

# NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

## MEMORANDUM

**TO:** Chair Randall and Members  
Northern Virginia Transportation Authority

**FROM:** Mayor Rishell, Chair - Finance Committee

**DATE:** April 1, 2021

**SUBJECT:** FY2022 Operating Budget

---

- 1. Purpose:** To seek the Northern Virginia Transportation Authority (NVTA) adoption of the proposed FY2022 NVTA Operating Budget as recommended by the Finance Committee and outlined below.
- 2. Suggested Motion:** *I move the Finance Committee recommend Authority adoption of the proposed FY2022 Operating Budget as presented in Attachment 1.*

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

- 3. Background:** Due to the unusual nature of the COVID-19 Pandemic on the economy and the processes followed to conduct business, some of the Authority's expense categories were not fully utilized during FY2021. This resulted in a \$140,000 carry forward to FY2022 which will be used to reduce FY2022 expenses.
  - The Investment and Debt Manager position has been vacant for the majority of the year.
  - Many of the Public Outreach events for FY2022 have been canceled or transitioned to a virtual event.
  - Duplication & Printing, Staff Mileage/Travel and Office Supplies costs are drastically reduced due to the transition of virtual meetings and events.
- 4. FY2020 Operations Base Budget Changes:**
  - A. Personnel Expenditures:**
    - 1. Salaries-Regular Pay:**
      - Staff compensation changes will be based on the annual increases adopted in NVTA member jurisdiction and agencies FY2022 budgets.
      - Member jurisdictions have not finalized their FY2022 budgets, therefore, a 3% increase is proposed to be programmed in the base budget for estimation purposes.

- Maximum COLA and average annual performance increases will be consistent with member jurisdictions. An analysis will be undertaken once jurisdictions have passed their FY2022 Operating Budgets.
- Due to the vacancy of the Investment & Debt Manager position for over half the fiscal year, a net of \$55,000 has been carried forward to offset the FY2022 budget.

**2. Health & Dental Benefits:**

- NVTA's benefit rate increases/decreases are based on the experience (claims) of the Commonwealth's, The Local Choice, participant pool of approximately 60,000 employees, retirees and family members.
- NVTA is not projected to receive an increase in benefit premiums for FY2022. Premiums increased 4.8% during FY2021.
- For FY2022, staff members may elect NVTA coverage changes during the open enrollment period. Any elections are unknown at this time and not budgeted.

**3. Retirement – Virginia Retirement System (VRS):**

- Based on NVTA's most recent VRS actuarial study, the FY2021 and FY2022 contribution rate remains at 7.50%.
- The VRS forward looking investment performance rate has been reduced. This reduction will lead to higher, but more predictable contribution rates.
- The Authority fully funds the annually required contribution for VRS each fiscal year.

**4. Life & Disability Insurance:**

- This insurance type is priced using salaries and age tiers.

**B. Professional Service Changes:**

**5. Insurance:**

- NVTA's general liability, causality, cyber, officers and director's insurance renewal for FY2021 was higher than projected due to the doubling of the Cyber Security Liability rates from VRSA. The FY2022 premium rates will not be available until after June 2021. The FY2022 base budget includes an estimated 5% increase above the FY2021 renewal.

**6. Public Outreach & Regional Event Support:**

- For FY2022, this line decreased approximately \$10,000 due to one-time costs included last year and increased slightly, due to inflationary increases. Resulting in a net decrease of \$9,168. Due to the transition to virtual events and cancellations, \$39,000 of FY2021 budget has been carried forward to offset the FY2022 budget.

**7. Legal Services/Bond Counsel:**

- Bond Counsel is the only legal service currently obtained under this budget line, \$5,000 is carried forward to offset the FY2022 budget.

- Based on prior experience, this budget line remains unchanged.

**8. Financial Advisory Services:**

- Contractually required escalation.

**9. Legislative Services:**

- The current legislative service contract was renewed in FY2021. The increase reflects a new contract base and contractually required escalation.

**C. Technology/Communications:**

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

- We have canceled several investment subscription services while the Investment and Debt Manager position has been vacant.
- An annual Bloomberg Anywhere subscription with a cost of \$24,822 has been added to FY2022 for the temporary investment consultant who will be advising on the Authority's investments and providing training/mentoring.
- The budget line also includes the annual costs for:
  - Black Mountain, the General Ledger/Financial Reporting System
  - Tracker, the Portfolio Management System.
- The net change is a budget decrease of \$16,662.

**11. IT Support Service & Hosting:** FY2022 includes a 3% increase for the third-party network hosting and management contract, these increases typically occur once every three years. However, expanded data storage and server processing capacity can increase expenses year to year. It also includes the SSL Certification renewal that occurs every 3 years.

**12. GIS/Project Monitoring & Management/Modeling:**

- The FY2021 Budget included onetime funding for Phase 3 of the Project Implementation, Monitoring and Management System (PIMMS).
- The FY2022 budget for this line item reflects a baseline increase of \$1,643 related to contractual and inflationary increases for website and PIMMS maintenance, hosting and data storage.

**13. Phone Service:**

- The FY2022 includes \$1,750 for the addition of the WebEx licenses that were an integral part of business operations during FY2021.
- The remaining \$274 reflects increases in NVTA's conference line and mobile phone service.

**D. Administrative Expenses:**

**14. Duplication and Printing:** Due to the move to virtual public meetings during FY2021, \$5,000 of the FY2021 budget was carried forward to FY2022.

- 15. Hosted Meetings:** Due to the move to virtual public meetings and virtual attendance during FY2021, \$3,000 of the FY2021 budget was carried forward to FY2022.
- 16. Mileage/Transportation:** Due to the move to virtual meetings, public hearings and other transportation related meetings, \$10,000 of FY2021 budget was carried over to FY2022.
- 17. Office Lease:** FY2022 reflects a contracted renewal increase of 2.5% or \$4,329.
- 18. Office Supplies:** Due to virtual public meetings and the reduction of printing meeting packets, \$5,000 of FY2021 budget was carried forward to FY2022.

**E. Operating Reserve:**

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

**D. Equipment Replacement Reserve:**

- 20.** Based on the life cycle of newly acquired and recently replaced equipment, a \$4,500 contribution to the equipment reserve is necessary. The equipment reserve level is a management recommendation based predominately on the equipment depreciation schedule and practical experience.

- 5. FY2022 Proposed Budget Initiatives:** The proposed FY2022 Operating Budget includes one initiative, Project Implementation Management and Monitoring System (PIMMS) Phase 4.

**E. GIS/Project Monitoring & Management/Modeling:** The sole FY2022 initiative impacts this budget line. This initiative, presented below, supports the Authority's Strategic plan in the areas of:

- *Goal I – Regional Prosperity; compile objective independent research.*
- *Goal II – Mobility; performance dashboard, expanded analytical capabilities building to travel demand forecasting and model simulations.*
- *Goal III – Innovation; plan for emerging transportation technologies and related trends.*
- *Goal IV – Funding; ensure fulfillment of project scope, implementation of a project monitoring system, implementation of a cost-effective online project application system.*

**21. Project Information Monitoring and Management System (PIMMS):**

Enhancements to PIMMS are requested in response to Authority Members suggestions at the Dashboard rollout and NVTA staff as well as jurisdiction and agency staff. The cost of the enhancements is \$130,000 (with project contingency) and will provide the functional improvements listed below, as well as more technical improvements to allow reconciliation of the PIMMS financial information with the Authority's accounting system. Please see Attachment 6b for further information.

If Phase 4 is approved, several of the functional components that are public facing dashboard improvements will be moved to Phase 3, where technically feasible, in order to improve the public and jurisdiction staff user experience.

- Improve map layers and jurisdiction boundaries. (Authority requested dashboard improvement.)
- Allow tracking and display of non-NVTA funds such as Federal/State/Local etc., with subcategories. (Authority requested dashboard improvement.)
- Enable linkage to jurisdiction/agency project websites. (Authority requested dashboard improvement.)
- Add functionality to allow localities to make change requests. (Jurisdiction request)
- Develop five (5) additional action-based alerts for:
  - When a jurisdiction submits reimbursement request or appendix revision
  - When finance team completes its review and pass it on to planning team
  - When planning team completes its review and signs the form
  - When CFO approves the payment
  - When wire transfer is executed.
- Add the farthest NVTA-funded phase and completion dates to the project dashboard display
- Include addition filters for the project status, including “Funded/Appropriated Projects”
- Include the ability for Reimbursement Requests and updated Appendix A and B documentation to be digitally signed.
- Develop a report for outstanding Appendix A/B requests, including an interface to filter records based on date range, SPA number, and project sponsor.
- Develop a report to replace the Project Tracking Report. This report would list the date submitted, date paid, SPA number, request number, requested amount and questions and communications between NVTA and Sponsor as well as unpaid requests.
- Develop a report to replace the Excel Cash Flow report, which will include the
  - PIMMS number,
  - SPA and SPA-legacy number, agency,
  - SPA Description,
  - fiscal year approved funding,
  - amount paid to date,
  - percent complete, and
  - the quarterly breakdown by fiscal year

**Attachments:** 6a. Base/Proposed FY2022 Operating Budget  
6b. Expanded Explanation for Phase 4 of PIMMS

# Attachment

Northern Virginia Transportation Authority Base/Proposed FY2022 Operating Budget						
INCOME:	Adopted Budget FY2021	Proposed Base Budget FY2022	Budget Note	Adopted Budget FY2022	Budget Note	Change \$
Budget Carryforward including Operating Reserve	\$ 665,477	\$ 734,938		\$ 734,938		\$ 69,461
330100 Contribution Member Jurisdiction						
330000 Other Income						
<b>Total Income</b>	<b>\$ 665,477</b>	<b>\$ 734,938</b>		<b>\$ 734,938</b>		<b>\$ 69,461</b>
<b>EXPENDITURES:</b>						
<b>410000 Personnel Expenditures</b>						
110 Salaries-Regular Pay	\$ 1,524,072	\$ 1,552,741	1	\$ 1,552,741		\$ 28,668
130 Health & Dental Benefits	247,968	232,013	2	232,013		(15,955)
131 Payroll Taxes	118,210	118,890	1	118,890		680
132 Retirement VRS	124,506	127,439	3	127,439		2,932
133 Life Insurance	20,331	20,807	4	20,807		476
134 Flex Spending/Dependent Care	881	881		881		-
135 Workers Comp	1,698	1,708	1	1,708		10
137 Disability Insurance	18,196	18,834	4	18,834		638
<b>Personnel Subtotal</b>	<b>\$ 2,055,863</b>	<b>\$ 2,073,312</b>		<b>\$ 2,073,312</b>		<b>\$ 17,450</b>
<b>420000 Professional Service</b>						
210 Audit & Accounting	\$ 29,500	\$ 29,500		\$ 29,500		\$ -
220 Bank Service	750	750		750		-
230 Insurance	6,385	7,835	5	7,835		1,450
240 Payroll Service	2,606	2,636		2,636		30
260 Public Outreach & Regional Event Support	59,093	49,925	6	49,925		(9,168)
261 Legal Services/Bond Counsel	10,000	10,000	7	10,000		-
262 Financial Advisor Services	35,875	36,951	8	36,951		1,076
263 Bond Trustee Fees	2,700	2,700		2,700		-
264 Legislative Services	70,000	78,690	9	78,690		8,690
265 Investment Custody Fees	25,000	25,000		25,000		-
<b>Professional Subtotal</b>	<b>\$ 241,909</b>	<b>\$ 243,987</b>		<b>\$ 243,987</b>		<b>\$ 2,078</b>
<b>430000 Technology/Communication</b>						
310 GL Financial Reporting & Invest Monitoring/Mgt Systems	\$ 111,347	\$ 94,685	10	\$ 94,685		\$ (16,662)
320 HW SW & Peripheral Purchase	-	-		-		-
330 IT Support Svc Incl Hosting	24,295	29,304	11	29,304		5,009
335 GIS/Project Monitoring & Management/Modeling	136,679	29,728	12	159,728	21	23,049
340 Phone Service	11,136	13,160	13	13,160		2,024
350 Web Development & Hosting	9,756	9,185		9,185		(571)
<b>Subtotal Technology/Communication</b>	<b>\$ 293,213</b>	<b>\$ 176,062</b>		<b>\$ 306,062</b>		<b>\$ 12,849</b>
<b>440000 Administrative Expenses</b>						
410 Advertisement	\$ 1,500	\$ 1,500		\$ 1,500		\$ -
411 Memberships & Subscriptions	10,544	10,544		10,544		-
412 Duplication & Printing	14,610	13,610	14	13,610		(1,000)
413 Furniture & Fixture	-	-		-		-
414 Hosted Meetings	5,000	4,500	15	4,500		(500)
415 Mileage/Transportation	11,450	11,000	16	11,000		(450)
416 Misc Expenses	-	-		-		-
417 Office Lease	173,256	177,586	17	177,586		4,329
418 Office Supplies	8,065	7,100	18	7,100		(965)
419 Postage & Delivery	700	700		700		-
420 Professional Develop, Training & Conferences	23,650	23,650		23,650		-
<b>Subtotal Administrative Expenses</b>	<b>\$ 248,775</b>	<b>\$ 250,190</b>		<b>\$ 250,190</b>		<b>\$ 1,414</b>
<b>Expenditure Subtotal</b>	<b>2,839,760</b>	<b>2,743,551</b>		<b>2,873,551</b>		<b>33,792</b>
<b>Operating Reserve (20%)</b>	<b>\$ 567,952</b>	<b>\$ 548,710</b>	<b>19</b>	<b>\$ 574,710</b>	<b>19</b>	<b>\$ 6,758</b>
<b>Equipment Replacement Reserve</b>	<b>26,986</b>	<b>31,486</b>	<b>20</b>	<b>\$ 31,486</b>	<b>20</b>	<b>4,500</b>
<b>Reserve Subtotal</b>	<b>594,938</b>	<b>580,196</b>		<b>606,196</b>		<b>\$ 11,259</b>
<b>Total Expenditures</b>	<b>\$ 3,434,697</b>	<b>\$ 3,323,747</b>		<b>\$ 3,479,747</b>		<b>\$ 45,050</b>
<b>Net Expenditures</b>						
<b>Transfer From Regional Revenue Fund</b>	<b>\$ 2,769,220</b>	<b>\$ 2,588,809</b>		<b>\$ 2,744,809</b>		<b>\$ (24,411)</b>
<b>One Time Costs of Initiatives:</b>						\$ 130,000
<b>Net FY21 to FY22 Base Budget Growth:</b>						\$ (154,411)

Adopted: April 8, 2021

# Attachment 2

## **Expanded Explanation for Phase 4 of PIMMS**

### **Enhancement to NOVA Gateway Dashboard**

PIMMS Phase 4 is required to enhance and support the public facing NOVA Gateway dashboard. The Phase 4 enhancements include an expansion of the data and functionality of the NOVA Gateway Dashboard and includes enhancements requested by the Authority during the NOVA Gateway presentation. Phase 4 will enable NVTA to administer and manage the layers displayed in the Dashboard mapping which will provide more detailed information for the public and allow NVTA to manage the display to meet the needs of the public. It will also add additional project details to the dashboard which will allow the public to access more details and the project's status all in one location rather than jumping between tabs and the project sponsor's website. The public will be able to see the project status, link to the project sponsor's local web page and have a direct link to NVTA's project description forms all in one place. It will add the farthest NVTA funded phase and completion dates to the dashboard. The dashboard will also include additional filters including "Funded/Appropriated Projects" to provide the public the ability sort the NVTA project data in multiple ways.

### **Project Implementation Management & Monitoring System (PIMMS)**

The NOVA Gateway Dashboard is supported and populated from data supplied and managed in PIMMS. This system manages the life of Authority funded projects. Since its inception, staff has been utilizing Microsoft products to develop and manage the Authority's funding programs. This is a tedious manual process for the project sponsors and the small NVTA staff which is time consuming and subject to error. The scope for the initial phases of the PIMMS system attempted to duplicate the manual processes. Phase 1 started with the application process used in the development of each funding program. The application process added checks and balances to the application process to increase the accuracy of the application and reduce the difficulties on both sides. The scope of Phase 2 & 3 added the ability to enter the Standard Project Agreements (SPA) and paid reimbursement requests to the system which generates the data to feed the NOVA Gateway Dashboard.

### **Phase 4 - Additional Information**

The scope of the first three phases was developed based on the manual processes and procedures utilized by staff. While Phase 2 was being implemented, staff realized PIMMS didn't include the proper internal controls to supply checks and balances required to reconcile the data in PIMMS to the Authority's financial system and audited reports. It also didn't include the proper alerts to ensure requests submitted by projects sponsors were processed timely. In order to confirm the accuracy of the data generated and displayed in the NOVA Gateway, reports are required to reconcile the PIMMS data with the financial systems and action-based alerts would be needed to ensure quick and timely response to project sponsors. Phase 4 will add the ability to generate several reports to aid in the monitoring of the Authority's funding programs and also reconcile the financial information with the Authority's financial system (the system of record) relied on for the annual external audit.

Phase 4 will also include the option for project sponsors to electronically sign reimbursement requests, which for many project sponsors will eliminate the manual process of printing Authority documents for



approval and then scanning the documents back to the NVTA staff. This need became apparent with remote work during the COVID-19 pandemic.