P-Aa-	Moody's-Aa3	0.17	140	140	07/18/2019	2,420	0.39
Toyota Motor Credit corp 2 125 7/18/2019	Toyota Motor Credit corp	11,043,000.00	11,023,313.28	11,021,245.29	S&P-Aa-	Moody's-Aa3	1.11	140	140	07/18/2019	2,600	0.39
Toyota Motor Credit corp 2 125 7/18/2019	Toyota Motor Credit corp	5,000,000.00	4,978,055.56	4,978,200.00	S&P-Aa-	Moody's-Aa3	0.50	316	316	01/10/2020	2,720	0.86
Toyota Motor Credit corp 2 2 1/10/2020	Toyota Motor Credit corp	5,000,000.00	4,970,034.48	4,978,200.00	S&P-Aa-	Moody's-Aa3	0.50	316	316	01/10/2020	2,910	0.86
Walmart Corp 1 9 12/15/2020	Walmart Corp	5,000,000.00	4,928,965.68	4,936,000.00	S&P-Aa	Moody's-Aa2	0.50	656	656	12/15/2020	2,722	1.77
Yale University 2 086 4/15/2019	Yale University	375,000.00	374,946.79	374,790.00	S&P-Aaa	Moody's-Aaa	0.04	46	46	04/15/2019	2,200	0.13
Yale University 2 086 4/15/2019	Yale University	13,025,000.00	13,023,137.11	13,017,706.00	S&P-Aaa	Moody's-Aaa	1.31	46	46	04/15/2019	2,200	0.13
Yale University 2 086 4/15/2019	Yale University	1,500,000.00	1,499,786.27	1,499,160.00	S&P-Aaa	Moody's-Aaa	0.15	46	46	04/15/2019	2,200	0.13
Sub Total / Average		280,365,000.00	279,020,590.54	278,978,474.90			28.13	258	258		2,492	0.70
FFCB Bond												
FFCB 1 4 3/27/2019	FFCB	10,000,000.00	10,000,362.47	9,992,600.00	S&P-AA+	Moody's-Aaa	1.00	27	27	03/27/2019	1,350	0.08
FFCB 2 7 11/5/2019	FFCB	5,000,000.00	5,000,000.00	5,006,900.00	S&P-AA+	Moody's-Aaa	0.50	250	250	11/05/2019	2,700	0.68
FFCB 2 7 11/6/2019-19	FFCB	5,000,000.00	5,000,000.00	5,000,950.00	S&P-AA+	Moody's-Aaa	0.50	251	67	11/06/2019	2,700	0.68
FFCB 2 82 3/4/2021-19	FFCB	5,000,000.00	4,982,567.84	5,000,050.00	S&P-AA+	Moody's-Aaa	0.50	735	4	03/04/2021	3,000	1.95
FFCB 2 85 4/15/2020	FFCB	5,000,000.00	5,000,000.00	5,014,660.00	S&P-AA+	Moody's-Aaa	0.50	412	412	04/15/2020	2,850	1.11
Sub Total / Average		30,000,000.00	29,982,930.31	30,015,150.00			3.01	284	131		2,325	0.76
FHLB Bond												
FHLB 0 12/10/2019	FHLB	5,000,000.00	4,894,312.50	4,901,400.00	S&P-AA+	Moody's-Aaa	0.50	285	285	12/10/2019	2,744	0.78
FHLB 2 375 3/3/2020	FHLB	5,000,000.00	4,980,054.05	4,991,550.00	S&P-AA+	Moody's-Aaa	0.50	369	369	03/03/2020	2,761	1.00
FHLB 2 875 9/11/2020	FHLB	5,000,000.00	4,996,807.97	5,023,100.00	S&P-AA+	Moody's-Aaa	0.50	561	561	09/11/2020	2,917	1.49
FHLB 2 9 6/26/2020-19	FHLB	5,000,000.00	5,000,000.00	5,000,700.00	S&P-AA+	Moody's-Aaa	0.50	484	26	06/26/2020	2,900	1.30
FHLB 2 9 6/26/2020-19	FHLB	5,000,000.00	5,000,000.00	5,000,700.00	S&P-AA+	Moody's-Aaa	0.50	484	26	06/26/2020	2,900	1.30
FHLB Step 3/5/2020-18	FHLB	10,000,000.00	9,983,237.95	9,999,800.00	S&P-AA+	Moody's-Aaa	1.00	371	5	03/05/2020	2,696	1.00
Sub Total / Average		35,000,000.00	34,854,412.47	34,917,250.00			3.51	418	182		2,805	1.13
FHLMC Bond												
FHLMC 1 375 3/15/2019	FHLMC	5,000,000.00	5,000,000.00	4,998,150.00	S&P-AA+	Moody's-Aaa	0.50	15	15	03/15/2019	1,375	0.05
FHLMC 1 5 1/17/2020	FHLMC	5,000,000.00	4,946,052.13	4,954,550.00	S&P-AA+	Moody's-Aaa	0.50	323	323	01/17/2020	2,750	0.88
FHLMC 1 875 11/17/2020	FHLMC	5,000,000.00	4,914,363.64	4,942,000.00	S&P-AA+	Moody's-Aaa	0.50	628	628	11/17/2020	2,910	1.69
FHLMC 2 85 9/28/2020-18	FHLMC	10,000,000.00	9,992,038.57	10,001,600.00	S&P-AA+	Moody's-Aaa	1.00	578	28	09/28/2020	2,902	1.54
FHLMC Step 6/30/2021-18	FHLMC	5,000,000.00	4,917,865.96	4,943,150.00	S&P-AA+	Moody's-Aaa	0.50	863	30	06/30/2021	3,501	2.30
FHLMC Step 9/30/2019-17	FHLMC	4,500,000.00	4,497,288.85	4,498,470.00	S&P-AA+	Moody's-Aaa	0.45	214	30	09/30/2019	1,772	0.58
FHLMC Step 9/30/2021-17	FHLMC	4,903,000.00	4,780,069.57	4,823,767.52	S&P-AA+	Moody's-Aaa	0.49	945	31	09/30/2021	3,582	2.53
Sub Total / Average		39,403,000.00	39,047,678.72	39,161,687.52			3.95	520	141		2,721	1.40
FNMA Bond												

FNMA 1 10/24/2019	FNMA	5,000,000.00	4,944,642.40	4,950,350.00	S&P-AA+	Moody's-Aaa	0.50	238	238	10/24/2019	2,727	0.65
FNMA 1 25 3/27/2020	FNMA	10,435,000.00	10,262,168.00	10,288,075.20	S&P-AA+	Moody's-Aaa	1.05	393	393	03/27/2020	2,825	1.07
FNMA 1 25 8/23/2019-17	FNMA	10,000,000.00	9,990,117.08	9,999,800.00	S&P-AA+	Moody's-Aaa	1.00	176	84	08/23/2019	1,459	0.49
Sub Total / Average		25,435,000.00	25,196,927.48	25,178,225.20			2.55	277	241		2,289	0.76
Local Government Investment Pool												
Commonwealth of Virginia LGIP	Commonwealth of Virginia	10,165.19	10,165.19	10,165.19	S&P-AAA	NR	0.00	1	1	N/A	2,603	0.00
Commonwealth of Virginia LGIP	Commonwealth of Virginia	31,698,171.14	31,698,171.14	31,698,171.14	S&P-AAA	NR	3.18	1	1	N/A	2,603	0.00
VIP Stable NAV LGIP	VIP Stable NAV	26,899,830.64	26,899,830.64	26,899,830.64	S&P-AAA	NR	2.70	1	1	N/A	2,590	0.00
Sub Total / Average		58,808,166.97	58,808,166.97	58,808,166.97			5.88	1	1		2,597	0.00
Money Market												
Access National Bank MM	Access National Bank	85,750,135.01	85,750,135.01	85,750,135.01	NR	NR	8.60	1	1	N/A	2,690	0.00
BB&T MM	BB&T	52,781,812.59	52,781,812.59	52,781,812.59	NR	NR	5.30	1	1	N/A	2,220	0.00
John Marshall Bank ICS MM	John Marshall Bank ICS	18,750,718.48	18,750,718.48	18,750,718.48	NR	NR	1.88	1	1	N/A	2,670	0.00
United Bank MM	United Bank	50,826,612.46	50,826,612.46	50,826,612.46	NR	NR	5.10	1	1	N/A	2,550	0.00
Sub Total / Average		208,109,278.54	208,109,278.54	208,109,278.54			20.88	1	1		2,535	0.00
Negotiable Certificate Of Deposit												
Standard Charter NY 2 46 3/18/2019-18	Standard Charter NY	20,000,000.00	20,000,097.45	19,999,800.00	S&P-A1	Moody's-P1	2.01	18	18	03/18/2019	2,450	0.05
TD Bank NY 2 71 5/22/2019	TD Bank NY	15,000,000.00	15,001,042.35	15,006,000.00	S&P-A1+	Moody's-P1	1.51	83	83	05/22/2019	2,679	0.23
TD Bank NY 2 81 1/22/2020	TD Bank NY	30,000,000.00	30,000,000.00	30,046,500.00	S&P-A1+	Moody's-P1	3.01	328	328	01/22/2020	2,810	0.90
Sub Total / Average		65,000,000.00	65,001,139.80	65,052,300.00			6.52	176	176		2,689	0.48
Treasury Note												
T-Note 1.375 1/15/2020	Treasury	20,000,000.00	19,789,115.77	19,799,200.00	S&P-AA+	Moody's-Aaa	2.01	321	321	01/15/2020	2,597	0.88
T-Note 1.375 1/15/2020	Treasury	20,000,000.00	19,789,828.21	19,799,200.00	S&P-AA+	Moody's-Aaa	2.01	321	321	01/15/2020	2,593	0.88
T-Note 1.375 1/15/2020	Treasury	20,000,000.00	19,789,828.21	19,799,200.00	S&P-AA+	Moody's-Aaa	2.01	321	321	01/15/2020	2,593	0.88
T-Note 1.5 5/15/2020	Treasury	10,000,000.00	9,877,111.65	9,876,600.00	S&P-AA+	Moody's-Aaa	1.00	442	442	05/15/2020	2,537	1.20
T-Note 1.5 6/15/2020	Treasury	10,000,000.00	9,868,134.08	9,866,400.00	S&P-AA+	Moody's-Aaa	1.00	473	473	06/15/2020	2,542	1.28
T-Note 1.875 12/31/2019	Treasury	10,000,000.00	9,952,923.08	9,944,900.00	S&P-AA+	Moody's-Aaa	1.00	306	306	12/31/2019	2,450	0.83
T-Note 1.875 12/31/2019	Treasury	10,000,000.00	9,943,879.10	9,944,900.00	S&P-AA+	Moody's-Aaa	1.00	306	306	12/31/2019	2,561	0.83
T-Note 2.75 8/15/2021	Treasury	10,000,000.00	9,941,712.34	10,061,300.00	S&P-AA+	Moody's-Aaa	1.00	930	930	09/15/2021	2,991	2.44
T-Note 2.75 9/30/2020	Treasury	10,000,000.00	9,987,534.39	10,029,700.00	S&P-AA+	Moody's-Aaa	1.00	580	580	09/30/2020	2,881	1.54
Sub Total / Average		120,000,000.00	118,940,066.83	119,121,400.00			12.04	414	414		2,623	1.12
TVA Bond												
TVA 3.875 2/15/2021	TVA	5,000,000.00	5,080,566.28	5,120,250.00	S&P-AA+	Moody's-Aaa	0.50	718	718	02/15/2021	3,017	1.91
Sub Total / Average		5,000,000.00	5,080,566.28	5,120,250.00			0.50	718	718		3,017	1.91
U.S. Agency for International Development												
OPIC - Overseas Private Invest corp 0 11/13/2019	OPIC - Overseas Private Invest corp	9,544,505.40	9,391,563.74	9,359,910.39	S&P-AA+	Moody's-Aaa	0.96	258	258	11/13/2019	2,329	0.70
Sub Total / Average		9,544,505.40	9,391,563.74	9,359,910.39			0.96	258	258		2,329	0.70
Total / Average		996,645,950.91	992,597,615.12	992,399,568.66			1.00	206	177		2,571	0.56

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY**MEMORANDUM**

FOR: Chairman Parrish and Members of the NVTA Finance Committee

FROM: Michael Longhi, Chief Financial Officer

DATE: March 15, 2019

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 February 2019 for the Authority's sole revenue source, sales tax.
3. **Comments:**
 - a. **FY2019 Revenues (Attachment A)**
 - i. The Authority has received approximately \$136.3 million through the February 2019 transfers from the Commonwealth. This amount represents six months of sales tax receipts.
 - ii. Actual to estimate comparison of sales tax revenues through February show a 5.31% positive variance in receipts compared to the FY2019 adopted revenue estimates. The actual variance to the budgeted revenue estimates has increased from 1.87% in the January 2019 report. The jump in the variance is due in part to the spike in December purchases. The variance is expected to level out over the next few months.
 - iii. Since there is a positive variance between the actual receipts and the revenue estimates, 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, all jurisdictions have completed the HB2313 required annual certification process to receive FY2019 30% funds.
 - ii. Of the \$140.5 million received by the Authority, including \$136.3 million of sales tax receipts and \$3.9 million of FY2018 Grantors and TOT receipts through February 2019, approximately \$42.1 million represents 30% local funds of which \$40.9 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 February 2019.

Attachments:

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

Attachment A

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

Regional Sales Tax*		Received		FY2019	Annualized - Actual	
Transaction Months	6	To Date	Annualized	Budget	To Budget	
City of Alexandria		\$8,383,085	\$ 16,766,170	\$ 16,057,290	\$ 708,880	
Arlington County		\$13,708,441	\$ 27,416,882	\$ 25,308,696	\$ 2,108,186	
City of Fairfax		\$3,889,163	\$ 7,778,327	\$ 7,432,605	\$ 345,722	
Fairfax County		\$57,885,791	\$ 115,771,582	\$ 111,788,679	\$ 3,982,903	
City of Falls Church		\$1,400,766	\$ 2,801,533	\$ 2,659,800	\$ 141,733	
Loudoun County		\$27,179,415	\$ 54,358,829	\$ 50,940,000	\$ 3,418,829	
City of Manassas		\$2,956,362	\$ 5,912,724	\$ 5,100,000	\$ 812,724	
City of Manassas Park		\$766,388	\$ 1,532,775	\$ 1,462,415	\$ 70,360	
Prince William County		\$20,163,444	\$ 40,326,887	\$ 38,176,740	\$ 2,150,147	
Total Sales Tax Revenue		\$ 136,332,854	\$ 272,665,708	\$ 258,926,225	\$ 13,739,483	5.31%
		\$ 136,332,854				

Attachment B

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY FY2019 30% DISTRIBUTION BY JURISDICTION

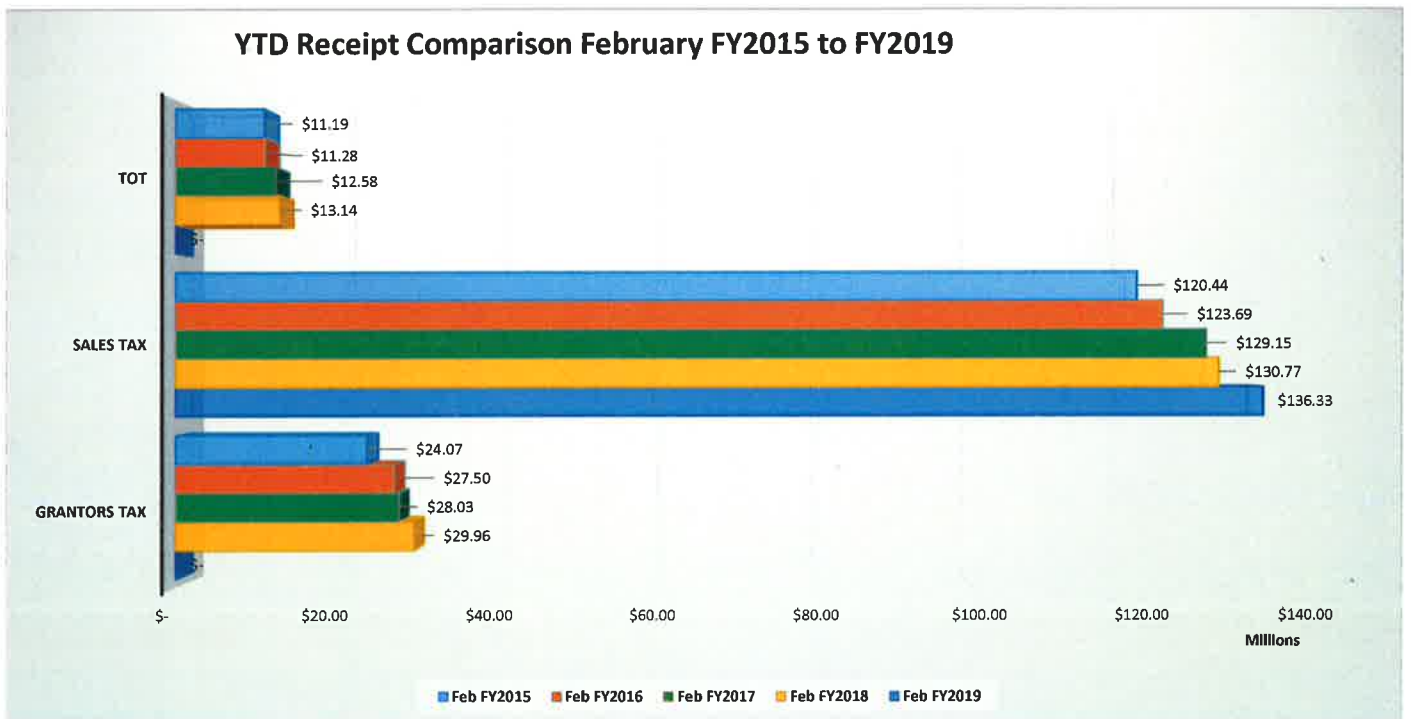
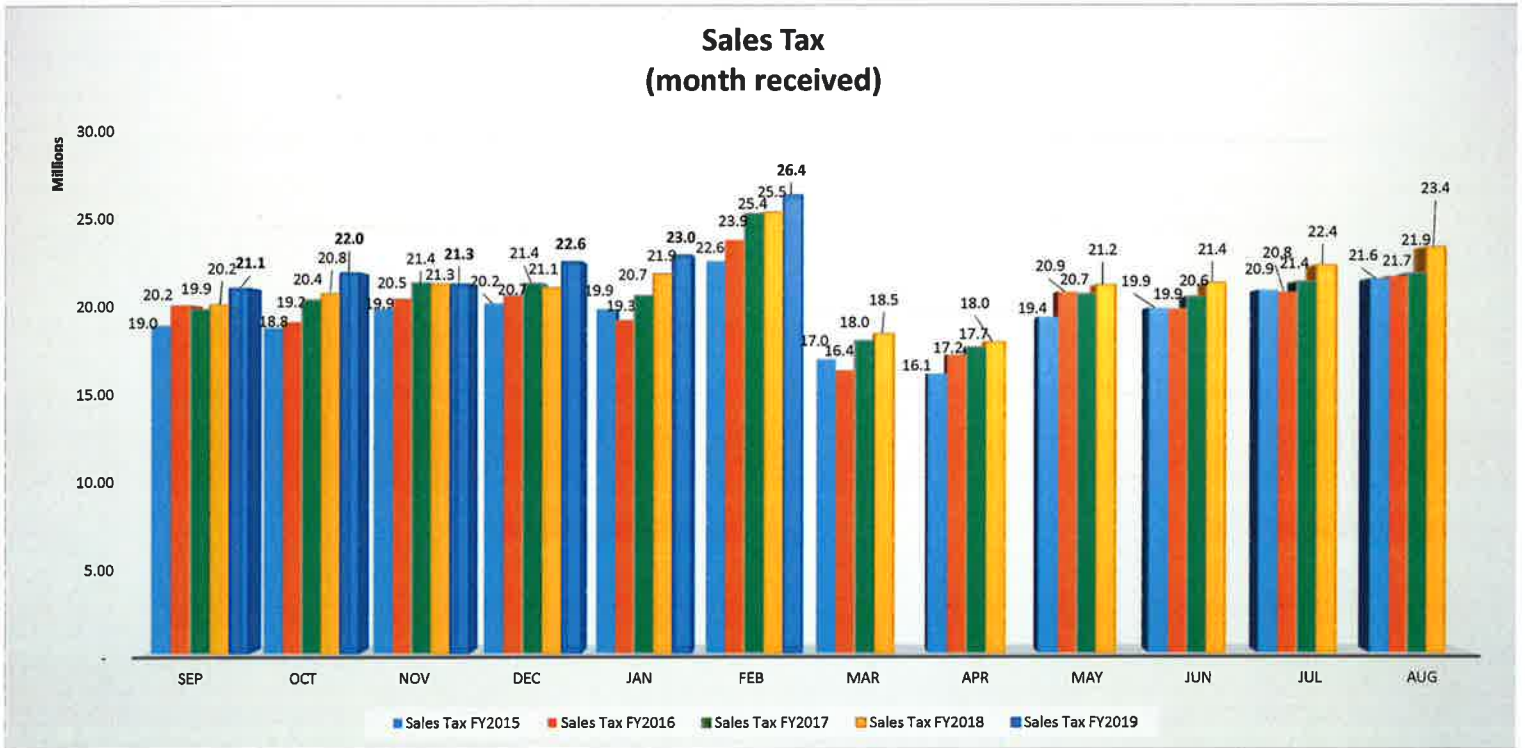
Based on: Revenue Data Through February 2019

Jurisdiction	(1) FY2018 Receipts		(1) FY2018 Receipts		Regional Sales Tax	Occupancy Tax (2)	NVTA Fund Interest	Cumulative Total	30% Funds	Thru 1/31/19 Accrued Interest (+)	1/31/2019 Prior Distributions	Current Month Distribution	Total Funds Transferred
	Grantor's Tax	Regional Sales Tax	Transient	Transit									
City of Alexandria	\$ (6,495.00)	\$ 8,383,085.03	\$ 817,337.89	\$ 15,458.88	\$ 9,209,386.80	\$ 2,762,816.04	\$ 965.77	\$ 2,274,530.50	\$ 489,251.31	\$ 2,763,781.81			
Arlington County	\$ (1,375.50)	\$ 13,708,440.97	\$ 57,192.00	\$ 23,971.42	\$ 13,788,228.89	\$ 4,136,468.67	\$ 1,379.68	\$ 3,327,583.16	\$ 810,265.19	\$ 4,137,848.35			
City of Fairfax	\$ -	\$ 3,889,163.26	\$ 198,147.53	\$ 5,968.22	\$ 4,093,279.01	\$ 1,227,983.70	\$ 413.90		\$ 1,228,397.60				
Fairfax County	\$ (742.50)	\$ 57,885,790.86	\$ 2,447,690.11	\$ 99,100.52	\$ 60,431,838.99	\$ 18,129,551.70	\$ 5,794.64	\$ 14,721,078.23	\$ 3,414,268.11	\$ 18,135,346.34			
City of Falls Church	\$ -	\$ 1,400,766.38	\$ 43,190.77	\$ 2,347.49	\$ 1,446,304.64	\$ 433,891.39	\$ 137.97	\$ 354,036.38	\$ 79,992.98	\$ 434,029.36			
Loudoun County	\$ -	\$ 27,179,414.62	\$ 247,435.33	\$ 45,775.70	\$ 27,472,625.65	\$ 8,241,787.70	\$ 2,759.35	\$ 6,677,463.61	\$ 1,567,083.44	\$ 8,244,547.05			
City of Manassas	\$ -	\$ 2,956,361.77	\$ 8,244.03	\$ 4,669.56	\$ 2,969,275.36	\$ 890,782.61	\$ 275.94	\$ 743,159.93	\$ 147,898.62	\$ 891,058.55			
City of Manassas Park	\$ -	\$ 766,387.58	\$ -	\$ 1,235.55	\$ 767,623.13	\$ 230,286.94	\$ 137.98	\$ 189,662.21	\$ 40,762.71	\$ 230,424.92			
Prince William County	\$ (25,150.50)	\$ 20,163,443.71	\$ 169,807.14	\$ 33,811.01	\$ 20,341,911.36	\$ 6,102,573.41	\$ 1,931.55	\$ 4,936,543.95	\$ 1,167,961.01	\$ 6,104,504.96			
Total Revenue	\$ (33,763.50)	\$ 136,332,854.18	\$ 3,989,044.80	\$ 232,338.35	\$ 140,520,473.83	\$ 42,156,142.16	\$ 13,796.78	\$ 33,224,057.97	\$ 8,945,880.97	\$ 40,941,541.34			

1 Includes FY2018 Revenue Accruals Recorded in the Prior Year PLUS COVA Adjustments

2 County TOT includes any town collections

3 Interest earned through 1/31/2019



NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

FOR: Chairman Parrish and Members of the NVTA Finance Committee

FROM: Michael Longhi, Chief Financial Officer

DATE: March 15, 2019

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 contributed their respective share of the FY2019 operating budget in July 2018.
3. **Comments:** Through February 28, 2019, the FY2019 Operating Budget has produced the following results:
 - a. Operating revenue is at 100% of estimate.
 - b. On November 8, 2018, the Authority approved a \$35,781.31 budget transfer from the NVTA Operating Reserve for FY2019 to obtain Investment Management and Monitoring Services. The Operating Reserve will be replenished as part of the FY2020 Operating Budget.
 - c. February 2019 represents 67% of the fiscal year. Through February 28, 2019, the Authority has utilized 57% of its FY2019 expenditure budget with all expense categories remaining within budget. The lower than budgeted FY2019 expenditures is attributed to the Project Implementation, Monitoring and Management System budget. Invoicing for this system will follow the testing phase.
 - d. The attached statement shows the operating budget income and expenditure activity through February 28, 2019 for FY2019.

Attachment: FY2019 Operating Budget through February 28, 2019

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	84,041.06	690,540.75	1,151,522.00	460,981.25	60
130	Health & Dental Benefits	13,608.80	124,470.60	160,224.00	35,753.40	78
131	Payroll Taxes	6,171.70	43,832.66	88,241.00	44,408.34	50
132	Retirement VRS	7,467.21	58,532.82	90,687.00	32,154.18	65
133	Life Insurance	1,223.68	9,472.21	14,998.00	5,525.79	63
134	Flex Spending/Dependent Care	41.33	299.81	685.00	385.19	44
135	Workers Comp		1,212.00	1,267.00	55.00	96
137	Disability Insurance	373.00	9,924.20	16,641.00	6,716.80	60
	Total Account	112,926.78	938,285.05	1,524,265.00	585,979.95	62
420000	Professional Services					
210	Audit & Accounting Services		17,000.00	28,500.00	11,500.00	60
220	Bank Service			750.00	750.00	
230	Insurance		5,791.00	5,905.00	114.00	98
240	Payroll Services	100.38	1,335.66	1,800.00	464.34	74
260	Public Outreach & Regional Event Support	5,745.00	25,993.00	37,500.00	11,507.00	69
261	Legal/Bond Counsel Services		5,760.00	65,000.00	59,240.00	9
262	Financial Advisory Services		16,042.00	75,000.00	58,958.00	21
263	Bond Trustee Fees		2,687.50	2,700.00	12.50	100
264	Legislative Services		34,706.00	62,000.00	27,294.00	56
265	Investment Custody Svc		10,220.00	25,000.00	14,780.00	41
	Total Account	5,845.38	119,535.16	304,155.00	184,619.84	39
430000	Technology/Communication					
310	Acctg & Financial Report Systems	8,552.50	27,527.81	52,281.31	24,753.50	53
320	HW SW & Peripheral Purchase		104.00		-104.00	
330	IT Support Svc Incl Hosting	1,385.70	13,865.89	19,631.00	5,765.11	71
335	GIS/Project Mgt/Modeling		2,610.00	69,316.00	66,706.00	4
340	Phone Service	157.43	4,617.23	7,920.00	3,302.77	58
350	Web Develop & Hosting	375.00	5,105.37	7,897.00	2,791.63	65
	Total Account	10,470.63	53,830.30	157,045.31	103,215.01	34
440000	Administrative Expenses					
410	Advertisement		200.00	1,500.00	1,300.00	13
411	Dues & Subscriptions	77.98	6,430.16	6,890.00	459.84	93
412	Duplication & Printing		5,909.85	15,640.00	9,730.15	38
414	Hosted Meeting Expenses	376.48	1,524.20	3,600.00	2,075.80	42
415	Mileage/Transportation	475.25	2,371.87	10,950.00	8,578.13	22

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY
Income Statement
For the Accounting Period: 2 / 19

1000 General Fund

Account Object	Description	Current Year				
		Current Month	Current YTD	Budget	Variance	%
417	Office Lease	11,517.19	103,222.63	138,406.00	35,183.37	75
418	Office Supplies	24.73	2,205.62	6,400.00	4,194.38	34
419	Postage & Delivery		75.92	700.00	624.08	11
420	Professional Develop & Training	1,603.69	3,649.00	12,920.00	9,271.00	28
421	Industry Conferences		5,512.55	6,500.00	987.45	85
	Total Account	14,075.32	131,101.80	203,506.00	72,404.20	64
	Total Expenses	143,318.11	1,242,752.31	2,188,971.31	946,219.00	57
	Net Income from Operations	-143,318.11	960,496.69			
Other Expenses						
521000	Transfers					
820	Transfer to Operating Reserve			430,638.00	430,638.00	
825	Transf to Equip Reserve		2,511.31	13,500.00	10,988.69	19
	Total Account		2,511.31	444,138.00	441,626.69	1
	Total Other Expenses	0.00	2,511.31	444,138.00	441,626.69	1
	Net Income	-143,318.11	957,985.38			