



Northern Virginia Transportation Authority
The Authority for Transportation in Northern Virginia

FINANCE COMMITTEE
Thursday May 16, 2019 — 1:00PM
Thursday June 13, 2019 5:30PM
3040 Williams Drive, Suite 200
Fairfax, VA 22031

AGENDA

- I. Call to Order/Welcome** Mayor Parrish, Chairman
- II. Summary Minutes of the February 21, and March 21, 2019 meetings.**
Recommended Action: Approval [with abstentions from those who were not present]

Presentation

- III. NVTA Community Bank Program** Mr. Stavros, Investment and Debt Manager
— Ms. Anna McDonald, United Bank

Action Item

- IV. Long Term Care Insurance Program** Mr. Longhi, CFO
Recommended Action: Recommend Authority adoption of Long Term Care Insurance Program Participation.
- IV.a TransAction Update (RFP#2015-01) Contract Amendment 4** Mr. Longhi, CFO
Recommended Action: Recommend Authority approval of TransAction Update Contract Amendment 4, in an amount not to exceed funds appropriated for this purpose.

Information/Discussion Items

- V. Investment Portfolio Report** Mr. Stavros, Investment & Debt Manager
- VI. Monthly Revenue Report** Mr. Longhi, CFO
- VII. Operating Budget Report** Mr. Longhi, CFO
- VIII. Finance Activities Outline** Mr. Longhi, CFO

Closed Session
Procurement Discussion

Adjournment

Next Meeting

June 20, 2019 – 1:00PM

3040 Williams Drive, Suite 200, Fairfax, Virginia



Northern Virginia Transportation Authority
The Authority for Transportation in Northern Virginia

FINANCE COMMITTEE
Thursday, February 21, 2019 1:00PM
3040 Williams Drive, Suite 200
Fairfax, VA 22031

MEETING SUMMARY

I. Call to Order/Welcome

Mayor Parrish, Chairman

- Mayor Parrish called the meeting to order at 1:02pm.
- Attendees:
 - ✓ Members: Mayor Parrish; Mayor Rishell; Chairman Nohe; Chairman Bulova; Mayor Wilson (via telephone).
 - ✓ Staff: Monica Backmon (Executive Director); Michael Longhi (CFO); Richard Stavros (Investment & Debt Manager); Keith Jasper (Principal, Transportation Planning & Programming); Sree Nampoothiri (Transportation Planner); Peggy Teal (Assistant Finance Officer); Yolanda Thomas-Jones (Clerk).
 - ✓ Council of Counsels: Rob Dickerson (Prince William County); Ellen Posner (Fairfax County).
 - ✓ Other Attendees: Brent Riddle (Fairfax County); Mark Schofield (VRE); Tarrence Moorner (Alexandria); Paolo Belita (Prince William County); Ric Canizales (Prince William County); Penny Newquist (Loudoun County); Kristy Choi (PFM)

II. Summary Minutes of the September 20, 2018 and October 18, 2018 Meetings

- Chairman Bulova moved approval of the minutes of September 20, 2018; seconded by Mayor Rishell. One abstention, Mayor Wilson. Motion passed.
- Chairman Bulova moved approval of the October 18, 2018; seconded by Mayor Rishell. Two abstentions, Mayor Parrish and Mayor Wilson. Motion carried.

Action Items

III. 2019 Finance Committee Meeting Schedule

Chairman Parrish

- Mayor Rishell moved the Finance Committee adopt the proposed meeting schedule, seconded by Chairman Bulova. Motion carried unanimously.

IV. Continuing Disclosure and Post Issuance (Policy 21) Update

Mr. Longhi, CFO

- Mr. Longhi sought Committee recommendation of an update to the Continuing Disclosure and Post Issuance Policy. Noting this update is required by the Securities and Exchange Commission's (SEC) Rule 15c2-12:
 - ✓ The SEC sets Post Issuance Compliance and Disclosure requirements which the Authority is required to comply with under Rule 15c2-12.
 - ✓ The SEC has added two new events requiring disclosure:

- Incurrence of a financial obligation, or agreements to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation any of which affect security holders, if material.
 - Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation, any of which reflect financial difficulties.
- ✓ The SEC's first disclosure addresses if the NVTA takes on additional debt or changes our agreement on debt, such that it would have a material effect on the security of existing bond holders.
- ✓ The second disclosure is if there is a default or if the NVTA does something in the debt structure to prevent a default that reflects financial difficulties.
- ✓ A list of disclosure events is provided on page 7 of the attachment. The wording is the same as SEC and Bond Counsel, finance advisor and Council of Counsels has reviewed.
- ✓ The SEC puts out 14 disclosure events, the NVTA has voluntarily added a 15th related to not timely posting audited financial statements.
- Mayor Parrish asked Mr. Longhi what needs to be done to disclose. Mr. Longhi responded, the Municipal Securities Rulemaking Board has established a system called the Electronic Municipal Marketplace Access (EMMA) system, the information would be posted there. He added, the NVTA does an annual posting that includes financial statements and three tables that reflect the revenue situation for the Authority.
- Chairman Bulova moved Finance Committee recommendation of Authority approval of the attached update to the Authority's Continuing Disclosure and Post Issuance Policy (Policy 21), seconded by Mayor Rishell, motion passed unanimously.

V. Investment Policy (Policy 13) Change

Mr. Longhi, CFO

- Mr. Longhi sought Committee recommendation of changes to the Investment Policy, noting:
 - ✓ The Investment Policy was adopted on December 11, 2014, and has not been updated since that time.
 - ✓ These changes do two things:
 - Make the Investment Policy consistent with the Code of Virginia.
 - Make the Investment Policy more restrictive than the Code of Virginia in one area.
 - ✓ Staff realized the Corporate Note and Negotiable Certificate of Deposit standards in the Investment Policy were inconsistent with the Code of Virginia. The inconsistency is that both sections allowed ratings by Fitch Ratings to be considered in the purchase of Corporate Notes and Negotiable Certificates of Deposit.
 - The portfolio did not contain any Negotiable Certificates of Deposit which used Fitch Ratings in the purchase decision.

- The portfolio did contain three Corporate Notes totaling \$40 million of face value where the purchase decision included Fitch Ratings.
 - To bring the portfolio into compliance staff sold the three Corporate Notes at a gain of \$67,649.
 - The changes in item 10 - Corporate Notes and 15 - Negotiable certificates of deposit, page 9 of the attachment, eliminate the reference to Fitch Ratings.
- ✓ Makes the Investment Policy more restrictive than Code of Virginia requirements.
 - Investments in bonds issued by States, Counties and Cities are permitted in the Code of Virginia. The Code sets minimum requirements for the purchase of these instruments.
 - The Investment Policy matches the minimum requirements as set out in the Code.
 - The proposed change is to further restrict these purchases to bonds with securities rated by at least two of the three following rating agencies with ratings of at least; Aa or higher for Moody's, AA or higher for Standard and Poor's, AA or higher for Fitch.
- ✓ Mr. Longhi added the NVTAs convened a regional investment discussion group that includes investment professionals from all Northern Virginia jurisdictions (NVTAs member jurisdictions). This group as well as the Virginia Treasurer's Association, are interested in looking for a fix to Fitch being excluded as a rating agency, as part of the 2020 General Assembly session.
- ✓ The Fitch exclusion reduces the number of AA rated securities that can be purchased for the Authority's portfolio. 13
- ✓ Mayor Parrish inquired as to why Fitch is excluded. Mr. Longhi noted Fitch bought Duff and Phelps (which is listed in the Code) in 2000. The exclusion of Fitch probably grew from there.
- ✓ Mayor Rishell moved Finance Committee recommendation of Authority approval of the attached changed to the Authority's Investment Policy (Policy 13), seconded by Chairman Bulova. Motion passed unanimously.

Information/Discussion Items

VI. 2019 General Assembly Revenue and Budget Impacts

Chairman Nohe

Ms. Backmon, Executive Director

- Ms. Backmon updated the Finance Committee on 2019 General Assembly Revenue and Budget Impacts noting:
 - ✓ Ms. Backmon sent email on yesterday notifying the Authority that SB1468 passed by a vote of 99-1. The next step is for the Governor to sign the bill.

- ✓ Senator Black, Authority Member, was the patron for SB1468.
- ✓ The administration is trying to secure funding for I-81 and it's moving quickly. As part of the deal, they are trying to put together a plan for some money to come to the NVTA. Ms. Backmon mentioned that this money would be a down payment towards the restoration of NVTA revenues.
- ✓ Under the proposed legislation:
 - Heavy Trucks would pay additional fees based on vehicle miles traveled.
 - \$24 million would come to NOVA, plus \$6 million that would be received from Wayfair (the authority is projected to receive between \$6.6 million and \$10 million from Wayfair).
 - The total back to the Authority would be about \$30 million. The administration is saying this return to the Authority is equivalent to what the governor's amendment included last.
 - The Authority would receive the Wayfair monies regardless of the I-81 legislation and potential monies coming back to the Authority.
- Chairman Nohe continued to update the Finance Committee on the impacts of General Assembly action, noting:
 - ✓ There is hope in the Assembly of a bill fixing I-81 which NVTA would support if the new money (for I-81) came from that region.
 - ✓ The bill would increase the statewide amount of fees that every truck pays to be licensed in Virginia, increasing the fee to the national average.
 - ✓ Tax on diesel fuel used by heavy trucks (semi, tractor, trailer, etc.) this is an additional motor fuel tax on diesel fuel used by heavy trucks when driving on the interstate. The vehicle miles traveled tax, accounts for diesel tax.
 - ✓ Since this tax is collected on interstate highways only, there will language the Authority has not seen yet that will essentially say the money must be spent to approve interstate highways.
 - ✓ The construction districts will be grouped together into a big organization akin to the NVTA called I-81 Improvement District. All money from the district will be put into a fund that will have to be used for I-81.
 - ✓ All money that flows to Hampton Roads and Richmond districts will go into a special fund called the I-64 Improvements District. VDOT control will be specific to each project.
 - ✓ NOVA major interstate highways are already part of toll concession projects.
 - ✓ The bill in its current form would take \$23 million that is generated in NOVA and given as a lump sum to the NVTA. The use of the money language is similar to the language in HB2313.
 - ✓ There will be different restrictions. The trucking industry will expect that Northern Virginia money be spent on interstate highways in Northern Virginia.
 - ✓ The secretary's office believes that the money would not be subject to the

- 70/30 split.
- ✓ Secretary Valentine assured Chairman Nohe she would get more information once the bill passes and will work with the NVTa to have the Governor put in amendments that makes sense for the Authority's usage.
 - ✓ Wayfair monies are not part of restoring regional money.
 - ✓ This is not RSTP and CMAQ funds, where the NVTa does the administrative work, then makes a recommendation to the Commonwealth Transportation Board (CTB). It would be Authority money that the Authority gets to allocate. It equates to about 20% of the total revenue lost. This does not constitute that everything is fair. However, it is a great down payment on restoration of the \$102 million that the NVTa has lost.
 - ✓ Mayor Parrish asked if the administration supports full restoration. Chairman Nohe responded, Secretary Valentine said the administration still supports full restoration of NVTa funding.
 - ✓ Mayor Wilson mentioned the administration is pitching the \$33 million as full restoration when combined with Wayfair money.
 - ✓ Mayor Rishell was clear that the damage done by the General Assembly needs to be undone.
 - ✓ Mayor Parrish asked was there any communication with the Conferees. Ms. Backmon responded that Ms. Baynard is talking to the Conferees. She added the total loss to the NVTa through the repeal of the TOT and Grantors Taxes, total \$75 million per year. The Metro members, the six Metro localities, have to pay \$27.12 million that comes from the 30% fund or some other funding source. The collective amount is \$102 million, this was the loss to the Authority's members.
 - ✓ Chairman Bulova mentioned the Authority should be clear on expectations as it relates to full restoration.
 - ✓ Mayor Rishell suggested talking points so Authority Members can be on the same page when talking to our Delegates and Senators. Mayor Parrish agreed.
 - ✓ Ms. Backmon suggested getting the talking points out to the Authority members as soon possible, noting signing day is Friday. She confirmed that the members would receive communication early next week.

VII. **FY2020 Budget Guidance**

Mr. Longhi, CFO

- Mr. Longhi sought guidance from the Committee on the FY2020 Operating Budget and proposed budget initiatives as outlined in the attached budget, noting:
 - ✓ Not yet discussing 30% budget, largely because the budget is formulative. The Regional Revenue Fund Budget will change with passing of SB1468. The Regional Revenue Fund Budget is largely programmed through the adoption of the Six Year Program.
 - ✓ 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.

- ✓ NVTAs 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.
- ✓ NVTAs experienced an 11.43% increase in benefit premiums during FY2019.
- ✓ The FY2020 base budget assumes an additional 5% increase in health premiums. The actual renewal rate will not be available until May.
- ✓ Based on NVTAs 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.
- ✓ NVTAs 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.
- ✓ For FY2020, \$20,000 has been added to fund the cost of a follow-up to the recent Chmura Economics & Analytics, Economic Impact Study. The study will be expanded to show the impacts of Authority funded transportation project implementation and use within Northern Virginia and the Commonwealth. 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.
- ✓ Graphic design and printing cost for the Annual Report is expected to increase by \$1,000.
- ✓ 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 exceeded 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.
- ✓ FY2019 budget was increased \$40,000 to replenish the Operating Reserve from FY2018 and to provide additional resources for FY2019.
- ✓ Mr. Longhi noted the same strategy was used for the Financial Advisor expenses related to the 2018 General Assembly session.
- ✓ Mr. Longhi added that the lines should be returned to their normal budget levels in the FY2020 budget and not budget something extreme that may not happen.
- ✓ The Authority did not require a significant analysis in FY2019 from the Financial Advisors or Bond Counsel. If there is a very active legislative session in 2020, Mr. Longhi recommended that the same strategy be used.
- ✓ 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 Financial Advisory and Bond Counsel services.
- ✓ 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 to implement the first stage of Investment Manager Monitoring Service (Bloomberg).
- ✓ Mr. Longhi noted the \$67,000 gain on the sale of corporate notes mentioned earlier was a direct result of having the Bloomberg system in place.
- ✓ Mr. Longhi noted all IT support and hosting services are contracted out. The IT Support and Hosting budget line includes a one-time contract increase of 7.5%, effective 11/1/2019, 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.
- ✓ The FY2019 Budget included \$60,000 for Phase 1 of the Project Implementation, Monitoring and Management System.
 - Phase 1 is scheduled to be fully implemented by July 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.
- ✓ 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 deliver their intended scope, on schedule and within budget.
- ✓ Phase 2 and Phase 3 will be implemented during the FY2020 budget cycle, broken up into:
 - \$57,500 for monitoring.
 - \$57,500 for on-line dashboard.
 - \$25,000 for technical support.
- ✓ Web Development and hosting includes the maintenance and support costs for the Authority and Transaction websites. There are currently two websites. This line also includes the cost for social media services, web domain registration fees and to make some web site adjustments.
- ✓ Administrative expenses include Professional Development/Training and Industry Conference accounts have been merged into a single general ledger account for the FY2020 budget to facilitate ongoing reporting.
- ✓ NVTA's office lease with NVRC has an annual escalation of 2.5%. The current lease expires in October 2019. The Committee received a report at the September 2018 meeting, which set the expectation to renew the lease with NVRC.
- ✓ The Operating Reserve is built into the financial policies, it's 20% of the Operating Budget and adjusts accordingly
- ✓ Effective with the FY2017 Operating Budget the Authority approved an Equipment Replacement Reserve to be funded at \$4,500 per year. 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.
- ✓ 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 GIS plotter has been experiencing issues and is expected to be replaced using the

- funds in the Equipment Reserve in FY2019.
- ✓ Addressing proposed new initiatives for the draft FY2020 Operating Budget Mr. Longhi described the proposed changes to Public Outreach, and the addition of one finance and two planning positions.
 - ✓ Addressing the Public Outreach & Regional Event Support budget line, Mr. Longhi noted:
 - Photographer and 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.
 - Proposed increasing the budget \$1,250 for ground breaking, ribbon cutting and outreach commemorative items.
 - Budget increase 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.
 - ✓ Moving to the request for an additional finance staff position, Mr. Longhi noted the NVTAs 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.
 - ✓ Mr. Longhi explained maintaining excellent professional standards, noting:
 - 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. 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.
 - Thus far for FY2019, only one (Town of Hillsboro), project has requested reimbursement. Those reimbursements total \$1 million.
 - Reimbursements require up to date certificates of insurance (COI) among other verification requirements.

- 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 in planning, finance and communication for their projects.
- ✓ Mayor Rishell inquired does the 30% need to be used specifically on staff for the project. Mr. Longhi responded, specifically 30% has to be used for staff specific to transportation. He added you can certain staff time to support an approved project. It can also be used to support personnel (project planning for transportation).
- ✓ Ms. Backmon added HB2313 specifies the uses for the 70% fund and 30%. One of the uses for the 30% is public transportation purposes.
- ✓ The annual certification now has to include an analysis of cost recovery.
- ✓ Requested for two Regional Transportation Planner positions is presented as an executive summary with full detail in Item VII, Attachment 2.
- ✓ Mr. Longhi noted during the 2014, 2015-2016 and 2017 funding programs things happen in sequence. Now in order to support a two-year update to the SYP and the next TransAction update, things have to happen in parallel or concurrently.
- ✓ Mayor Parrish noted he is probably one of the harder people to get to support new positions and he has read the analysis which is good and supportable to him. He suggested the conversation move on jurisdictional staff and the Committee will look at it again with the budget proposals.
- ✓ Mr. Parrish asked if the Committee supported this approach, which was affirmed by voice.

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

Mr. Longhi, CFO

- Mr. Longhi sought Committee guidance on proceeding with draft policy regarding project activation, monitoring and funding de-appropriation, noting:
 - ✓ Mr. Longhi referred to the attachment in Item IX of the staff report.
 - ✓ The comments received from jurisdictions and agencies are attached.
 - ✓ The discussion topic that will go back to RJACC at the end of this month is the definition of a substantive reimbursement.
 - ✓ The staff put a definition to substantive reimbursement as noted in the attached draft.
 - ✓ Both NVTA and project sponsors want certainty and clarity.
 - ✓ The difficulty acknowledged by everyone assisting with the policy development is to have a definition which is:
 - Meaningful enough to act as a benchmark.
 - Relevant to projects of all sizes, modes and complexities. (Noting the Authority has appropriated funds to \$150,00 projects and \$250,000,000 projects.)
 - Flexible for when the Authority funds a component of a larger project or, when a project sponsor has multiple funding sources.
 - Reliable over time since the Authority is funding projects which will not start for several years.
 - ✓ The most important change is the substantive drawdown definition.
 - ✓ NVTA staff will present the proposed changes at the next RJACC meeting (end of February). Depending on the feedback at that meeting the draft will come back to the Finance Committee at the next meeting (potentially March or April) for a

recommendation to the Authority.

- ✓ Mayor Rishell added that a definition is needed because Manassas Park, on occasion, has had contractual problems due to loose definitions of substantive. Mr. Longhi, responded that ultimately the definition relies on judgment and communication.
- ✓ Ms. Backmon added that once the Authority adopts a funding program, it is important to keep dialogue and lines of communication open. It is the goal for every project to come to fruition once adopted.

IX. Other Financial Matters

Mr. Longhi, CFO

- Mr. Longhi advised that with the Federal Government shut down, staff determined undertaking a resiliency analysis to assess the impact on funding plans was prudent.
 - ✓ Worse case scenarios of 9/11, sequestration in 2002, and the 2014 Affordable Care standoff were used as the benchmarks.
 - ✓ Combined the sales tax took a 6.1% reduction.
 - ✓ It was found that through conservative revenue estimates, SYP taper, strong investment portfolio earnings, and the Working Capital Reserve; the NVT A can sustain a \$58.3 million one-time revenue reduction.
 - ✓ The reduction for 30% Distribution would be \$25 million. However, there are no reserves to soften that impact.
 - ✓ Even though there was a shut-down, the Finance Committee's actions have put the NVT A in a very good place fiscally.
 - ✓ January sales tax receipts are November sales, the impact of the shut down will not be seen until March. At which time, there is not much room to recover before the end of the fiscal year.
- Custody Service through BB&T
 - ✓ Reviewed the BB&T custody agent proposals and discovered the agreement was a good deal price wise. Rather than reacting too quickly to the problems caused by the BB&T investment instrument misclassification and initial refusal to correct. Mr. Longhi met with BB&T about expectations:
 - Operating team remains same.
 - Management team changes.
 - Formal, faster dispute resolution process.
 - Investigate new technology links
 - Better rate of return on cash temporarily staged in the custody account.
 - BB&T has made progress with the new expectations, except dispute resolution. There has not been any new disputes.
 - ✓ Mr. Longhi recommended staying with BB&T since an understanding has been reached.
- Mr. Stavros is exploring direct investment purchases. With the subscription tools in place, NVT A has the technical ability to buy directly from the issuers or underwriters. It will require some policy modifications and research. Staff will present more information at a future meeting.

X. Investment Portfolio

Mr. Stavros, Investment & Debt Manager

- Mr. Stavros provided the Northern Virginia Transportation Authority (NVT A) Finance Committee with required reports on investment activities and portfolio performance through January 31, 2019, noting:

- ✓ Confirmed portfolio is in compliance and instruments were acquired on the basis of safety, liquidity and then yield.
- ✓ Portfolio has grown \$30 million since last meeting.
- ✓ Major change is the doubling of treasuries from 6% to 12% of the portfolio for safety.
- ✓ The portfolio is still very liquid.
- ✓ Reference page three of Item XI, the duration is modest and there is capacity in terms of the analysis of the SYP appropriations that can be extended a little bit.
- ✓ In terms of yield, there has been a dramatic change in the rate environment and with yesterday's Federal Reserve announcements, it doesn't appear that there will be a rate increase. Some economist are forecasting a seventy five basis point reduction through 2020.
- ✓ Mr. Stavros acknowledged his appreciation of the Bloomberg Management Systems. It is an invaluable tool to keep portfolio in compliance.
- ✓ On November, 20, 2018, Bloomberg monitoring system alerted that Coca-Cola had been downgraded by Moody's Investors Service from Aa3 (S&P AA- equivalent) to A1 (S&P A+ equivalent). Given favorable market conditions, we sold the bonds in late December at a gain.
- ✓ Mark-to-Market position has improved.
- ✓ Since exit from the VIP 1-3 Fund in 2018, the NVTa Portfolio reduced its mark-to-market position from negative \$3.55 million to negative \$741,000, a \$2.8 million reduction as of 12/31/2018 (updated quarterly). Mayor Parrish commended the work of the Finance Team.

XI. Monthly Revenue Report

Mr. Longhi, CFO

- Mr. Longhi updated the Committee on monthly revenue receipts and 30% funds distributed to member localities, noting:
 - ✓ Actual to estimate comparison of sales tax revenues through January show a 1.87% positive variance in receipts compared to the FY2019 adopted revenue estimates.
 - ✓ Also covers jurisdictions getting their 30% funds.
 - ✓ February 28th is the deadline. One jurisdiction has not completed the HB2313 required annual certification process to receive FY2019 30% funds. The locality is confident their annual certification will be received before the deadline.

XII. Operating Budget Report

Mr. Longhi, CFO

- Mr. Longhi updated the Committee on the Authority's Operating Budget for FY2019, noting:
 - ✓ Operating revenue is at 100% of estimate.
 - ✓ January 2019 represents 58.3% of the fiscal year. Through January 31, 2019, the
 - ✓ Authority has utilized 50% of its FY2019 expenditure budget with all expense categories remaining within budget.

Adjournment

- Meeting adjourned at 2:32pm.

Next Meeting: March 21, 2019



Northern Virginia Transportation Authority
The Authority for Transportation in Northern Virginia

FINANCE COMMITTEE
Thursday, March 21, 2019 2:00PM
3040 Williams Drive, Suite 200
Fairfax, VA 22031

MEETING SUMMARY

I. Call to Order/Welcome

Mayor Rishell, Vice Chairman

- Mayor Rishell called the meeting to order at 2:06pm.
- Attendees:
 - ✓ Members: Mayor Rishell; Chairman Nohe (arrived 2:13pm); Chairman Bulova; Mayor Wilson (via telephone at 2:24pm).
 - ✓ Staff: Monica Backmon (Executive Director); Michael Longhi (CFO); Richard Stavros (Investment & Debt Manager); Keith Jasper (Principal, Transportation Planning and Programming); Sree Nampoothiri (Transportation Planner) Peggy Teal (Assistant Finance Officer); Yolanda Thomas-Jones (Clerk).
 - ✓ Council of Counsels: Ellen Posner (Fairfax County); Rob Dickerson (Prince William County)
 - ✓ Other Attendees: Paul Doku (Fairfax County); Penny Newquist (Loudoun County); Tarrence Moorner (Alexandria); Kristy Choi (PFM). Mark Schofield (VRE); Noelle Dominguez (Fairfax).

II. Summary Minutes of the February 21, 2019 Meeting

(This item was removed from the agenda as the minutes were not ready for presentation.)

Mayor Rishell, with the consent of the Committee members present, moved the agenda items so as to hear Information/Discussion Items, while waiting for additional committee members to arrive to complete a quorum for the Action Items.

Information/Discussion Items

IX. Investment Portfolio

Mr. Stavros, Investment & Debt Manager

- Mr. Stavros provided the Committee with updates on portfolio performance and investment activities through February 28, 2019, noting:
 - ✓ NVTA portfolio complies with the investment policy.
 - ✓ Changes since last month:
 - Duration has backed away with maturities, were moving toward six months are now a little shorter than that.
 - Regarding investment performance we are right in the middle of our four benchmarks.
 - The Fed pause on rate increases and new comments by the Central Bank has heightened market expectations that there will be no rate increases during 2019.

X. Monthly Revenue Report

Mr. Longhi, CFO

- Mr. Longhi updated the Committee on monthly revenue receipts and 30% funds distributed to member localities, noting:
 - ✓ Federal closure did not impact the Authority's revenue too severely.
 - ✓ 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.
 - ✓ All jurisdictions are receiving their 30% funding.
 - ✓ Chairman Bulova asked what would be the impact to the NVRTA if the Authority still had the TOT and Grantor's Tax revenue. Mr. Longhi responded that the impact is about \$22.5 million noting the 30% fund is projected at \$79 million whereas last year that was close to \$100 million.

XI. Operating Budget Report

Mr. Longhi, CFO

- Mr. Longhi updated the Committee on the Authority's Operating Budget for FY2019, noting:
 - ✓ Operating revenue is at 100% of estimate.
 - ✓ 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.

Chairman Nohe arrived (2:13pm)

Action Items

III. FY2020 Through FY2025 Revenue Projections

Mr. Longhi, CFO

- Mr. Longhi presented the proposed revenue projections for FY2020 through FY2025, noting:
 - ✓ The regional revenue estimation process involves all of the member jurisdictions.
 - ✓ Changes are not recommended to the FY2019 through FY2023 projections.
 - ✓ Mr. Longhi highlighted the table on page one of the staff report noting the new estimates for FY2024 and FY2025.
- Chairman Bulova moved the Finance Committee recommend Authority adoption of the FY2020 - FY2025 revenue projections as presented below, seconded by Chairman Nohe. Motion passed unanimously.

IV. FY2020 Local Distribution Fund Budget

Mr. Longhi, CFO

- Mr. Longhi presented the Proposed FY2020 Local Distribution Fund Budget, noting:
 - ✓ Local Distribution Fund (30%) revenues are distributed in their entirety to member jurisdictions in accord with HB2313 (2013), as amended.
 - ✓ Finance Committee guidance is to conservatively estimate revenues.
 - ✓ 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.
 - ✓ Many member jurisdictions either net their jurisdictional share of the NVRTA Operating Budget from their 30% Local Distribution Funds received, or pay the obligations from

- those funds once received.
- ✓ 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 in Item IV of the staff report.
 - ✓ Mayor Rishell noted that this option is important even to the smaller localities.
 - ✓ Chairman Bulova offered a big ‘thank you’ to Senator Black.
 - ✓ Mr. Longhi highlighted the proposed FY2020 Local Distribution Budget on page 2 of Item IV of the staff report noting, the carry forward is always zero because we attempt to distribute all the funds by end of the fiscal year. The distribution is noted as \$79.8 million, this is about a \$22.5 million difference in what was anticipated, just for the 30%, if the Authority still had TOT and Grantor’s Tax.
 - ✓ Mr. Longhi noted the assumptions on this budget are important in that the Authority will continue to follow HB2313 in the management of the Local Distribution Fund, noting the key words ‘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).’
 - ✓ Mr. Longhi emphasized that wording allows the NVTa to distribute higher amounts without having to come back to the for additional appropriations.
 - ✓ 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.
- Chairman Bulova moved the Finance Committee recommend Authority adoption of the Proposed FY2020 Local Distribution Fund Budget as presented, seconded by Chairman Nohe. Motion passed unanimously.

V. FY2020 Regional Revenue Fund Budget

Mr. Longhi, CFO

- Mr. Longhi sought Committee recommendation for the Authority budget appropriation action for those projects from the FY2018 to FY2023 Six Year Program (SYP) requiring FY2020 Regional Revenue Funds, noting:
 - ✓ Regional Revenues (70% funds) are largely programmed through the Authority's approval of specific projects in the Six Year Program (SYP).
 - ✓ Any unused funds from one fiscal year are accumulated as restricted fund balance, and will be available for the FY2024/25 update to the SYP.
 - ✓ This process is different than in prior years, the funds are forward accumulating until the two year update.
 - ✓ Finance Committee guidance is to conservatively estimate revenues.
 - ✓ The details of the Proposed FY2020 Regional Revenue Fund Budget were presented in Attachment 1 of the staff report:
 - Revenues were adjusted for the 2018 legislative action to eliminate the Transient Occupancy Tax and Grantor's Tax as available revenue streams.
 - COVA interest is earned on funds while they are processed by the Commonwealth and before arriving at the Authority.
 - The \$383 million classified as Future Financing (if required due to cash flow) was identified as a critical number by Mr. Longhi.
 - This budget category reflects the Revenue Fund Appropriations for the 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, by fully funding projects in the first fiscal year they require money.
 - This strategy saves the Authority approximately \$194 million, over 20 years, compared to tradition project funding approaches.
 - Mr. Longhi noted that the external auditors seek to be sure the Authority knows this number, \$383 million, is what would have to be financed, were project reimbursements to exceed cash flow.
 - As of the preparation of the report, FY2019 project appropriations of \$527 million have only resulted in approximately \$1 million in reimbursement requests (the Loudoun County - Route 9 project in the Town of Hillsboro).
 - City of Falls Church project with NOVA Parks has a \$23,000 reimbursement in the pipeline.
 - 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.
 - Debt service principal and interest total \$5,549,950.
 - TransAction Update tech support (the procurement starts in FY2020 so the appropriation has to be in the same year) is \$3,650,000 and provides \$3,500,000 for the next update of TransAction and \$150,000 for technical support for Long Term Benefit analysis.
 - Six Year Program PayGo Project Funding represents the \$570 million that will be in a following Action Item appropriating funding for 20 projects in FY2020.
- ✓ Mr. Wilson joined via conference call (2:24pm)
- Transfers and Carryforward: Mr. Longhi noted this is a new budget item, proposing the use of the Regional Revenue Fund to support the Operating Budget.
 - Utilizing the authorization provided in SB1468 (2019), this will transfer for cost of funding the NVTAs Operating Budget from the jurisdictions to the Regional Revenue Fund.
 - 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 on page 2 of the staff report.
 - Mr. Longhi noted that through the passage of this budget, the Finance Committee is recommending the Authority use the ability in SB1468.
 - This action results in \$2.9 million being transferred with the Finance Committee recommendation and the Authority's approval to the Operating Fund for the Operating Budget.
- ✓ Chairman Bulova asked if all jurisdiction had been asked if they wished to see Senator Black's bill utilized for the transfer. Mr. Longhi responded discussions occurred with all jurisdictions and none had said no.
- ✓ Chairman Nohe added that the Authority needs to make this an expectation. Noting there are many ways to poise it but ultimately it provides more funds to jurisdictions. Chairman Nohe added this provides a higher level of operating budget certainty to the Authority.

- ✓ Mayor Rishell asked if the jurisdictions can be forced to set aside the monies for the operating budget. Mr. Longhi responded the operating memo would allow the Authority to net a jurisdiction share of the operating budget from 30% distributions.
- ✓ Chairman Bulova stated it makes sense to approach funding the budget this way.
- ✓ Mr. Longhi noted the Authority will have this decision each year and could change its direction in the future.
- ✓ Mayor Rishell added the 70% regional funding would still do regional projects on a balanced basis.
- ✓ Chairman Bulova noted this does take money from the Regional Revenue Fund.
- ✓ Ms. Backmon agreed while noting this ability has need in place in Hampton Roads since 2016 and when Senator Black was asked to patron the Bill, it was with the understanding that the operating budget is very small compared to the Regional Revenue Fund, which can support the transfer just on interest earnings.
- ✓ Ms. Backmon also noted that the 30% Funds have a lot more flexibility than the 70% funds so jurisdictions end up with more money, to be used for a greater variety of purposes as long as the use is in accord with HB2313.
- ✓ Mr. Longhi highlighted line 6b of the proposed budget noting \$12 million is from closed out projects and prior positive revenue variances and does not include the \$8 million that is expected in this year's interest earnings. He further noted:
 - The budget proposes taking a conservative approach by only booking the audited positive variance from prior years.
 - Taking the audited positive variance approach is the most transparent and allows a reader of the financial statements or budget to trace the funding source.
 - If estimates for positive variance were used instead of audited actual adjustments would have to be made each year and transparency would be diminished.
- ✓ The positive variances flowing around the regional revenue fund are more than supporting the transfer. The resultant \$9.8 million will just increase over time as we get closer to programming the 2024 and 2025 update to the SYP.
- ✓ Working Capital Reserve (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.
- ✓ Debt Service Reserve of \$5,551,000 was funded through bond proceeds and exists to protect NVTAs bondholders. It is required by the Authority's Debt Policy.
- ✓ Mr. Longhi noted both of the above reserves are fully funded so they have no impact on the proposed budget.
- Chairman Bulova moved the Finance Committee recommend to the Authority adoption of the Proposed FY2020 Regional Revenue Fund Budget, as presented in Attachment 1, seconded by Chairman Nohe. Motion passed unanimously.

VI. FY2020 Operating Budget

Mr. Longhi, CFO

- Mr. Longhi presented the proposed FY2020 NVTAs Operating Budget noting:
 - ✓ This is the same budget discussed at last month's meeting except for three changes:
 - \$1,800 increased lease estimate to include tax changes and escalations.
 - \$600 for an iPad purchased to support communications

- efforts in capturing videos.
 - \$120 increase computer data storage capacity.
- ✓ Mr. Longhi offered to go through the budget detail again.
- ✓ Chairman Bulova noted the funding of a financial position and a planner seems to be in order. She raised the question of the second planner position in the same year.
- ✓ Mr. Longhi responded that the heart of the Planner request is that when the Authority started funded operations, almost all tasks were done sequentially, meaning one after the first. For the future, in order to maintain the expected schedule for SYP updates TransAction updates etc. things must occur in parallel.
- ✓ Working on programs that are established and moving forward as well as preparing for the next round of updates, requires additional resources to keep the planned schedules.
- ✓ Without staffing the choices become whether to do an update to the SYP and when to update TransAction.
- ✓ Mr. Longhi highlighted the staff report that explains in great detail regarding the need for the requested Transportation Planner positions.
- ✓ He further noted that every reimbursement request that comes to the Authority goes to a Planner first. So, the same work measures which support the finance position also support the planner request.
- ✓ Ms. Backmon added the same night the TransAction update was adopted the Call for Projects for the Six Year Program was authorized. Staff undertook these activities sequentially and without pause, yet was resource constrained regarding the in-house planners to do the work.
- ✓ She emphasized that there is and needs to remain a robust planning process as required by legislation and expected for transparency.
- ✓ Ms. Backmon noted the TransAction update could be pushed back, but the long-range plan-TransAction, quickly becomes outdated. She added that there was no Transform 66 Project when we were developing TransAction 2040 and that the current TransAction does not include the most recent planned improvements on I-95.
- ✓ Mayor Wilson acknowledged his appreciation of the constraints of staffing on the NVTA side and added his support for the Financial Analyst position. He added pause with two Regional Planner positions, stating he is more comfortable with one planner position at this time.
- ✓ Chairman Bulova inquired about the effect of adding one versus two positions (Planners) noting the concern is workload.
- ✓ Ms. Backmon responded the concern is workload and meeting the timelines established for funding programs and the Strategic Plan, amongst others.
- ✓ Chairman Nohe added Prince William's initial concerns was the larger expense on the jurisdictions. Since then Senator Black's Bill was adopted which included NVTA's responsibility for the HB599 evaluation. From his perspective, NVTA doing the HB599 evaluation is absolutely the right way to do it. But it does increase the workload.
- ✓ Mayor Rishell noted Manassas Park is fine with the proposal. She reflected as a city they are seeing the long term consequences of not

staffing appropriately to the workload.

- Chairman Nohe moved the Finance Committee recommend Authority adoption of the proposed FY2020 Operating Budget as presented Attachment 1, seconded by Chairman Bulova. Motion passed unanimously.

VII. **FY2020 Regional Revenue Fund Appropriations**

Mr. Longhi, CFO

- Mr. Longhi presented the budget appropriations for those projects from the FY2018 to FY2023 Six Year Program (SYP) requiring FY2020 Regional Revenue Funds, noting:
 - ✓ Table 1 reflects 20 projects staff putting forward for appropriation.
 - ✓ 17 of those projects were in the original schedule for 2020.
 - ✓ 3 projects have asked to have appropriations accelerated.
 - ✓ The 20 projects in the proposed FY2020 appropriation recommendations total \$570 million.
 - ✓ Three SYP projects representing \$32.6 million in funding scheduled for FY2021 appropriations have requested to advance the appropriation to FY2020.
 - ✓ After a review of each request and discussions with the jurisdictions (as expected in the review to be conducted by the external auditors to forward appropriate so much money), NVTA staff recommend the changes as follow:
 - City of Falls Church - West Falls Church & Joint Campus Revitalization District Multimodal Transportation Project on the corner of Route 7 and Haycock (2018- 051-1) for \$15.7 million. City staff report the acceleration will provide great cost certainty and schedule flexibility with the relocation of a school.
 - City of Alexandria - Dash Transit Service Enhancements & Expansion (2018-043-1) for \$11.9 million. City staff reported that with the accelerated acquisition of electric buses, the charging station component of this project needs to advance.
 - Arlington County - Crystal City Metrorail East Entrance (2018-003- 1) for \$5 million. County staff report the project schedule is being accelerated in support of a corporate headquarters initiative in Crystal City.
 - ✓ Mr. Longhi noted the importance of transparency in adopting a strategy of forward appropriation, noting the first table on page 3, which first looks like an over expenditure \$383 million. However, this reflects the appropriation of 100% of approved project funding in the first year. This strategy allows for projects to move forward faster and with more certainty. This is NVTA's way of helping project sponsors achieve appropriation certainty.
 - ✓ Since the Authority funds projects on a reimbursement basis, the liquidity stays with the Authority.
 - ✓ The liquidity has built up on the Authority's balance sheet, just for the Regional Revenue Fund to \$1 billion.
 - ✓ Noting the Authority appropriated \$523 million for FY2019 projects, with three months left in this fiscal year, as of today, \$1 million dollars has been reimbursed on one project and \$23,000 is coming down the pipeline.
 - ✓ That cash difference, the timing delay, is what allows the NVTA to do this with a balanced budget.
 - ✓ The table at the bottom of page 3 and the line Cash Flow Balances is our projection of

where the Regional Revenue Fund will be at spenddown based on the Appendix B's submitted by project sponsors.

- ✓ Mr. Longhi noted the tools available to backstop a surge in reimbursement requests, specifically:
 - The \$120 million Working Capital Reserve (WCR) which is not included in these numbers.
 - Debt Service Capacity of approximately \$1.4 billion over 20 years.
 - The ability to manage liquidity demands through the approval of Appendix B changes.
- ✓ Advancing SYP projects using NVTVA's liquidity, rather than financing is saving the Authority approximately \$194 million over 20 years (or \$9.7 million a year for 20 years).
- Chairman Bulova moved 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, seconded by Chairman Nohe. Motion carried unanimously.

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

Mr. Longhi, CFO

- Mr. Longhi presented draft Policy 29 - Project Activation, Monitoring and De-Appropriation, noting:
 - ✓ There have been two changes since the last meeting:
 - 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.
 - An additional clarification edit was added to include Appendix A updates with updates to Appendix B's.
 - ✓ Mayor Rishell inquired as to how projects with multiple funding sources that chose to use other sources first, would be addressed under this policy.
 - ✓ Mr. Longhi replied using Route 28 in Prince William south of Manassas as an example. This project is very active using other funding sources and through strong communication the lack of spending of Authority appropriations has never been an issue.
- Chairman Bulova moved the Finance Committee recommend Authority adoption of Policy 29 - Project Activation, Monitoring and De-Appropriation, seconded by Chairman Nohe. Motion passed unanimously.

Adjournment

- Meeting adjourned at 3:09pm.

Next Meeting: April 18, 2019- 1:00pm

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman Parrish and Members of the NVTA Finance Committee

FROM: Michael Longhi, Chief Financial Officer

DATE: May 10, 2019

SUBJECT: Participation in the Commonwealth of Virginia's Long Term Care Insurance Program

- 1) **Purpose.** To seek Northern Virginia Transportation Authority (NVTA) Finance Committee recommendation of Authority approval of participation in the Commonwealth of Virginia's Long Term Care Insurance Program, Offered through the Virginia Retirement System (VRS).
- 2) **Suggested Motion.** *I move the Finance Committee recommend Authority approval of the election to participate in the Commonwealth of Virginia's Long Term Care Insurance Program.*
- 3) **Background.**
 - a) In 2014, when the Authority was setting up the employee benefit package, VRS had suspended new admissions to its long term care insurance program for VRS Plan 1 and Plan 2 participants.
 - b) VRS is now offering long term care insurance, with the following features:
 - i) Political Subdivision (employers) must opt in by June 14, 2019.
 - ii) Participation is a voluntary decision of employees and immediate family members, who will bear the cost of the premiums.
 - iii) Term is for three years, after which the program can be terminated by either party upon 60 days notice.
 - c) Participation in the VRS program will provide access to long term care insurance based on a significantly large, but as yet undetermined, actuarial pool. Large actuarial pools typically lower insurance premiums substantially over individual policies.
- 4) **Fiscal Impact.** None, all costs are paid by participating employees.
- 5) **Next Steps.** With Authority approval on June 13th, NVTA staff will be eligible for participation in the program when it starts in the Fall of this year.

Attachment: Commonwealth of Virginia Voluntary Group Long Term Care Insurance Program, Employer Adoption Agreement



VIRGINIA RETIREMENT SYSTEM
P.O. Box 2500
Richmond, VA 23218-2500

Commonwealth of Virginia Voluntary Group Long Term Care Insurance Program Employer Adoption Agreement

THIS AGREEMENT (the "Agreement"), executed this [insert date] 13 day of June, 2019, is by and between [insert Locality, School Division, or Other Political Subdivision] Northern Virginia Transportation Authority (the "Employer") and the Virginia Retirement System (the "Plan Sponsor") (hereinafter collectively referred to as the "Parties").

WITNESSETH

WHEREAS, the Commonwealth of Virginia has established, and the Plan Sponsor is responsible for, the Commonwealth of Virginia Voluntary Group Long Term Care Insurance Program (the "Plan") in which employees of local governments, local officers, and teachers, as defined in § 51.1-513.3 of the *Code of Virginia* (the "*Code*"), as amended, may participate; and

WHEREAS, pursuant to the same section of the *Code*, the Employer desires to enter into this Agreement with the Plan Sponsor to permit participation in the Plan by its eligible employees; and

WHEREAS, the official entering into this Agreement is duly authorized on behalf of the Employer's governing body.

NOW, THEREFORE, in consideration of the premises herein, the Parties agree as follows:

- 1) The Plan Sponsor represents and warrants to the Employer that it will comply with all applicable laws affecting the Plan.
- 2) The Plan Sponsor represents to the Employer that it will provide sufficient services to administer the Plan and to appropriately respond to inquiries by employees and participants.
- 3) The Employer acknowledges and agrees to the terms and conditions established in the Plan.
- 4) The Employer agrees to provide the Plan Sponsor's selected long term care insurance carrier with a mail file of all active employees, in the format provided by the insurance carrier.

-
- 5) When requested by the Plan Sponsor or the insurance carrier, the Employer agrees to permit the Plan Sponsor's selected long term care insurance carrier to conduct group and individual meetings for the purpose of explaining the Plan or enrolling employees on the Employer's premises during normal working hours subject to such reasonable restrictions that the Employer communicates in writing to the Plan Sponsor and that are accepted by the Plan Sponsor.

 - 6) This Agreement may be amended from time to time by written agreement between the Plan Sponsor and the Employer.

 - 7) The term of this Agreement shall be for three years beginning on the date of its execution, and thereafter may be terminated by either party upon 60 days written notice to the other party.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed, intending to be bound thereby.

Employer

Virginia Retirement System

By: _____

By: _____

Title: _____

Title: _____

Date: _____, 20__

Date: _____, 20__

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman Parrish and Members of the NVTA Finance Committee
FROM: Richard Stavros, Investment & Debt Manager
DATE: May 10, 2019
SUBJECT: Investment Portfolio Report

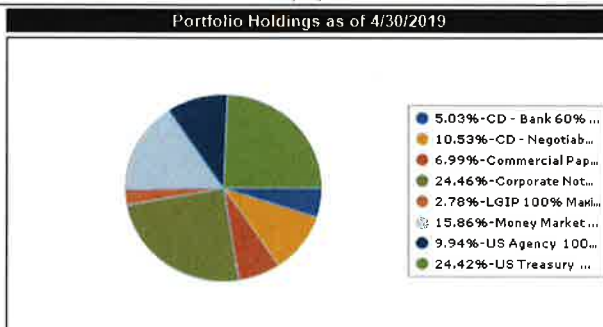
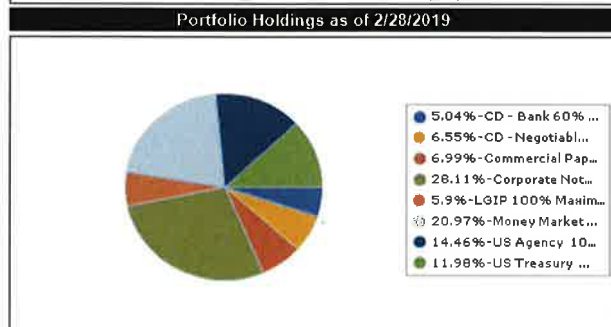
- 1) **Purpose:** To provide the Northern Virginia Transportation Authority (NVTA) Finance Committee with required reports on investment activities and portfolio performance through April 30, 2019.
- 2) **Background:**
 - a. This report is on investment activity through April 2019 and affirms the portfolio 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.
 - b. Additionally, a monthly report is attached which complies with all reporting requirements prescribed in the NVTA Investment Policy.
- 3) **Current Period Reports:**
 - a. The safety of the portfolio is reflected in the actual composition of the portfolio as shown below:



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

Begin Date: 2/28/2019, End Date: 4/30/2019

Asset Category	Asset Category Allocation			
	Book Value 2/28/2019	% of Portfolio 2/28/2019	Book Value 4/30/2019	% of Portfolio 4/30/2019
CD - Bank 60% Maximum	50,000,000.00	5.04	50,137,423.53	5.03
CD - Negotiable 25% Maximum	65,001,139.80	6.55	105,002,950.88	10.53
Commercial Paper 30% / 5% Maximum	69,364,293.44	6.99	69,694,504.89	6.99
Corporate Notes 50% Maximum	279,020,590.54	28.11	244,036,166.95	24.46
LGIP 100% Maximum	58,608,166.97	5.90	27,715,245.20	2.78
Money Market 60% Maximum	208,109,278.54	20.97	158,209,673.10	15.86
US Agency 100% Maximum	143,554,079.00	14.46	99,198,944.54	9.94
US Treasury 100% Maximum	118,940,066.83	11.98	243,592,311.96	24.42
Total / Average	992,597,615.12	100.00	997,587,220.85	100.00



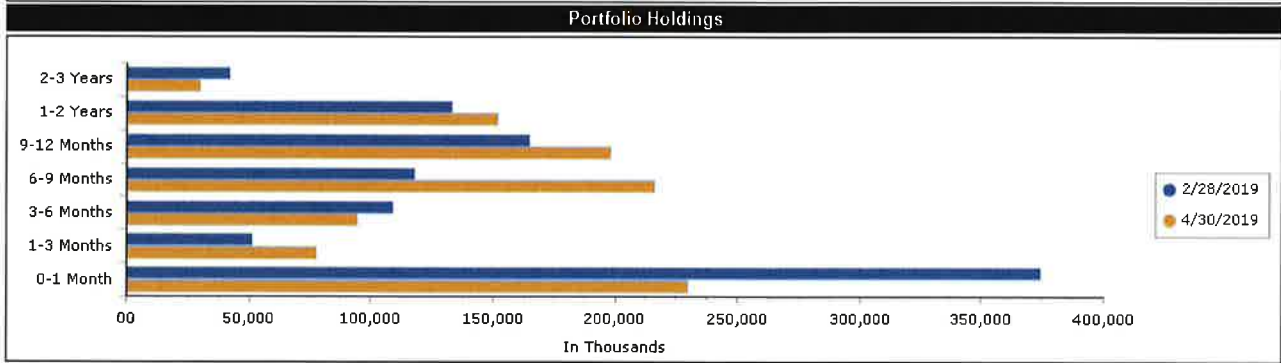
- b. The liquidity of the portfolio is reflected in the portfolio's duration of .64 (1.0 = 1 year) and the maturity schedule shown below:



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

Begin Date: 2/28/2019, End Date: 4/30/2019

Maturity Range Allocation				
Maturity Range	Book Value 2/28/2019	% of Portfolio 2/28/2019	Book Value 4/30/2019	% of Portfolio 4/30/2019
0-1 Month	374,523,499.13	37.73	229,922,415.62	23.05
1-3 Months	51,350,566.30	5.17	77,674,839.69	7.79
3-6 Months	108,933,644.38	10.97	94,326,486.85	9.46
6-9 Months	117,718,140.60	11.86	215,900,464.72	21.64
9-12 Months	164,560,524.97	16.58	198,176,519.17	19.87
1-2 Years	133,282,529.59	13.43	151,599,539.66	15.20
2-3 Years	42,228,710.15	4.25	29,986,955.14	3.01
Total / Average	992,597,815.12	100.00	997,587,220.85	100.00



- c. The yield on the portfolio at the end of April 2019 was 2.62%. The NVTA's Investment Policy specifies the benchmarks shown below for yield performance comparison:

NVTA	FY 2018	Apr-19
Investment Benchmarks	Year End	Month End
Fed Funds Rate	1.82%	2.41%
Treasury 90 Day T Bill	1.92%	2.42%
Local Government Investment Pool	2.01%	2.60%
Virginia Non-Arbitrage Program	2.16%	2.61%
NVTA Performance	1.95%	2.62%

Source: Bloomberg, Statements

4) Portfolio Analysis & Statistics Overview

a) Safety: The portfolio is invested primarily in;

- i) AAA/AA rated U.S. Treasury and Agency Bonds
- ii) AAA/AA rated investment grade corporate bonds
- iii) Collateralized bank money market accounts.

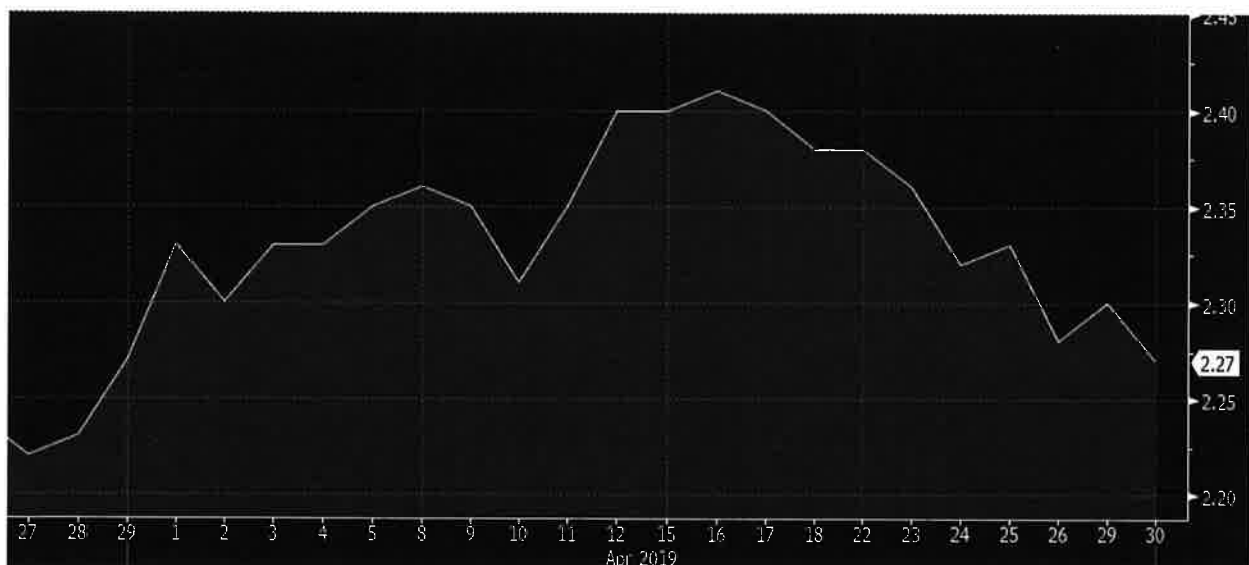
b) Liquidity:

- i) The NVTA Portfolio average duration increased (from .56 to .64) or more than 6 months – reflecting U.S. Treasury purchases that replaced called Agency securities.
- 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 (3.01% of the portfolio presently).

c) Yield:

- i) **Fed Rate Pause:** Since our prior report in March 2019, market expectations are that there will be no rate increases during 2019, which has caused rates to fall.
 - (1) At this writing, the Virginia Local Government Investment Pool (LGIP), one of our benchmarks, has been flat at 2.6%. The 2-year Treasury, a benchmark for corporate notes, has suffered a decline in the last 2 months from 2.47% to 2.27% (See Chart Below), a significant drop of 20 basis points.
- 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 U.S. Treasury Index (April 2019)



5) Research Initiative: Direct Purchases of Investments

Review: Bloomberg offers the capability for the purchase of investments directly through its investment management platform, which offers more price transparency allowing investments to be obtained at a better price. **We anticipate cost savings of \$250,000 on the portfolio.**

Example: Bloomberg places all of the broker offers for a 1-Year, U.S. Treasury side-by-side. The platform can be enabled to make a purchase in just one click.

PCS	Firm Name	Bid Px / Ask Px	Bid Yld / Ask Yld	BSz(MM) x ASz(MM)	Time
20)	CBBT FIT COMPOSITE	99-01 ³ / ₄ / 99-02 ³ / ₈	2.403 / 2.384	x	15:32
21)	BVAL BVAL (Score: 10)	99-01 ⁷ / ₈ / 99-02 ³ / ₈	2.401 / 2.385	x	15:00
22)	Last Trade	99-01 ⁵ / ₈	--	.015	09:47
23)	RBGG RBC CM	99-01 ³ / ₄ / 99-02+	2.403 / 2.380	100 x 100	15:32
24)	LCM LOOP CAPITAL MARKETS	99-01 ⁵ / ₈ / 99-02 ³ / ₈	2.407 / 2.384	50 x 50	15:32
25)	ODEO ODEON CAPITAL GROUP	99-01 ³ / ₄ / 99-02 ³ / ₈	2.403 / 2.384	25 x 25	15:32
26)	EDFA ED&F MAN	99-01 ³ / ₄ / 99-02 ³ / ₈	2.403 / 2.384	25 x 25	15:32
27)	SCGV Bank of Nova Scotia	99-01 ⁷ / ₈ / 99-02	2.399 / 2.396	10 x 10	15:32
28)	APSA Amherst Pierpont	99-01 ⁵ / ₈ / 99-02 ¹ / ₄	2.407 / 2.388	10 x 10	15:32
29)	BBNY BBVA	99-01 ⁵ / ₈ / 99-02 ³ / ₈	2.407 / 2.384	10 x 10	15:32
30)	SCBX STANDARD CHARTERED	99-01 ⁵ / ₈ / 99-02+	2.407 / 2.380	1 x 1	15:32
31)	NONY Nomura UST & Agency	99-01 ⁷ / ₈ / 99-02	2.399 / 2.396	50 x 50	15:31
32)	CG CITIGROUP	99-01+ / 99-02+	2.411 / 2.381	50 x 50	14:58
33)	MCAP MCAP	99-01 ⁷ / ₈ / 99-02	2.399 / 2.396	35 x 35	14:58
34)	BREA BREAN CAPITAL	99-01 ⁵ / ₈ / 99-02+	2.407 / 2.381	20 x 20	14:56
35)	FCSR INTL FCStone Fin Inc	99-01+ / 99-02 ⁵ / ₈	2.411 / 2.377	10 x 10	14:56
36)	HSTS HSBC Securities-USA	99-01+ / 99-02 ⁵ / ₈	2.411 / 2.377	25 x 25	14:38
37)	JCUT Jefferies Trsy	99-01 ⁷ / ₈ / 99-02	2.399 / 2.396	20 x 20	14:33
38)	FCMT FIDELITY CAPITAL MKT	99-00 ⁵ / ₈ / 99-03 ³ / ₈	2.437 / 2.354	5 x 5	15:32
39)	PROMBANCA PROFILO	98-30 ⁵ / ₈ / 99-05 ³ / ₈	2.497 / 2.294	.01 x .01	15:32
40)	GUGG GUGGENHEIM CAP MKTS	99-01+ / 99-02+	2.411 / 2.381	x	15:32
41)	BGN BLOOMBERG GENERIC	99-01 ³ / ₄ / 99-02 ³ / ₈	2.403 / 2.384	x	15:32

Benefits/Advantages

- **Price Transparency:** Having broker quotes side-by-side creates competition, lowers costs, and electronic purchases create an instant electronic audit trail.
- **Enhanced Security/Oversight:** Limits can be placed where only investments allowed by NVT policy can be bought, and improved investment monitoring with second terminal.
- **Increased Efficiency:** Less time is wasted on reviewing individual offer e-mails, hearing sales pitches, and more time on identifying investments and buying at the best price.
- **Voice vs. Electronic:** There is no disadvantage in making electronic transactions, even a keying error can be reversed before settlement, as with a voice error. And with a typical two day settlement, the system gives plenty of time for review.

NVTA Investment Policy Changes

- **The General Section** would be amended to recognize that investments made through the Bloomberg platform (noting the number of offerings in the above table) are considered competitive.
- **The Authorized Investment Broker/Dealers Section** would be amended whereas NVTA would only transact electronically with those on the NVTA authorized broker list.
- **The Investment Monitor** will have access to an audit version of the Bloomberg terminal to independently review investment activity and monitor transactions.

Next Steps to Implement (Present to Finance Committee in the Fall)

- Present Proposed Policy Modifications
 - Cost of Second Terminal, estimated to be less than \$30,000/year.
- 6) **Quarterly Mark-to-Market Review (Unrealized Gains and Losses):** Since last year, the portfolio has swung from a \$3.9 Million unrealized loss to a \$327,000 unrealized gain. The change partly reflects the exit of the Virginia Investment Pool (VIP) 1-3 investment in 2018, as well as the overall fall in rates as a result of the Fed pause on rate increases (bond prices rise when yields fall and vice versa).
- 7) **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.
- 8) **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 4/30/2019

Issuer	Face Amount Shares	Book Value	Market Value	Credit Rating 1	Credit Rating 2	Portfolio %	Days to Maturity	Days To Call Maturity	Maturity Date	YTM @ Cost	Duration to Maturity
Certificate Of Deposit											
John Marshall Bank 2.593 7/25/2019	10,000,000.00	10,000,000.00	10,000,000.00	NR	NR	1.00	86	86	07/25/2019	2.593	0.24
John Marshall Bank 2.71 5/23/2019	17,500,000.00	17,500,000.00	17,500,000.00	NR	NR	1.75	23	23	05/23/2019	2.710	0.06
United Bank 2.75 1/17/2020	10,000,000.00	10,000,000.00	10,000,000.00	NR	NR	1.00	262	262	01/17/2020	2.750	0.72
United Bank 2.7 3/5/2020	12,637,423.53	12,637,423.53	12,637,423.53	NR	NR	1.26	310	310	03/05/2020	2.700	0.85
Certificate Of Deposit	50,137,423.53	50,137,423.53	50,137,423.53			5.01	156	156		2.692	0.43
Commercial Paper											
CSFB NY 0 10/4/2019	5,476,000.00	5,411,281.29	5,370,883.62	S&P-A1	Moody's-P1	0.55	157	157	10/04/2019	2.763	0.43
CSFB NY 0 8/19/2019	9,705,000.00	9,623,906.64	9,552,310.70	S&P-A1	Moody's-P1	0.97	111	111	08/19/2019	2.753	0.30
CSFB NY 0 9/6/2019	10,000,000.00	9,897,936.05	9,787,960.16	S&P-A1	Moody's-P1	1.00	129	129	09/06/2019	2.910	0.35
JP Morgan Securities 0 7/26/2019	10,000,000.00	9,929,675.00	9,782,590.28	S&P-A1	Moody's-P1	1.00	87	87	07/26/2019	2.975	0.24
JP Morgan Securities 0 7/26/2019	10,000,000.00	9,929,433.33	9,782,590.28	S&P-A1	Moody's-P1	1.00	87	87	07/26/2019	2.985	0.24
JP Morgan Securities 0 5/24/2019	5,000,000.00	4,991,500.00	4,904,897.22	S&P-A1	Moody's-P1	0.50	24	24	05/24/2019	2.599	0.07
JP Morgan Securities 0 5/24/2019	5,000,000.00	4,991,466.67	4,904,897.22	S&P-A1	Moody's-P1	0.50	24	24	05/24/2019	2.610	0.07
JP Morgan Securities 0 6/28/2019	10,000,000.00	9,986,569.44	9,802,722.22	S&P-A1	Moody's-P1	1.00	59	59	06/28/2019	2.729	0.16
JP Morgan Securities 0 7/29/2019	5,000,000.00	4,962,736.47	4,888,623.44	S&P-A1	Moody's-P1	0.50	90	90	07/29/2019	3.049	0.25
Commercial Paper	70,181,000.00	69,684,504.89	68,777,475.14			7.01	89	89		2.837	0.24
Corporate Bond											
ADP 2.25 9/15/2020	5,000,000.00	4,982,374.29	4,984,200.00	S&P-AA	Moody's-Aa3	0.50	504	504	09/15/2020	2.512	1.36
Apple Corp 1.1 8/2/2019	5,000,000.00	4,978,983.74	4,981,700.00	S&P-AA+	Moody's-Aa1	0.50	94	94	08/02/2019	2.755	0.26
Apple Corp 1.1 8/2/2019	5,000,000.00	4,979,327.64	4,981,700.00	S&P-AA+	Moody's-Aa1	0.50	94	94	08/02/2019	2.727	0.26
Apple Corp 1.5 9/12/2019	4,685,000.00	4,668,969.42	4,667,243.85	S&P-AA+	Moody's-Aa1	0.47	135	135	09/12/2019	2.450	0.37
Apple Corp 1.8 11/13/2019	15,000,000.00	14,947,262.35	14,931,600.00	S&P-AA+	Moody's-Aa1	1.50	197	197	11/13/2019	2.470	0.53
Apple Corp 1.8 11/13/2019	4,995,000.00	4,976,984.45	4,972,222.80	S&P-AA+	Moody's-Aa1	0.50	197	197	11/13/2019	2.488	0.53
Apple Corp 1.8 11/13/2019	10,000,000.00	9,968,439.28	9,954,400.00	S&P-AA+	Moody's-Aa1	1.00	197	197	11/13/2019	2.400	0.53
Apple Corp 1.9 2/7/2020	5,403,000.00	5,364,592.14	5,376,309.18	S&P-AA+	Moody's-Aa1	0.54	283	283	02/07/2020	2.840	0.76
Apple Corp 2 11/13/2020	5,000,000.00	4,946,677.74	4,963,200.00	S&P-AA+	Moody's-Aa1	0.50	563	563	11/13/2020	2.718	1.51
Australia New Zealand Bank - NY Office 1.6 7/15/20	20,000,000.00	19,985,674.26	19,960,400.00	S&P-AA-	Moody's-Aa3	2.00	76	76	07/15/2020	1.950	0.21
Australia New Zealand Bank - NY Office 2.05 9/23/2	6,000,000.00	6,003,980.67	5,996,920.00	S&P-AA-	Moody's-Aa3	0.60	146	146	09/23/2019	1.880	0.40
Australia New Zealand Bank - NY Office 2.05 9/23/2	5,900,000.00	5,902,295.38	5,887,138.00	S&P-AA-	Moody's-Aa3	0.59	146	146	09/23/2019	1.950	0.40
Berkshire Hathaway 2.1 8/14/2019	5,000,000.00	4,993,438.10	4,991,350.00	S&P-AA	Moody's-Aa2	0.50	106	106	08/14/2019	2.558	0.29
Berkshire Hathaway 2.2 3/15/2021	7,386,000.00	7,301,949.39	7,352,689.14	S&P-AA	Moody's-Aa2	0.74	685	685	03/15/2021	2.833	1.84
BlackRock 5 12/10/2019	1,097,000.00	1,111,420.66	1,112,226.36	S&P-AA-	Moody's-Aa3	0.11	224	224	12/10/2019	2.804	0.60
Chevron Corp. 1.961 3/3/2020	5,000,000.00	4,957,310.06	4,972,700.00	S&P-AA	Moody's-Aa2	0.50	308	308	03/03/2020	2.998	0.84
Chevron Corp. 1.991 3/3/2020	7,500,000.00	7,465,315.32	7,464,000.00	S&P-AA	Moody's-Aa2	0.75	308	308	03/03/2020	2.549	0.84

Chevron Corp. 2.1 5/16/2021	5,560,000.00	5,470,550.34	5,511,127.60	S&P-AA	Moody's-Aa2	0.56	747	747	05/16/2021	2,923	1.99
Chevron Corp. 2.193 11/15/2019	8,950,000.00	8,933,524.54	8,931,831.50	S&P-AA	Moody's-Aa2	0.89	199	199	11/15/2019	2,540	0.54
Exxon Mobil Corp 1.912 3/6/2020	8,663,000.00	8,616,196.05	8,617,779.14	S&P-AA+	Moody's-Aaa	0.87	311	311	03/06/2020	2,566	0.85
Exxon Mobil Corp 1.912 3/6/2020	5,000,000.00	4,955,893.37	4,973,900.00	S&P-AA+	Moody's-Aaa	0.50	311	311	03/06/2020	2,973	0.85
Johnson and Johnson 2.95 9/1/2020	5,000,000.00	5,030,999.19	5,033,750.00	S&P-AAA	Moody's-Aaa	0.50	490	490	09/01/2020	2,472	1.31
Mass Institute Technology 2.051 7/1/2019	145,000.00	144,951.77	144,801.35	S&P-AAA	Moody's-Aaa	0.01	62	62	07/01/2019	2,250	0.17
Microsoft Corp 1.1 8/9/2019	2,000,000.00	1,992,779.37	1,992,420.00	S&P-AAA	Moody's-Aaa	0.20	100	100	08/08/2019	2,442	0.27
Microsoft Corp 1.1 8/9/2019	5,000,000.00	4,981,343.28	4,981,050.00	S&P-AAA	Moody's-Aaa	0.50	100	100	08/08/2019	2,483	0.27
Microsoft Corp 1.55 8/8/2021	5,000,000.00	4,859,124.98	4,892,700.00	S&P-AAA	Moody's-Aaa	0.50	831	831	08/08/2021	2,850	2.23
Microsoft Corp 1.85 2/12/2020	5,000,000.00	4,959,619.46	4,976,150.00	S&P-AAA	Moody's-Aaa	0.50	288	288	02/12/2020	2,900	0.78
Microsoft Corp 1.85 2/6/2020	1,196,000.00	1,189,893.37	1,189,876.48	S&P-AAA	Moody's-Aaa	0.12	282	282	02/06/2020	2,530	0.76
Microsoft Corp 1.85 2/6/2020	5,000,000.00	4,961,263.74	4,974,400.00	S&P-AAA	Moody's-Aaa	0.50	282	282	02/06/2020	2,878	0.76
Microsoft Corp 1.85 2/6/2020	3,000,000.00	2,977,374.87	2,984,640.00	S&P-AAA	Moody's-Aaa	0.30	282	282	02/06/2020	2,851	0.76
National Australia Bank NY 2.25 1/10/2020	5,000,000.00	4,975,664.04	4,985,750.00	S&P-AA-	Moody's-Aaa3	0.50	255	255	01/10/2020	2,970	0.69
Proctor and Gamble Co 1.9 11/1/2019	2,386,000.00	2,374,200.54	2,377,720.58	S&P-AA-	Moody's-Aaa3	0.24	185	185	11/01/2019	2,897	0.50
Proctor and Gamble Co. 1.9 10/23/2020	5,000,000.00	4,939,496.08	4,957,550.00	S&P-AA-	Moody's-Aaa3	0.50	542	542	10/23/2020	2,746	1.47
Toyota 2.15 3/12/2020	5,057,000.00	5,041,247.30	5,044,256.36	S&P-AA-	Moody's-Aaa3	0.51	317	317	03/12/2020	2,515	0.86
Toyota 2.15 3/12/2020	5,000,000.00	4,983,462.18	4,987,400.00	S&P-AA-	Moody's-Aaa3	0.50	317	317	03/12/2020	2,537	0.86
Toyota Motor Credit corp 1.4 5/20/2019	1,515,000.00	1,514,254.36	1,514,091.00	S&P-AA-	Moody's-Aaa3	0.15	20	20	05/20/2019	2,311	0.06
Toyota Motor Credit corp 1.55 10/18/2019	16,000,000.00	15,939,872.16	15,916,160.00	S&P-AA-	Moody's-Aaa3	1.60	171	171	10/18/2019	2,370	0.47
Toyota Motor Credit corp 2.125 7/18/2019	1,735,000.00	1,733,908.36	1,733,299.70	S&P-AA-	Moody's-Aaa3	0.17	79	79	07/18/2019	2,420	0.22
Toyota Motor Credit corp 2.125 7/18/2019	11,043,000.00	11,031,891.06	11,032,177.86	S&P-AA-	Moody's-Aaa3	1.10	79	79	07/18/2019	2,600	0.22
Toyota Motor Credit corp. 2.2 1/10/2020	5,000,000.00	4,982,291.67	4,995,950.00	S&P-AA-	Moody's-Aaa3	0.50	255	255	01/10/2020	2,720	0.69
Toyota Motor Credit corp. 2.2 1/10/2020	5,000,000.00	4,975,818.97	4,995,950.00	S&P-AA-	Moody's-Aaa3	0.50	255	255	01/10/2020	2,910	0.69
Walmart Corp 1.9 12/15/2020	5,000,000.00	4,935,571.01	4,952,350.00	S&P-AA	Moody's-Aa2	0.50	595	595	12/15/2020	2,722	1.60
Corporate Bond	245,216,000.00	244,036,166.95	244,237,080.90			24.49	268	268		2,546	0.72
FFCB Bond											
FFCB 2.7 11/5/2019	5,000,000.00	5,000,000.00	5,008,650.00	S&P-AA+	Moody's-Aaa	0.50	189	189	11/05/2019	2,700	0.51
FFCB 2.7 11/6/2019-19	5,000,000.00	5,000,000.00	5,000,200.00	S&P-AA+	Moody's-Aaa	0.50	190	190	11/06/2019	2,700	0.51
FFCB 2.85 4/15/2020	5,000,000.00	5,000,000.00	5,022,400.00	S&P-AA+	Moody's-Aaa	0.50	351	351	04/15/2020	2,850	0.95
FFCB Bond	15,000,000.00	15,000,000.00	15,031,250.00			1.50	243	182		2,750	0.66
FHLB Bond											
FHLB 0 12/10/2019	5,000,000.00	4,916,933.33	4,926,300.00	S&P-AA+	Moody's-Aaa	0.50	224	224	12/10/2019	2,744	0.61
FHLB 2.125 2/11/2020	10,000,000.00	9,968,024.92	9,975,100.00	S&P-AA+	Moody's-Aaa	1.00	287	287	02/11/2020	2,541	0.78
FHLB 2.375 3/3/2020	5,000,000.00	4,983,351.35	4,999,700.00	S&P-AA+	Moody's-Aaa	0.50	308	308	03/03/2020	2,761	0.84
FHLB 2.875 9/11/2020	5,000,000.00	4,997,155.05	5,032,800.00	S&P-AA+	Moody's-Aaa	0.50	500	500	09/11/2020	2,917	1.34
FHLB Bond	25,000,000.00	24,865,464.65	24,933,900.00			2.50	321	321		2,705	0.87
FHLMC Bond											
FHLMC 1.5 11/7/2020	5,000,000.00	4,956,240.43	4,968,450.00	S&P-AA+	Moody's-Aaa	0.50	262	262	01/17/2020	2,750	0.71
FHLMC 1.875 11/17/2020	5,000,000.00	4,922,681.82	4,967,000.00	S&P-AA+	Moody's-Aaa	0.50	567	567	11/17/2020	2,910	1.52
FHLMC Step 6/30/2021-18	5,000,000.00	4,923,739.55	4,964,550.00	S&P-AA+	Moody's-Aaa	0.50	792	61	06/30/2021	3,501	2.12
FHLMC Step 9/30/2021-17	4,903,000.00	4,788,004.76	4,847,792.22	S&P-AA+	Moody's-Aaa	0.49	884	61	09/30/2021	3,582	2.37
FHLMC Bond	19,903,000.00	19,590,666.56	19,747,792.22			1.99	625	239		3,184	1.68

FNMA Bond												
	FNMA 1 10/24/2019	5,000,000.00	4,958,830.70	4,965,600.00	S&P-AA+	Moody's-Aaa	0.50	177	177	10/24/2019	2,727	0.48
	FNMA 1.25 3/27/2020	10,435,000.00	10,288,994.34	10,327,936.90	S&P-AA+	Moody's-Aaa	1.04	332	332	03/27/2020	2,825	0.91
	FNMA 1.25 8/23/2019-17	10,000,000.00	9,993,542.41	9,961,200.00	S&P-AA+	Moody's-Aaa	1.00	115	23	08/23/2019	1,459	0.31
	FNMA Bond	25,435,000.00	25,241,367.45	25,254,736.90			2.54	216	180		2,269	0.59
Local Government Investment Pool												
	Commonwealth of Virginia LGIP	10,209.00	10,209.00	10,209.00	S&P-AAA	NR	0.00	1	1	N/A	2,606	0.00
	Commonwealth of Virginia LGIP	19,151,356.46	19,151,356.46	19,151,356.46	S&P-AAA	NR	1.91	1	1	N/A	2,606	0.00
	VIP Stable NAV LGIP	8,553,679.74	8,553,679.74	8,553,679.74	S&P-AAA	NR	0.85	1	1	N/A	2,580	0.00
	Local Government Investment Pool	27,715,245.20	27,715,245.20	27,715,245.20			2.77	1	1		2,598	0.00
Money Market												
	Access National Bank MM	86,131,352.16	86,131,352.16	86,131,352.16	NR	NR	8.60	1	1	N/A	2,710	0.00
	BB&T MM	2,033,748.53	2,033,748.53	2,033,748.53	NR	NR	0.20	1	1	N/A	2,250	0.00
	John Marshall Bank ICS MM	19,005,380.28	19,005,380.28	19,005,380.28	NR	NR	1.90	1	1	N/A	2,710	0.00
	United Bank MM	51,039,192.13	51,039,192.13	51,039,192.13	NR	NR	5.10	1	1	N/A	2,500	0.00
	Money Market	158,209,673.10	158,209,673.10	158,209,673.10			15.80	1	1		2,636	0.00
Negotiable Certificate Of Deposit												
	CIBC NY Office 2.53 3/27/2020	15,000,000.00	15,002,674.39	14,992,200.00	S&P-A1	Moody's-P1	1.50	332	332	03/27/2020	2,510	0.91
	CIBC NY Office 2.64 4/15/2020	30,000,000.00	30,000,000.00	30,014,400.00	S&P-A1	Moody's-P1	3.00	351	351	04/15/2020	2,640	0.96
	TD Bank NY 2.71 5/22/2019	15,000,000.00	15,000,276.29	15,001,350.00	S&P-A1+	Moody's-P1	1.50	22	22	05/22/2019	2,679	0.06
	TD Bank NY 2.68 3/12/2020	15,000,000.00	15,000,000.00	15,000,000.00	S&P-A1+	Moody's-P1	1.50	317	317	03/12/2020	2,680	0.88
	TD Bank NY 2.81 1/22/2020	30,000,000.00	30,000,000.00	30,046,200.00	S&P-A1+	Moody's-P1	3.00	267	267	01/22/2020	2,810	0.74
	Negotiable Certificate Of Deposit	105,000,000.00	105,002,950.68	105,054,150.00			10.49	272	272		2,681	0.75
Treasury Note												
	T-Note 1.375 1/15/2020	20,000,000.00	19,829,767.40	19,851,600.00	S&P-AA+	Moody's-Aaa	2.00	260	260	01/15/2020	2,593	0.71
	T-Note 1.375 1/15/2020	20,000,000.00	19,829,190.34	19,851,600.00	S&P-AA+	Moody's-Aaa	2.00	260	260	01/15/2020	2,597	0.71
	T-Note 1.375 1/15/2020	20,000,000.00	19,829,767.40	19,851,600.00	S&P-AA+	Moody's-Aaa	2.00	260	260	01/15/2020	2,593	0.71
	T-Note 1.375 10/31/2020	10,000,000.00	9,834,875.16	9,861,300.00	S&P-AA+	Moody's-Aaa	1.00	550	550	10/31/2020	2,504	1.49
	T-Note 1.375 4/30/2020	10,000,000.00	9,888,141.81	9,898,100.00	S&P-AA+	Moody's-Aaa	1.00	366	366	04/30/2020	2,514	1.00
	T-Note 1.5 5/15/2020	10,000,000.00	9,894,071.36	9,909,400.00	S&P-AA+	Moody's-Aaa	1.00	381	381	05/15/2020	2,537	1.03
	T-Note 1.5 5/15/2020	15,000,000.00	14,845,968.09	14,864,100.00	S&P-AA+	Moody's-Aaa	1.50	381	381	05/15/2020	2,505	1.03
	T-Note 1.5 6/15/2020	10,000,000.00	9,885,140.04	9,903,100.00	S&P-AA+	Moody's-Aaa	1.00	412	412	06/15/2020	2,542	1.12
	T-Note 1.5 8/15/2020	10,000,000.00	9,872,637.29	9,893,400.00	S&P-AA+	Moody's-Aaa	1.00	473	473	08/15/2020	2,506	1.28
	T-Note 1.625 12/31/2019	10,000,000.00	9,947,860.66	9,943,800.00	S&P-AA+	Moody's-Aaa	1.00	245	245	12/31/2019	2,414	0.66
	T-Note 1.875 12/31/2019	10,000,000.00	9,962,307.69	9,960,800.00	S&P-AA+	Moody's-Aaa	1.00	245	245	12/31/2019	2,450	0.66
	T-Note 1.875 12/31/2019	10,000,000.00	9,955,066.60	9,960,800.00	S&P-AA+	Moody's-Aaa	1.00	245	245	12/31/2019	2,561	0.66
	T-Note 2.25 3/31/2020	10,000,000.00	9,975,795.46	9,986,700.00	S&P-AA+	Moody's-Aaa	1.00	336	336	03/31/2020	2,518	0.91
	T-Note 2.25 3/31/2020	10,000,000.00	9,975,113.64	9,986,700.00	S&P-AA+	Moody's-Aaa	1.00	336	336	03/31/2020	2,526	0.91
	T-Note 2.375 4/30/2020	10,000,000.00	9,984,841.87	9,996,900.00	S&P-AA+	Moody's-Aaa	1.00	366	366	04/30/2020	2,528	0.99
	T-Note 2.5 6/30/2020	10,000,000.00	9,998,247.94	10,013,700.00	S&P-AA+	Moody's-Aaa	1.00	427	427	06/30/2020	2,514	1.15
	T-Note 2.625 7/31/2020	10,000,000.00	10,014,496.36	10,032,000.00	S&P-AA+	Moody's-Aaa	1.00	458	458	07/31/2020	2,506	1.23
	T-Note 2.75 9/15/2021	10,000,000.00	9,945,535.51	10,116,000.00	S&P-AA+	Moody's-Aaa	1.00	869	869	09/15/2021	2,990	2.31
	T-Note 2.75 9/30/2020	10,000,000.00	9,988,845.43	10,056,300.00	S&P-AA+	Moody's-Aaa	1.00	519	519	09/30/2020	2,831	1.40

T-Note 2.75 9/30/2020	10,000,000.00	10,033,551.11	10,056,300.00	S&P-AA+	Moody's-Aaa	1.00	519	519	09/30/2020	2,507	1.40
T-Note 3.5 5/15/2020	10,000,000.00	10,101,090.80	10,110,600.00	S&P-AA+	Moody's-Aaa	1.00	381	381	05/15/2020	2,508	1.02
Treasury Note	245,000,000.00	243,592,311.96	244,104,400.00			24.47	378	378		2,562	1.02
TVA Bond											
TVA 3.875 2/15/2021	5,000,000.00	5,073,721.51	5,131,700.00	S&P-AA+	Moody's-Aaa	0.50	657	657	02/15/2021	3,017	1.74
TVA Bond	5,000,000.00	5,073,721.51	5,131,700.00			0.50	657	657		3,017	1.74
U.S. Agency for International Development											
OPIC - Overseas Private Invest corp 0 11/13/2019	9,544,505.40	9,427,724.37	9,411,390.39	S&P-AA+	Moody's-Aaa	0.95	197	197	11/13/2019	2,329	0.54
U.S. Agency for International Development	9,544,505.40	9,427,724.37	9,411,390.39			0.95	197	197		2,329	0.54
Total / Average	1,001,341,847.23	997,587,220.85	997,746,217.38			100	236	226		2,621	0.64

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

FOR: Chairman Parrish and Members of the NVTa Finance Committee

FROM: Michael Longhi, Chief Financial Officer

DATE: May 10, 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 April 2019 for the Authority's sole revenue source, sales tax.
3. **Comments:**
 - a. **FY2019 Revenues (Attachment A)**
 - i. The Authority has received approximately \$172.1 million through the April 2019 transfers from the Commonwealth. This amount represents eight months of sales tax receipts.
 - ii. Actual to estimate comparison of annualized sales tax revenues through April show a 0.32% negative variance in receipts compared to the FY2019 adopted revenue estimates. The negative 0.32% variance is a 3.26% fluctuation from the previous month. The fluctuation in the variance is the result of a \$1.5 M NVTa tax adjustment stemming from a 2 year period tax audit that impacted Fairfax and Loudoun Counties.
 - iii. Due to the large fluctuation between months, a sensitivity analysis was prepared to project the likelihood of the FYE revenue meeting or exceeding the revenue estimates. The analysis concluded that the Authority should meet the revenue projections despite the \$1.5 M adjustment.
 - iv. Tracking of current fiscal year revenue on an actual to projection basis is being substantially improved through the acquisition of a statistical packet called Palisade's Stat Tools. This tool functions inside MS Excel and brings a much greater level of sophistication to the current year revenue tracking. The tool was back tested against FY2015 through FY2018 to confirm its utility and accuracy. Use of the tool will be incorporated into the standard monthly revenue reports over this summer. Reports from the tool (which provided the analysis that revenues are on target) are included in Attachment D.
 - 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 \$176.2 million received by the Authority, including \$172.1 million of sales tax receipts and \$4 million of FY2018 Grantors and TOT receipts through April 2019, approximately \$52.8 million represents 30% local funds all of which 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 April 2019.

Attachments:

- A. Sales Tax Revenues Received Compared to NVTA Estimates, Through April 2019
- B. FY2019 30% Distribution by Jurisdiction, through April 2019
- C. Month to Month Comparison of Sales Tax Revenue and YTD Receipts for April 2015 to 2019
- D. Palisade's Stat Tool Analysis of FY2019 Revenue Actual to Projections

Attachment A

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

Regional Sales Tax*		Received	Annualized	FY2019	Annualized - Actual	
Transaction Months	8	To Date	Revenue based on YTD Receipts	Budget	To Budget	
City of Alexandria		\$10,757,586	\$ 16,136,380	\$ 16,057,290	\$ 79,090	
Arlington County		\$17,468,741	\$ 26,203,112	\$ 25,308,696	\$ 894,416	
City of Fairfax		\$4,960,181	\$ 7,440,271	\$ 7,432,605	\$ 7,666	
Fairfax County		\$72,786,455	\$ 109,179,682	\$ 111,788,679	\$ (2,608,997)	
City of Falls Church		\$1,807,790	\$ 2,711,685	\$ 2,659,800	\$ 51,885	
Loudoun County		\$33,919,960	\$ 50,879,940	\$ 50,940,000	\$ (60,060)	
City of Manassas		\$3,218,555	\$ 4,827,833	\$ 5,100,000	\$ (272,167)	
City of Manassas Park		\$973,225	\$ 1,459,837	\$ 1,462,415	\$ (2,578)	
Prince William County		\$26,174,991	\$ 39,262,486	\$ 38,176,740	\$ 1,085,746	
Total Sales Tax Revenue		\$ 172,067,484	\$ 258,101,226	\$ 258,926,225	\$ (824,999)	-0.32%
		\$ 172,067,484				

Attachment B

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY FY2019 30% DISTRIBUTION BY JURISDICTION

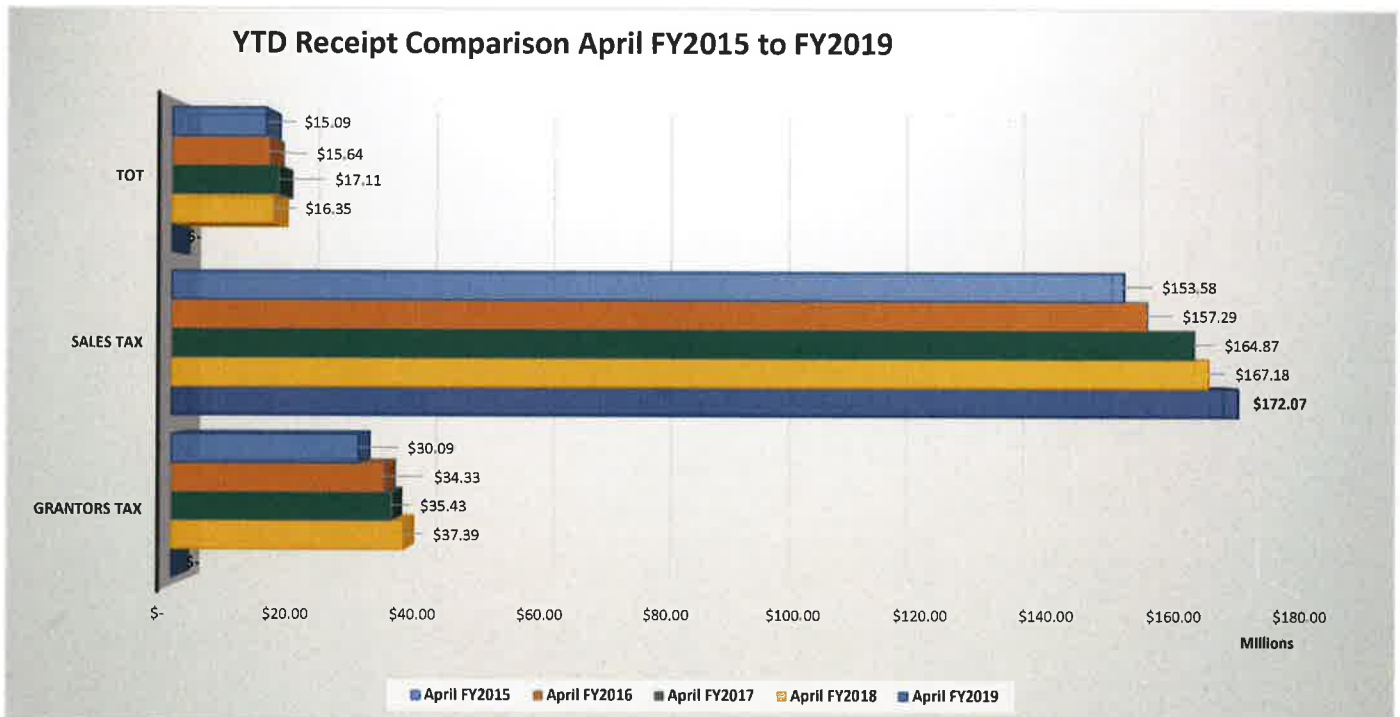
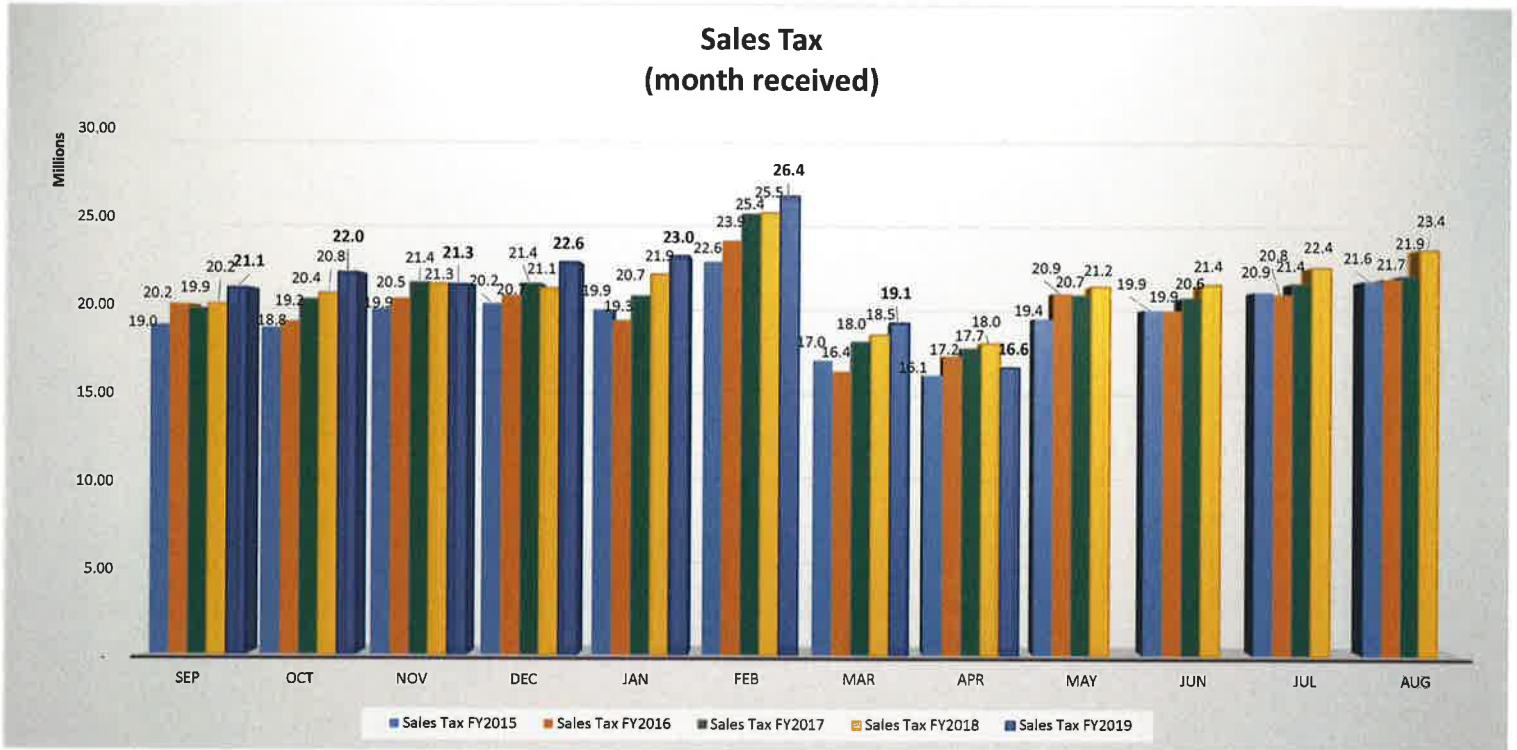
Based on: Revenue Data Through April 2019

Jurisdiction	(1) FY2018 Receipts		(1) FY2018 Receipts		NVTA Fund Interest	Cumulative Total	30% Funds	Thru 3/31/19 Accrued Interest (+)	3/31/2019 Prior Distributions	Current Month Distribution	Total Funds Transferred
	Grantor's Tax	Regional Sales Tax	Transient Occupancy Tax (2)	Occupancy Tax (2)							
City of Alexandria	\$ (6,495.00)	\$ 10,757,586.44	\$ 817,337.89	\$ 15,458.88	\$ 11,583,888.21	\$ 3,475,166.46	\$ 1,365.37	\$ 3,128,913.10	\$ 347,618.73	\$ 3,476,531.83	
Arlington County	\$ (1,375.50)	\$ 17,468,741.37	\$ 57,654.27	\$ 23,971.42	\$ 17,548,991.56	\$ 5,264,697.47	\$ 1,950.52	\$ 4,719,380.38	\$ 547,267.61	\$ 5,266,647.99	
City of Fairfax	\$ -	\$ 4,960,180.58	\$ 198,147.53	\$ 5,968.22	\$ 5,164,296.33	\$ 1,549,288.90	\$ 585.16	\$ 1,397,692.41	\$ 152,181.65	\$ 1,549,874.06	
Fairfax County	\$ (742.50)	\$ 72,786,454.73	\$ 2,447,690.11	\$ 99,100.52	\$ 75,332,502.86	\$ 22,599,750.86	\$ 8,192.19	\$ 20,626,630.08	\$ 1,981,312.97	\$ 22,607,943.05	
City of Falls Church	\$ -	\$ 1,807,789.67	\$ 43,190.77	\$ 2,347.49	\$ 1,853,327.93	\$ 555,998.38	\$ 195.05	\$ 498,447.49	\$ 57,745.94	\$ 556,193.43	
Loudoun County	\$ -	\$ 33,919,960.16	\$ 247,485.80	\$ 45,775.70	\$ 34,213,221.66	\$ 10,263,966.50	\$ 3,706.00	\$ 9,314,900.46	\$ 952,772.04	\$ 10,267,672.50	
City of Manassas	\$ -	\$ 3,218,555.47	\$ 8,244.03	\$ 4,669.56	\$ 3,231,469.06	\$ 969,440.72	\$ 390.10	\$ 935,401.22	\$ 34,429.60	\$ 969,830.82	
City of Manassas Park	\$ -	\$ 973,224.59	\$ -	\$ 1,235.55	\$ 974,460.14	\$ 292,338.04	\$ 195.06	\$ 262,811.27	\$ 29,721.83	\$ 292,533.10	
Prince William County	\$ (25,150.50)	\$ 26,174,990.71	\$ 170,199.43	\$ 33,811.01	\$ 26,353,850.65	\$ 7,906,155.20	\$ 2,925.79	\$ 7,032,939.61	\$ 876,141.38	\$ 7,909,080.99	
Total Revenue	\$ (33,763.50)	\$ 172,067,483.72	\$ 3,989,949.83	\$ 232,338.35	\$ 176,256,008.40	\$ 52,876,802.53	\$ 19,505.24	\$ 47,917,116.02	\$ 4,979,191.75	\$ 52,896,307.77	

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

2 County TOT includes any town collections

3 Interest earned through 3/31/2019



ATTACHMENT D

NVTA Sales Tax Revenue Forecast 2014-2019: Model Observations

Winters' Exponential Smoothing Forecasts for Sales Tax

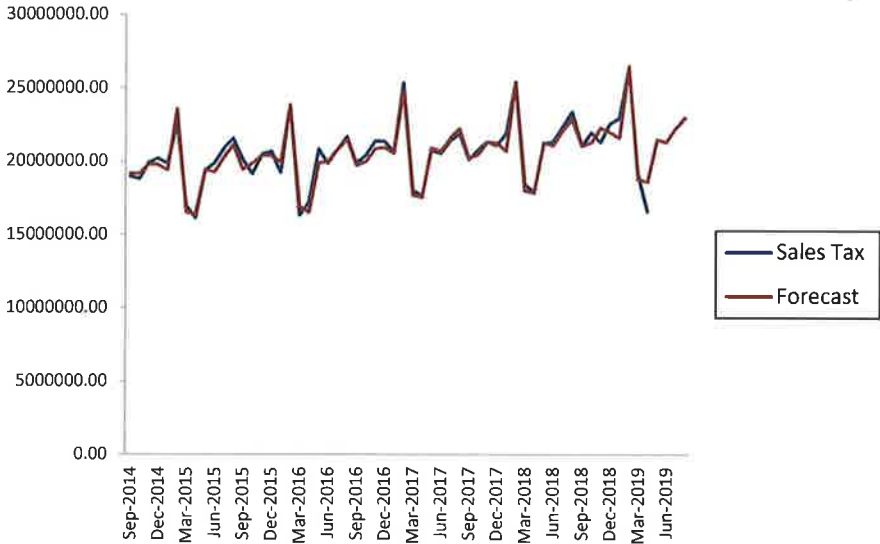
Forecasting Constants (Optimized)

Level (Alpha)	0.270
Trend (Beta)	0.000
Season (Gamma)	0.000

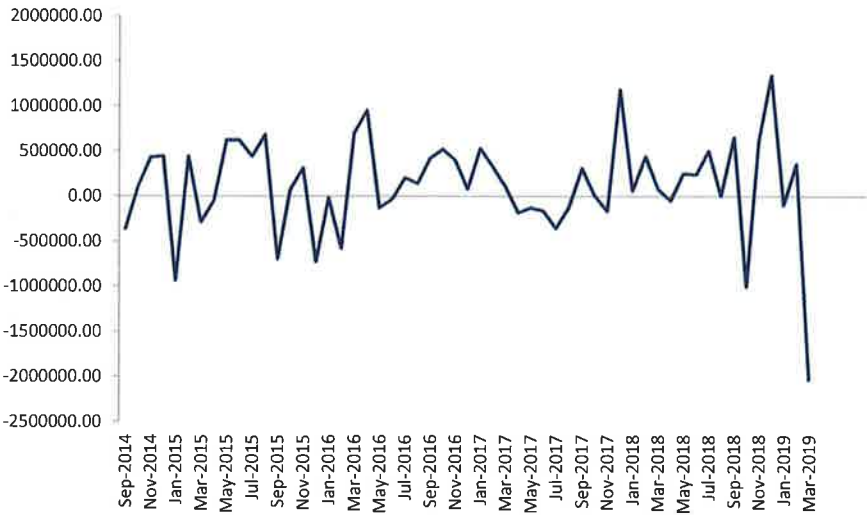
Winters' Exponential

Mean Abs Err	\$414459.85
Root Mean Sq Err	\$561502.12
Mean Abs Per% Err	2.06%

Forecast and Original Observations



Forecast Errors



NVTA Sales Tax Revenue Forecast: Model vs Actual vs Projection

FY	Forecasting Data	Sales Tax	Level	Trend	Season	Monthly Forecast	Error	Model Forecast	Actual/Projected
	Sep-2014	\$18,968,351	\$19,407,356	5,873	0.98	\$19,183,079			
	Oct-2014	\$18,822,931	\$19,314,995	5,863	0.99	\$19,183,079	-360,148		
	Nov-2014	\$19,914,947	\$19,348,475	5,866	1.03	\$19,809,887	105,060		
	Dec-2014	\$20,219,972	\$19,469,131	5,878	1.02	\$19,784,610	435,363		
	Jan-2015	\$19,873,399	\$19,595,786	5,890	1.00	\$19,426,413	446,986		
	Feb-2015	\$22,643,816	\$19,392,502	5,869	1.20	\$23,577,298	-933,483		
	Mar-2015	\$16,985,971	\$19,540,128	5,883	0.85	\$16,537,586	448,384		
	Apr-2015	\$16,145,806	\$19,455,555	5,874	0.84	\$16,427,878	-282,072		
	May-2015	\$19,400,762	\$19,447,879	5,873	1.00	\$19,451,005	-50,243		
	Jun-2015	\$19,911,111	\$19,624,504	5,890	0.99	\$19,283,144	627,967		
	Jul-2015	\$20,940,645	\$19,792,961	5,907	1.03	\$20,316,411	624,234		
FY15	Aug-2015	\$21,588,047	\$19,910,782	5,919	1.07	\$21,144,605	443,442	\$234,124,995	\$235,415,757
	Sep-2015	\$20,154,879	\$20,106,621	5,939	0.98	\$19,466,174	688,705		
	Oct-2015	\$19,177,526	\$19,922,572	5,919	0.99	\$19,874,061	-696,535		
	Nov-2015	\$20,508,627	\$19,948,393	5,921	1.03	\$20,432,916	75,711		
	Dec-2015	\$20,712,668	\$20,037,284	5,930	1.02	\$20,397,989	314,679		
	Jan-2016	\$19,270,671	\$19,847,966	5,909	1.00	\$19,993,270	-722,599		
	Feb-2016	\$23,866,378	\$19,850,711	5,909	1.20	\$23,880,502	-14,124		
	Mar-2016	\$16,351,279	\$19,674,186	5,890	0.85	\$16,928,325	-577,047		
	Apr-2016	\$17,247,150	\$19,906,685	5,913	0.84	\$16,540,512	706,638		
	May-2016	\$20,858,424	\$20,170,540	5,940	1.00	\$19,901,926	956,499		
	Jun-2016	\$19,873,223	\$20,142,108	5,937	0.99	\$19,999,633	-126,409		
	Jul-2016	\$20,821,029	\$20,139,914	5,936	1.03	\$20,852,249	-31,220		
FY16	Aug-2016	\$21,721,720	\$20,197,960	5,941	1.07	\$21,515,240	206,479	\$239,782,797	\$240,563,575
	Sep-2016	\$19,892,909	\$20,244,142	5,945	0.98	\$19,746,985	145,924		
	Oct-2016	\$20,435,418	\$20,366,167	5,958	0.99	\$20,009,848	425,569		
	Nov-2016	\$21,411,276	\$20,509,735	5,972	1.03	\$20,887,791	523,484		
	Dec-2016	\$21,374,345	\$20,621,813	5,983	1.02	\$20,971,914	402,432		
	Jan-2017	\$20,662,676	\$20,651,140	5,985	1.00	\$20,576,280	86,395		
	Feb-2017	\$25,380,045	\$20,776,647	5,998	1.20	\$24,846,660	533,385		
	Mar-2017	\$18,045,813	\$20,886,380	6,008	0.85	\$17,717,694	328,118		
	Apr-2017	\$17,668,068	\$20,927,192	6,012	0.84	\$17,559,538	108,530		
	May-2017	\$20,741,413	\$20,884,469	6,007	1.00	\$20,922,137	-180,724		
	Jun-2017	\$20,580,028	\$20,855,855	6,003	0.99	\$20,707,350	-127,322		
	Jul-2017	\$21,431,305	\$20,820,268	5,999	1.03	\$21,591,007	-159,702		
FY17	Aug-2017	\$21,886,505	\$20,736,565	5,990	1.07	\$22,241,941	-355,436	\$247,779,146	\$249,509,800
	Sep-2017	\$20,154,895	\$20,709,854	5,986	0.98	\$20,273,480	-118,585		
	Oct-2017	\$20,786,302	\$20,802,077	5,995	0.99	\$20,470,142	316,160		
	Nov-2017	\$21,343,035	\$20,810,222	5,996	1.03	\$21,334,856	8,179		
	Dec-2017	\$21,115,955	\$20,773,184	5,991	1.02	\$21,279,170	-163,215		
	Jan-2018	\$21,915,159	\$21,100,138	6,024	1.00	\$20,727,294	1,187,864		
	Feb-2018	\$25,453,243	\$21,121,040	6,026	1.20	\$25,386,851	66,392		
	Mar-2018	\$18,454,178	\$21,267,060	6,041	0.85	\$18,011,372	442,806		
	Apr-2018	\$17,961,788	\$21,299,478	6,043	0.84	\$17,879,534	82,254		
	May-2018	\$21,248,451	\$21,293,176	6,042	1.00	\$21,294,229	-45,777		
	Jun-2018	\$21,365,954	\$21,368,138	6,049	0.99	\$21,112,490	253,464		
	Jul-2018	\$22,367,630	\$21,438,360	6,056	1.03	\$22,121,217	246,414		
FY18	Aug-2018	\$23,408,269	\$21,572,171	6,069	1.07	\$22,902,051	506,217	\$252,792,686	\$255,574,859
	Sep-2018	\$21,094,228	\$21,579,338	6,069	0.98	\$21,090,248	3,980		
	Oct-2018	\$21,988,381	\$21,765,139	6,088	0.99	\$21,329,446	658,935		
	Nov-2018	\$21,319,899	\$21,507,698	6,060	1.03	\$22,322,395	-1,002,497		
	Dec-2018	\$22,602,475	\$21,674,667	6,077	1.02	\$21,992,198	610,277		
	Jan-2019	\$22,970,789	\$22,043,889	6,115	1.00	\$21,626,800	1,343,989		
	Feb-2019	\$26,427,801	\$22,028,867	6,113	1.20	\$26,522,130	-94,330		
	Mar-2019	\$19,145,454	\$22,148,791	6,125	0.85	\$18,785,463	359,991		

	Apr-2019	\$16,587,775	\$21,502,991	6,057	0.84	\$18,620,692	-2,032,917	
	May-2019					\$21,497,641		
	Jun-2019					\$21,326,523		
	Jul-2019					\$22,273,366		
FY19	Aug-2019					\$22,990,561	\$260,377,464	\$258,926,224*

*Current Fiscal Year in Projection

Prior FY's are Actuals

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

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

FROM: Michael Longhi, Chief Financial Officer

DATE: May 10, 2019

SUBJECT: NVTA Operating Budget

-
1. **Purpose:** To update the Northern Virginia Transportation Authority (NVTA) 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 April 30, 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. April 2019 represents 83% of the fiscal year. Through April 30, 2019, the Authority has utilized 75% 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 training phase.
 - d. The attached statement shows the operating budget income and expenditure activity through April 30, 2019 for FY2019.

Attachment: FY2019 Operating Budget through April 30, 2019

1000 General Fund

Account Object	Description	----- Current Year -----				%
		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	85,133.36	905,231.07	1,151,522.00	246,290.93	79
130	Health & Dental Benefits	13,608.80	150,147.60	160,224.00	10,076.40	94
131	Payroll Taxes	6,248.88	59,596.92	88,241.00	28,644.08	68
132	Retirement VRS	7,376.55	68,012.08	90,687.00	22,674.92	75
133	Life Insurance	1,208.18	10,680.39	14,998.00	4,317.61	71
134	Flex Spending/Dependent Care	41.33	382.47	685.00	302.53	56
135	Workers Comp		1,212.00	1,267.00	55.00	96
137	Disability Insurance	373.00	13,046.09	16,641.00	3,594.91	78
	Total Account	113,990.10	1,208,308.62	1,524,265.00	315,956.38	79
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	103.38	1,539.42	1,800.00	260.58	86
260	Public Outreach & Regional Event Support	254.40	26,247.40	37,500.00	11,252.60	70
261	Legal/Bond Counsel Services	378.00	6,138.00	65,000.00	58,862.00	9
262	Financial Advisory Services	45,455.83	61,497.83	75,000.00	13,502.17	82
263	Bond Trustee Fees		2,687.50	2,700.00	12.50	100
264	Legislative Services	7,100.00	56,106.00	62,000.00	5,894.00	90
265	Investment Custody Svc	5,000.00	15,220.00	25,000.00	9,780.00	61
	Total Account	58,291.61	192,227.15	304,155.00	111,927.85	63
430000	Technology/Communication					
310	Acctg & Financial Report Systems	7,486.00	36,763.81	52,281.31	15,517.50	70
320	HW SW & Peripheral Purchase		5,165.00		-5,165.00	
330	IT Support Svc Incl Hosting	1,782.56	18,130.67	19,631.00	1,500.33	92
335	GIS/Project Mgt/Modeling	500.00	6,988.62	69,316.00	62,327.38	10
340	Phone Service	569.15	5,802.09	7,920.00	2,117.91	73
350	Web Develop & Hosting	12.90	5,493.27	7,897.00	2,403.73	70
	Total Account	10,350.61	78,343.46	157,045.31	78,701.85	50
440000	Administrative Expenses					
410	Advertisement		200.00	1,500.00	1,300.00	13
411	Dues & Subscriptions	27.98	6,486.12	6,890.00	403.88	94
412	Duplication & Printing		8,025.82	15,640.00	7,614.18	51
414	Hosted Meeting Expenses	99.18	1,921.56	3,600.00	1,678.44	53
415	Mileage/Transportation	160.00	3,699.00	10,950.00	7,251.00	34

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY
Income Statement
For the Accounting Period: 4 / 19

1000 General Fund

Account Object	Description	----- Current Year -----				%
		Current Month	Current YTD	Budget	Variance	
417	Office Lease		114,752.45	138,406.00	23,653.55	83
418	Office Supplies	1,446.55	6,267.64	6,400.00	132.36	98
419	Postage & Delivery		114.26	700.00	585.74	16
420	Professional Develop & Training	3,702.65	7,508.73	12,920.00	5,411.27	58
421	Industry Conferences		5,601.55	6,500.00	898.45	86
	Total Account	5,436.36	154,577.13	203,506.00	48,928.87	76
	Total Expenses	188,068.68	1,633,456.36	2,188,971.31	555,514.95	75
	Net Income from Operations	-188,068.68	569,792.64			
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	-188,068.68	567,281.33			

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman Parrish and Members of the NVTA Finance Committee

FROM: Michael Longhi, Chief Financial Officer

DATE: May 10, 2019

SUBJECT: Financial Activities Outline

- 1) Purpose.** To provide the Northern Virginia Transportation Authority (NVTA) Finance Committee an outline of the Authority's finance team's planned activities over the next several months.
- 2) Background.** Over the next several months the NVTA finance team will be occupied with several important activities. Many of these activities will be presented to the Committee as action items or reports at the September meeting. The following is a list of major initiatives that the finance team will be working on in addition to their routine duties:
 - a) Annual Audit**
 - b) Recruiting, selection and on-boarding of the FY2020 approved Financial Analyst.**
 - c) Phase II of the Project Information Monitoring and Management System.**
 - d) Revisions to the Annual 30% Funds Certification forms to:**
 - i) Increase transparency of Town fund balances.**
 - ii) Ensure adequacy and preparation of staffing charges.**
 - e) Policy revisions related to SB1716 (2019) revenues.**
 - i) Policy 19 – Distribution of 30% Funds.**
 - ii) Policy 20 – Regional Revenue Funds (70%).**
 - f) Direct Purchases of Investments Analysis and Recommendation.**