

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY**MEMORANDUM**

TO: Chair Randall and Members
Northern Virginia Transportation Authority

FROM: Mayor Rishell, Chair - Finance Committee

DATE: November 10, 2021

SUBJECT: FY2022 Mid-Year Operating Budget Adjustments

- 1. Purpose:** To seek the Northern Virginia Transportation Authority (NVTA) approval of the proposed FY2022 Mid-Year Operating Budget Adjustments as recommended by the Governance and Personnel and Finance Committees and outlined below.
- 2. Suggested Motion:** *I move Authority approval of the proposed FY2022 Operating Budget Adjustments as presented in the staff report.*
- 3. Background:** The NVTA Governance and Personnel Committee (GPC) and Finance Committee have separately reviewed staff proposals for two FY2022 Mid-Year Operating Budget Adjustments. The first of the proposed adjustments is to accelerate a FY2023 request to add a Communications and Marketing Coordinator. The second proposed adjustment supports a recommendation from the Chief Executive Officer (CEO) Position and Compensation Consultant Report. Both Committees were provided a fiscal analysis which presents funding sources for these initiatives which will not require the use of reserve funds or a transfer from the Regional Revenue (70%) Fund.
- 4. Communications and Marketing Coordinator:** This position was originally planned to be presented as a FY2023 budget initiative. However, the TransAction Update and developing the next Six Year Program requires public outreach, forecasted increasing ground breakings and ribbon cuttings and expanded social media demands. These combined with in-person and virtual Authority and Committee meeting support and other legislatively required public reports, has necessitated the earlier request for this position. The mid-year budget adjustment to support this request is \$78,546.
- 5. Assistant to the Chief Executive Officer:** The CEO Position and Compensation Consultant Report recommended additional, direct, professional level staff support for the Chief Executive Officer position. This position will provide better operation effectiveness and work/life balance for the CEO position as well as a level of position redundancy. This will allow the CEO to focus on external (to the office operation) regional consultations,

collaboration and coordination. The mid-year budget adjustment to support this position is \$70,438.

6. **Mid-Year Adjustment Budget Details:** The proposed mid-year budget adjustment details are presented below:

	Assistant to the CEO	Communication and Marketing Coordinator
Salary, Tax, Benefits, Insurance	52,743.34	60,851.00
Lease Space	\$ 8,195.00	\$ 8,195.00
1X Furn/Equipment	\$ 7,000.00	\$ 7,000.00
1X Setup	\$ 2,500.00	\$ 2,500.00
	70,438.34	78,546.00

7. **Mid-Year Adjustment Budget Funding:** Based on the just completed FY2021 Audited Financials, the Authority has adequate uncommitted fund balance to accommodate the request without using any reserves or additional operating transfers from the Regional Revenue Fund, as noted below:

Operations Budget Fund Balance	
\$ 390,000.00	FY2021 Ending Fund Balance
\$ 140,000.00	Committed to FY2022 Operations Budget
\$ 250,000.00	Uncommitted Fund Balance

Mid-Year Budget Adjustments	
\$ 70,438.34	Consultant Recommended Assistant to the CEO
\$ 78,546.00	Communications and Marketing Coordinator
\$ 148,984.34	Requested Mid Year Budget Adjustment*
\$ 101,015.66	Remaining Uncommitted Fund Balance**
*Costs include: Salary/Benefits, Lease Space and \$19,000 in One Time Costs	
**Funds Available to Support CEO Consultant Recommendations	

8. **Operating Budget Funding:**

1. The passage of SB1468, in the 2020 General Assembly, provided the Authority the ability to fund the Operating Budget from the Regional Revenue Fund. Previously,

- jurisdictions paid a population based proportionate share of this cost, typically through a deduction in their 30% Local Distribution Fund transfer.
2. The Operating Budget also generates revenue for the Authority, which accrues to the Regional Revenue Fund, in excess of the cost of operations as noted below:

Operating Budget Funding	
\$ 23,000,000	FY2020 Portfolio Earnings
\$ 2,963,793	FY2020 Operating Budget Transfer
	776% Earnings over Budget
\$ 6,200,000	FY2021 Portfolio Earnings
\$ 2,769,220	FY2021 Operating Budget Transfer
	224% Earnings over Budget
\$ 5,200,000	FY2022 Portfolio Earnings
\$ 2,744,809	FY2022 Operating Budget Transfer
	189% Earnings over Budget