

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chair Phyllis J. Randall and Members
Northern Virginia Transportation Authority

FROM: Mayor Parrish, Chairman – NVTA Finance Committee

DATE: February 6, 2020

SUBJECT: Finance Committee Report of the January 16, 2020 Meeting

1. **Purpose:** To provide the Northern Virginia Transportation Authority (NVTA) with a report of Finance Committee (Committee) activities.
2. **Background:** The Finance Committee last met on Thursday, January 16, 2020. The next meeting is scheduled for Thursday, February 20, 2020 at 1:00 PM. The following summarizes the January 16th meeting.
3. **Presentation – Bloomberg Direct/Annual Best Ex Review.** The Committee received a presentation from Mr. Stavros, Investment and Debt Manager. The presentation demonstrated the use of the investment tools and subscription services recommended by the Finance Committee and approved by the Authority. The demonstration showed how the tools provide real time market and best price information for the management of the Authority's \$1 billion investment portfolio. Additionally, staff showed how purchase transactions are evaluated quantitatively against immediate market prices creating a feedback loop. The evaluation reports measure which firms and brokers provided best price execution. This service is used to refine broker interaction to achieve the best pricing in future transactions.
4. **Action Items:**
 - a. **Finance Committee Meeting Schedule for CY2020:** The Committee adopted a meeting schedule for CY2020. Meetings are planned for the third Thursday of the month at 1PM.
5. **Information/Discussion Items:**
 - a. **FY2021 Budget Guidance.** The Committee received and discussed material from NVTA staff and provided guidance in the development of the Operation, Regional Revenue Fund and Local Distribution Fund budgets for FY2021.
 - b. **Policy 29 Report.** The Committee received a verbal report on the status of previously reported projects with Policy 29 concerns. The Committee will receive ongoing reports at its February meeting.
 - c. **Investment Portfolio Report.** The report to the Committee noted that the portfolio is beating investment benchmarks even though the fixed income market has experienced

significant rate declines over the reporting period. NVTA staff reported the strong earnings were significantly related to the technology and subscription service investments recently endorsed by the Finance Committee and approved by the Authority.

- d. Monthly Revenue Report.** The report received and discussed by the Committee reflected revenue received through December 2019.
 - i.** Sales Tax receipts reflected strong performance of 7.5% above projections, with approximately 4.5% of that credited to the implementation of the 'Internet Sales Tax'.
 - ii.** Staff expressed concern that the revenue related to Heavy Truck Registration and Diesel Fuel (SB1716), commonly referred to as I-81 revenue, has not materialized at the level to support Commonwealth's projections for FY2020. This revenue is currently on a year-end trajectory of \$2.4 million, well below the Commonwealth projected receipts of \$9.4 million.
 - iii.** The latest communication from the Commonwealth indicated that some transaction problems will be resolved and an unspecified amount of backlogged revenue will be reflected in the February receipts.
- e. NVTA Operating Budget.** The report received and discussed showed the Operating Budget was within expected parameters with no changes expected for the fiscal year.