



Northern Virginia Transportation Authority

The Authority for Transportation in Northern Virginia

FINANCE COMMITTEE
Thursday, June 16, 2016 1:00PM
3040 Williams Drive, Suite 200
Fairfax, VA 22031

AGENDA

I. Call to Order/Welcome Chairman Parrish

II. Summary Minutes of the May 19, 2016 Meeting
*Recommended action: Approval [with abstentions
from those who were not present]*

Presentation

III. PBMares, LLP – Financial Auditing Services Mr. Garber, Partner

Action Items

IV. FY2017 Program Funding Recommendation Mr. Longhi, CFO
*Recommended Action: Recommend NVTA not exceed \$436,763,235 in funding for the
FY2017 Program.*

V. Revisions to Policy 17 – FY2017 Program First Drawdown Mr. Longhi, CFO
Recommended Action: Recommend NVTA Approval of Policy Revisions

Information/Discussion Items

VI. NVTA Monthly Revenue Report Mr. Longhi, CFO

VII. NVTA Operating Budget Report Mr. Longhi, CFO

VIII. Financial Activities Update – (no written report) Mr. Longhi, CFO

Adjournment

IX. Adjournment

Next Meeting: July 21, 2016 at 1:00PM
3040 Williams Drive, Suite 200, Fairfax, Virginia

**Northern Virginia Transportation Authority***The Authority for Transportation in Northern Virginia*

FINANCE COMMITTEE
Thursday, May 19, 2016 1:00PM
3040 Williams Drive, Suite 200
Fairfax, VA 22031

MEETING SUMMARY**I. Call to Order/Welcome**

Chairman Parrish

- Chairman Parrish called the meeting to order at 1:01pm.
- Attendees:
 - ✓ Members: Chairman Parrish; Chairman Bulova (arrived 1:12pm); Mayor Silberberg; Council Member Rishell.
 - ✓ Staff: Monica Backmon (Executive Director); Michael Longhi (CFO); Peggy Teal (Assistant Finance Officer); Camela Speer (Clerk).
 - ✓ Council of Counsels: Ellen Posner (Fairfax County).
 - ✓ Other Attendees: Tom Biesiadny (Fairfax County); Brent Riddle (Fairfax County); Penny Newquist (Loudoun); Peter Malgieri (Loudoun); Bob Brown (Loudoun); Carl Hampton (Prince William); Tim Leclerc (Prince William); Pierre Holloman (Alexandria); Sarah Crawford (Arlington); Joanne Carter (PFM); Kristy Choi (PFM); Melvin Waldrop (PFM); Maria Sinner (VDOT).

II. Summary Minutes of the March 3, 2016 Meeting

- Council Member Rishell moved approval of the minutes of March 3, 2016; seconded by Mayor Silberberg. Motion carried with two (2) yeas and one (1) abstention [Mayor Silberberg as she was not at the March meeting].

Presentation**III. Debt Scenarios & Capacity Analysis**Mr. Longhi, CFO
Ms. J. Carter, PFM

- Chairman Parrish stated that it has been suggested at the previous Authority meeting that the Finance Committee come to the Authority at its next meeting with a suggested funding amount for the FY2017 Program. He suggested that the Committee not make that recommendation today, for a variety of reasons, but predominately because the public hearing on the 24 candidate projects for the FY2017 Program will not occur until June 9th.
- Mr. Longhi invited Ms. Carter and Ms. Choi with Public Financial Management (PFM) to join him for the presentation. He echoed Chairman Parrish's sentiments, noting that this is a presentation on the Authority's Debt Scenarios & Capacity

Analysis. He requested that the Committee ask for any additional information or additional analysis from the financing team prior to making a financing recommendation to the Authority in June. Mr. Longhi noted there are three parts to the presentation:

- ✓ Preliminary FY2017 project funding timing outline.
- ✓ Update of last year's capacity analysis, with limited scenarios.
- ✓ Review of the funds requested in the FY2017 Program.
- Mr. Longhi added that this is very general information to give the Committee a sense of the steps necessary for various financing options and to provide an overview to new committee members.
- Mr. Longhi explained the funding decision process and finance planning timeline. He noted that several projects are eligible for capital funding. He added that several projects have additional funding sources and all sources will need to be in line as the Authority executes an approved funding plan. Mr. Longhi noted that the financing will support the Authority's project funding selections.
- Ms. Backmon added that the decision to enter the bond market is predicated on the Authority deciding to fund more projects than the available PayGo funds. She added there is \$267 million in FY2017 PayGo funds and almost \$668 million in project requests. She noted that NVTA staff had provided a recommended funding list and that all 24 candidate projects have been put out for public comment. Ms. Backmon added that the Authority can decide it does not want to enter the bond market at this time, as well. She noted this presentation is an update to the presentation that was made to the I-66 Outside the Beltway Committee last August and that this was being represented as questions were asked by new Authority members.
- Ms. Backmon clarified that the Finance Committee is not being asked to make a financing recommendation today, that this will be asked at the June Finance Committee meeting.

(Chairman Bulova arrived.)

- Mr. Longhi noted that he had received several questions about the debt service coverage, so Ms. Carter and Ms. Choi will review this during their presentation.
- Ms. Carter and Ms. Choi presented the analysis of NVTA's debt capacity.
 - ✓ NVTA has approximately \$68 million in outstanding debt, with very high credit ratings.
 - ✓ NVTA has ample debt capacity, but it is important to determine what level of debt capacity should be utilized. Existing revenue streams and financial policies and current credit ratings are used to determine this.
 - ✓ Key assumptions include issuance in FY2018; a similar structure to the FY2014 bonds; 20 year amortization with level debt service structure; current interest rates plus a ½ percent cushion; and the NVTA revenue forecast.
 - ✓ Analysis was done based on two project funding totals, \$200 million and \$250 million scenarios.
 - Reviewed the levels of debt service coverage in both scenarios.
 - Based on previous assumptions and estimated biennial issuances of \$163 million in the \$200 million scenario and \$158 million in the \$250 million

scenario, the NVTA has a debt capacity of \$1.6 billion through FY2037. Assumption issuance amounts are based on analysis of how much the NVTA could borrow over time and maintain its 2 times debt service coverage, based on previous issuance assumptions.

- PayGo capacity through FY2037 is \$3.9 billion.
- ✓ A question was raised as to whether additional scenarios were considered, for example \$300 million. Mr. Longhi responded that those numbers were considered in the August presentation, but that \$300 million seemed too high for this issuance. Ms. Carter explained the level of debt service on a \$300 million issuance. She noted that under this scenario, the biennial issuance amount would be \$150 million.
- ✓ It was clarified that the available PayGo funds decline over time based on the debt service coverage.
- ✓ A question was asked about the history of the NVTA debt policy. Mr. Longhi responded that many of the most conservative features of the member jurisdictions' debt policies were the basis for the NVTA debt policy. Ms. Carter explained that the policy was crafted prior to the NVTA having a bond rating, so the financial policy served the purpose of being an adopted, best foot forward representation to the credit agencies on how the NVTA intended to manage its finances. She added that the initial goal of the policy was to garner the best credit ratings possible to minimize financing costs. Mr. Longhi added that, as the analysis shows, we can have a very conservative financial policy and still have a tremendous amount of resources to use.
- ✓ Ms. Carter stated that another consideration in the capacity analysis is the protection of the NVTA's credit ratings. She noted the factors in place to protect this:
 - NVTA's debt policy.
 - NVTA's indenture documents that are in place to protect existing bond holders as NVTA continues to issue debt.
- ✓ Ms. Carter suggested that in terms of credit considerations, there is no negative credit pressure based on the borrowing scenarios presented. She added that the credit agencies anticipated the NVTA would actively leverage its revenue stream through future debt issuances and built this into the inaugural credit ratings.
- Ms. Carter summarized that the NVTA has significant debt capacity, and if it does choose to issue debt, it has significant PayGo capacity. She added that PFM believes there are no credit concerns and the proposed program would maintain compliance with debt service coverage costs.
- It was clarified that the available PayGo amount is impacted by the total bond issuance and the annual debt service amounts.
- Ms. Backmon noted that the FY2017 Program is the last under TransAction 2040 and it is anticipated that the next NVTA funding program will be a Six Year Program. She added that we need to be cognizant of how much we borrow now, in the event the Authority chooses to issue bonds.
- It was noted that the rating agencies don't see much difference between the two borrowing scenarios of \$200 million versus \$250 million.

- Mr. Longhi stated that it is important to have a balance of PayGo and bond funds as there are valid and worthy projects that are not eligible for bond funding.
- It was noted that there will be future needs that we cannot anticipate and we need to be aware that future funding decisions will be impacted by debt decisions made now.
- It was stated that HB 2313 gave the NVTa recurring revenue that can be leveraged for appropriate projects, so we need to adopt a very sound program that takes advantage of that opportunity, but is also conservative like our jurisdictions.
- Mr. Longhi stated that the Authority is at a one-time only point in time. The Finance Committee and ultimately the Authority is now determining the pace of programming funds in the future. Other than the FY2014 bonds, there is no earlier or outstanding debt. He noted this is the launching point and it is up to the Authority to decide how to use this.
- Chairman Parrish reminded the Committee that the Authority needs to determine what it wants to be when it grows up and this is one of those steps. He noted the Authority has a unique opportunity to make a real difference in Northern Virginia and we need to do it well. He added that there is not another entity like this and there are people throughout the nation that are watching the NVTa to see what we do and how we accomplish our mandate.
- A question was raised as to how an increase in regional income will impact the debt service coverage ratio. Ms. Carter explained that the revenue projections are very conservative assumptions, so increased incomes are possible and will improve the ratios.
- Ms. Carter explained that all assumptions in the analysis were for fixed rate bonds. It was asked if the assumed interest rates in the analysis could be impacted by the timing of the debt issuance. Ms. Carter responded that they could and this is a risk. If interest rates go up, it will reduce the NVTa debt capacity. She added that this analysis will be reviewed every year, based on long-term and short-term historical averages. Ms. Carter clarified that rate risk is inherent in the plan. Chairman Parrish suggested that based on this, some NVTa members might suggest we borrow the money today and not wait. Ms. Carter responded that we need to be careful to borrow at the right time and when the Authority needs the money.
- It was requested that four scenarios to be included in future presentations.
- Mr. Longhi reviewed the factors that should be considered for the use of this debt capacity for the FY2017 Program.
 - ✓ FY2017 Program is a one year program.
 - ✓ Last year that will use TransAction 2040 as the regional plan.
 - ✓ Update to TransAction is expected to be adopted in fall 2017.
 - ✓ The update will be the first NVTa regional plan that will have resources behind it. TransAction 2040 was not undertaken with a revenue stream available.
 - ✓ First Capital Improvement Plan (CIP) for FY2018-2023 will be based on the TransAction update.
 - ✓ Any resources, PayGo or debt capacity not committed in FY2017 will be available for FY2018 and beyond.

- Mr. Longhi noted that the Planning and Programming Committee (PPC) will meet on July 1 to consider project recommendations. He stated that the total funding request for candidate projects is \$668 million and the May 12, 2016, draft NVTA staff recommendation totals \$493 million. However, the Authority's contribution to the Route 28/I-66 Interchange project was capped at \$300 million, therefore, \$70 million must be backed out of these totals. This makes the current NVTA staff recommendation \$423 million. The available PayGo is \$266 million, leaving a gap of approximately \$156 million. Mr. Longhi added that these numbers will be updated upon the recommendation of the PPC.
- Mr. Longhi reviewed three levels of financing scenarios and related costs for the FY2017 Program. For comparison, he added the financing information for previous programs:
 - ✓ In the FY2014 Program, the Authority adopted \$196 million worth of projects. Of those, approximately \$74 million were debt financed.
 - ✓ In the FY2015-16 Program the Authority adopted \$346 million, approximately \$173 per year, funded through PayGo.
- Mr. Longhi concluded by asking the Committee members what additional information they would like prepared for their consideration at the next meeting.
- Chairman Parrish asked if there was anything the Committee should consider prior to the May NVTA meeting.
- Ms. Backmon stated that the Authority had adopted a non-binding resolution stating it would consider funding a project directly or indirectly related to the I-66 Outside the Beltway project. She explained that the I-66/Route 28 Interchange project was submitted to the NVTA's call-for-projects at a total cost of \$493 million. She added that the State has requested the public funds necessary for the I-66 Outside the Beltway project be a 50/50 split between the NVTA and the State. She noted that the State's draft Six Year Program shows this project proposed for funding at \$300 million. Ms. Backmon added that assuming this is the amount the State provides for funding, the I-66/Route 28 project cost would be adjusted to reduce it by \$70 million, reducing the overall total request for the FY2017 Program. She noted this is important because even without the \$70 million, there are not enough PayGo funds to fund every request. She added that it is anticipated that this adjustment will be made prior to the July 1, 2016, PPC meeting.
- Chairman Parrish suggested that the Finance Committee wait to make a recommendation on funding considerations until after the public comments are received.
- A brief conversation followed regarding the I-66/Route 28 Interchange project, how this fits into the I-66 Outside the Beltway project and how the Authority would fund the interchange as part of the larger I-66 project. It was noted that the NVTA's contribution had been capped by the State at \$300 million and that the Authority would not fund the project at an amount higher than the State was putting into the total project.

Action Items

- Mr. Longhi briefed the Committee on the option to adopt a lower Virginia Retirement System (VRS) annual contribution rate. He noted that the General Assembly has allowed VRS participants to opt to contribute a lower rate of 8.53% for FY2017, as compared to the current rate of 9.48%. He suggested the following reasons not to do this:
 - ✓ Will reduce the operating budget by approximately \$9000, but will increase our future liabilities by not only this amount, but the interest not earned on this amount.
 - ✓ Will have to recognized, based on the Government Accounting Standards Board's (GASB) supplementary information requirements, that we have an unfunded liability with growth from FY2017-18.
 - ✓ The original cost has already been budgeted.
- Mr. Longhi noted the decision of which rate to use rests with the governing body.
- Mr. Longhi noted the staff recommendation is that the Finance Committee recommend to the Authority that it not adopt the Alternate Employer Contribution Rate.
- Chairman Bulova moved that the Finance Committee recommend to the Authority that no action be taken to adopt the Alternate Employer Contribution Rate provided for in the 2016 Appropriation Act, Item 465(I); seconded by Council Member Rishell.
- A question was asked whether lowering the contribution rate would be a step toward underfunding the VRS fund. Mr. Longhi responded that it would be.
- Motion carried unanimously.

Information/Discussion Items

V. Draft Revisions to NVT A Policy 17- FY2017 Program First Drawdown

Mr. Longhi, CFO

- Mr. Longhi briefed the Committee on the draft revisions to Policy 17–FY2017 Program Drawdown Policy. He noted the following:
 - ✓ Policy 17 only applies to the FY2017 Program.
 - ✓ Policy 17 requires that the first drawdown for a project approved as part of the FY2017 Program must be made by June 30, 2019; and attempts to measure project progress based on the first request for expense reimbursement.
 - ✓ This policy works in conjunction with Policy 16 – Standard Project Agreement Activation within six months of project/program approval in ensuring projects move forward.
 - ✓ Policy 17, in conjunction with Policy 16, currently results in progress milestones at 6 months and 3 years.
 - ✓ The goal of the revisions to Policy 17 is to provide an opportunity for progress to be recognized and documented between these two milestones and to ensure that projects are indeed active and progressing.

- ✓ Methodology to be used to track this is the monthly Executive Director's report which provides monthly project tracking.
- ✓ Projects that are not moving forward will be evaluated and discussed with project sponsors prior to being brought to the Finance Committee.
- Ms. Backmon added that the current policy, as adopted, requires the first drawdown be requested by June 30, 2019. She added that there is concern that a project sponsor might submit an invoice for staff time and consider the requirement met, but we need projects to actively advance. She noted that some projects are active and using other funds, like RSTP funds first, because there is a sunset provision on some of the other funding sources. However, this policy is to address those projects that are not active.
- It was suggested that the statement in section II.E. be changed from 'and' to 'or', as previously stated in the policy. Ms. Backmon responded affirmatively and added the revisions were recommended for adoption by the Governance and Personnel Committee.
- It was asked if expenses like design and land acquisition would be appropriate to show project advancement. Ms. Backmon responded affirmatively. Mr. Longhi cited an example that land acquisition might be held up by litigation, but this is still a sign of activity and progress.
- Chairman Parrish suggested it is the Authority's job to spend our money to reduce congestion and we need to do this as quickly as possible.

VI. NVTA Monthly Revenue Report

Mr. Longhi, CFO

- Mr. Longhi briefed the Committee on the Monthly Revenue Report. He noted that the State may need to make budget adjustments based on a declining revenue picture. He stated that this is mostly based on income taxes, so does not impact the NVTA revenues. He noted some of these reports indicate a sales tax decline, but added that the NVTA is not seeing that decline in our revenues. Mr. Longhi stated we currently have a 1.36% variance in sales tax. He stated the NVTA is in a good place and he is comfortable that the Authority will not experience the some challenges as the State.
- It was noted that the revenue report shows revenues through February.

VII. NVTA Operating Budget Report

Mr. Longhi, CFO

- Mr. Longhi stated that the operating budget revenue is at 100%, and as of April expenses represent 72% of the adjusted expenditure budget. No further changes are expected to the Operating Budget at this time.

VIII. Financial Activities Update

Mr. Longhi, CFO

- Mr. Longhi noted that as stated in the Bylaws the Finance Committee also serves as the NVTA's Audit Committee.
- Mr. Longhi stated that the NVTA's auditor will be present at the June Finance Committee meeting to have a brief discussion. He noted that this is to ensure that the CFO is not the only person talking to the auditor. He stated that Chairman

Parrish has the auditor's contact information, so if the Committee has any concerns, there can be direct communications with the auditor. Likewise, if the auditor has concerns, he can communicate directly to the Committee. Chairman Parrish noted this is the correct approach.

- Mr. Longhi thanked the Committee for the support on the new positions in the NVTA's FY2017 Operating Budget. He noted that the hiring process for the Investment and Debt Manager is complete and a hiring panel which included Josephine Gilbert (Fairfax County) and David Hodgkins (City of Fairfax) conducted the interviews. The panel was unanimous in its selection. Mr. Longhi introduced Carl Hampton, currently with Prince William County, as the NVTA's new Investment and Debt Manager as of July 18, 2016.
- The Committee recognized Mr. Hampton at the meeting and welcomed him to the Authority.

Adjournment

IX. Adjournment

- Meeting adjourned at 2:27pm.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman Parrish and Members, NVT A Finance Committee

FROM: Michael Longhi, Chief Financial Officer

SUBJECT: FY2017 Program Funding Recommendation

DATE: June 16, 2016

- I. **Background:** The Northern Virginia Transportation Authority (NVT A) has substantial project funding capability for its FY 2017 Program through PayGo revenues and debt capacity. On May 19, 2016 the Finance Committee requested NVT A staff bring forward recommendations on the use of debt capacity for the FY2017 Program. The Committee expressed an interest in sharing this recommendation with the Planning and Programming Committee (PPC) in advance of their July 1, 2016 meeting to help guide project section recommendations to the Authority.
- II. **Suggested Motion:** *I move the Finance Committee recommend the Authority not exceed \$436,763,235 in funding for the FY2017 Program. With this amount comprised of \$266,763,235 in FY2017 PayGo funds and \$170,000,000 in project funds obtained through the issuance of bonds.*
- III. **The FY2014 and FY2015/16 Programs:** Since the passage of HB2313, the Authority has adopted two Programs. The first Project Program was adopted in FY2014. The second Project Program included projects for FY2015 and FY2016, and was adopted in FY 2015.
 - a. For FY2014 the Authority adopted approximately \$196 million in projects through the use of \$122 million in PayGo and \$74 million in bonds.
 - b. For FY2015/16 the Authority adopted approximately \$346 million in projects using only PayGo funds. On an annual basis this represents approximately \$173 million per year.
- IV. **The FY2017 Program:** The FY2017 Program has several notable factors which include the following:
 - a. The FY2017 Program is a one year program, marking the last year TransAction 2040 will be used to guide regional transportation investments.
 - b. The update to TransAction is expected to be complete in the fall of calendar year 2017.

- c. The TransAction update will provide an up to date regional plan to guide the development of the Authority's first funded Six Year Program or Capital Improvement Plan (CIP).
- d. The Authority's first CIP will cover the fiscal years 2018 through 2023.
- e. Any resources (PayGo or debt capacity) not utilized for the FY2017 Program will be available for the updated TransAction based CIP.

V. Current Situation:

- a. In response to a call for projects for the FY2017 Program, 25 candidate projects were submitted by member jurisdictions and agencies with 24 qualifying projects being recommended for analysis. These projects were subsequently evaluated and rated in accordance with the requirements of HB2313.
- b. NVTA staff provided a briefing on the Project Evaluation Process for the Draft FY2017 Program at the May 4, 2016, Planning and Programming Committee (PPC) and the Authority's May 12, 2016 meetings. The briefing included draft staff project recommendations.
- c. The Authority opened the public comment period and authorized a public hearing to include all 24 projects submitted for the FY2017 program.
- d. The public comment period closes on June 17, 2016 at 5:00pm.
- e. A Public Hearing was held on June 9, 2016.
- f. The PPC will next meet on July 1, 2016 to consider the public comments and develop a recommendation on the FY2017 Program for the Authority's consideration at the July 14, 2016 NVTA meeting.
- g. The May 12th NVTA staff draft recommendations total \$423.4 million. This total is:
 - i. more than double the FY2014 Program of \$196 million,
 - ii. \$77.5 million greater than the FY2015/16 Program of \$346 million.
- h. The Commonwealth Transportation Board (CTB) will adopt the FY2017-2022 Six Year Improvement Program and take action on the Northern Virginia Transportation Commission (NVTC) components submitted for funding using the excess tolls from the I-66 Inside the Beltway project, on June 14, 2016.
- i. Using the NVTA draft staff recommendation as a benchmark and capping the potential Route 28/I66 Interchange Project cost at \$300 million, the table below indicates an approximately \$157 million gap between available FY2017 PayGo resources and prospective FY2017 projects:

Funding Requests (24 Projects Evaluated)	\$ 667,843,951
May 12th Draft NVTA Staff Recommendations	\$ 493,443,951
Adj for Rt.28/I66 NTE*	\$ (70,000,000)
NVTA Staff Recommended Projects (Net of NTE)	\$ 423,443,951
Available FY2017 PayGo	\$ 266,763,235
Gap	\$ 156,680,716

*Based on Commonwealth presenting that the NVTA contribution on the 28/I66 intersection project will not exceed \$300 million of project costs.

- j. Setting a cap on the project funds available through a future bond issuance for the FY2017 Program of \$170 million provides flexibility to address outcomes from the public hearing and comment period, CTB's June 14th actions and recommendations from the PPC meeting on July 1st.

VI. **Debt Capacity:** The following table provides three levels of project funding through an NVTB bond issue and the associated total and average annual debt service payments at each level, based on a 20 year maturity. Debt service payments have the first priority on the Regional Revenue Fund (70% funds) annual revenues and therefore reduce the amount of available future PayGo funds available to achieve projects on a cash basis. The table also notes the Debt Service Reserve Fund required at each project fund level.

Project Funds	\$ 160,000,000	\$ 200,000,000	\$ 250,000,000
Debt Service Reserve Fund (DSRF)*	\$ 11,759,250	\$ 14,691,500	\$ 18,356,500
Total Debt Service*	\$ 235,112,021	\$ 293,749,213	\$ 367,037,733
Average Annual Debt Service*	\$ 11,755,601	\$ 14,687,461	\$ 18,351,887

*Preliminary Subject to Change

- a. At \$160 million in project funds the average annual debt service over 20 years is \$11.8 million, total debt service is \$235.1 million.
- b. At \$200 million in project funds the average annual debt service is \$14.7 million. This is a \$2.9 million increase in the average annual debt service payments and an increase of \$58.6 million in total debt service over the \$160 million level.
- c. At \$250 million in project funds the average annual debt service is \$18.4 million. This is a \$6.6 million increase in the average annual debt service payments and an increase of \$131.9 million in total debt service over the \$160 million level.
- d. Projections on the above project fund amounts and the impact on debt service coverage, forecasted debt service as well as future debt and PayGo capacity are in the attached Debt Capacity Analysis prepared by NVTB's financial advisor PFM.

Summary: The Commonwealth Transportation Board (CTB) will adopt the FY2017-2022 Six Year Improvement Program and take action on the Northern Virginia Transportation Commission (NVTC) components submitted for funding using the excess tolls from the I-66 Inside the Beltway project, on June 14, 2016. . The CTB actions directly impact several of the candidate projects submitted for the Authority's FY2017 Program.

Public comments received during the public comment period, the Public Hearing and CTB decisions will inform the PPC's project funding recommendations scheduled for July 1st as well as the Authority FY2017 Program decisions scheduled for July 14th.

As noted in the above, the current level of draft project recommendations will result in the largest funding program to date. Limiting the amount of debt issued for the one year FY2017 Program will result in a greater level of future financing options for the Authority's first Six Year Program under the updated

TransAction Plan which forms the Authority's first funded six year Capital Improvement Plan.

Attachment: Revised Debt Capacity Analysis, June 16, 2016 – Prepared by PFM



Revised Debt Capacity Analysis

prepared for

Northern Virginia Transportation Authority

Finance Committee

June 16, 2016

Presented by
JoAnne Carter, Managing Director
Kristy Choi, Senior Managing Consultant

Public Financial Management, Inc.
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The PFM Group
Public Financial Management, Inc.
PFM Asset Management LLC
PFM Advisors

Overview

- Debt capacity analysis seeks to address three key questions:
 - How much debt can be incurred to meet total project funding desired for the FY2017 program?
 - What level of debt is affordable in consideration of NVTIA's revenue, debt policy and credit ratings?
 - What is NVTIA's total debt & PAYGO capacity over the long term, beyond a single year's program?

Key Assumptions for Bond Issuance

- Assumes bond issuance during FY 2018
 - Timing of issuance would be planned to match construction cash flow
- Issuance of senior lien bonds with fully bond-funded Debt Service Reserve Fund (“DSRF”)
- 20 year principal amortization with a level debt service structure
- Current market interest rates plus a 50 basis point (0.50%) cushion
- Revenue forecasts for FY 2017 through FY 2023 were adopted in September 2015 with input from revenue estimation committee

Revenue Source	Average Growth Rate (FY2017 to FY2023)	Annual Growth Rate Assumption (FY2024 & Beyond)
Sales Tax	2.69%	0.85%
Transient Occupancy Tax	2.28%	0.50%
Grantor's Tax	0.81%	0.50%

Debt Service Coverage (DSC) Ratio

- NVTA's debt policy uses debt service coverage, an industry standard metric, as the primary metric for measuring & ensuring the affordability of its debt
- Ratio of net revenue available for debt service in a given year divided by annual debt service
- NVTA's adopted policy sets a minimum limit of 2.0x (times) debt service coverage on its senior lien debt

$$\begin{array}{l} \text{Debt} \\ \text{Service} \\ \text{Coverage} \end{array} = \frac{\text{NVTA Regional Revenue (70\%)}}{\text{Debt Service}} = \frac{\$10}{\$5} = 2.0x$$

Scenario Summary

All scenarios show that NVT A can maintain healthy levels of debt service coverage after debt issuance for projects in the FY2017 program.

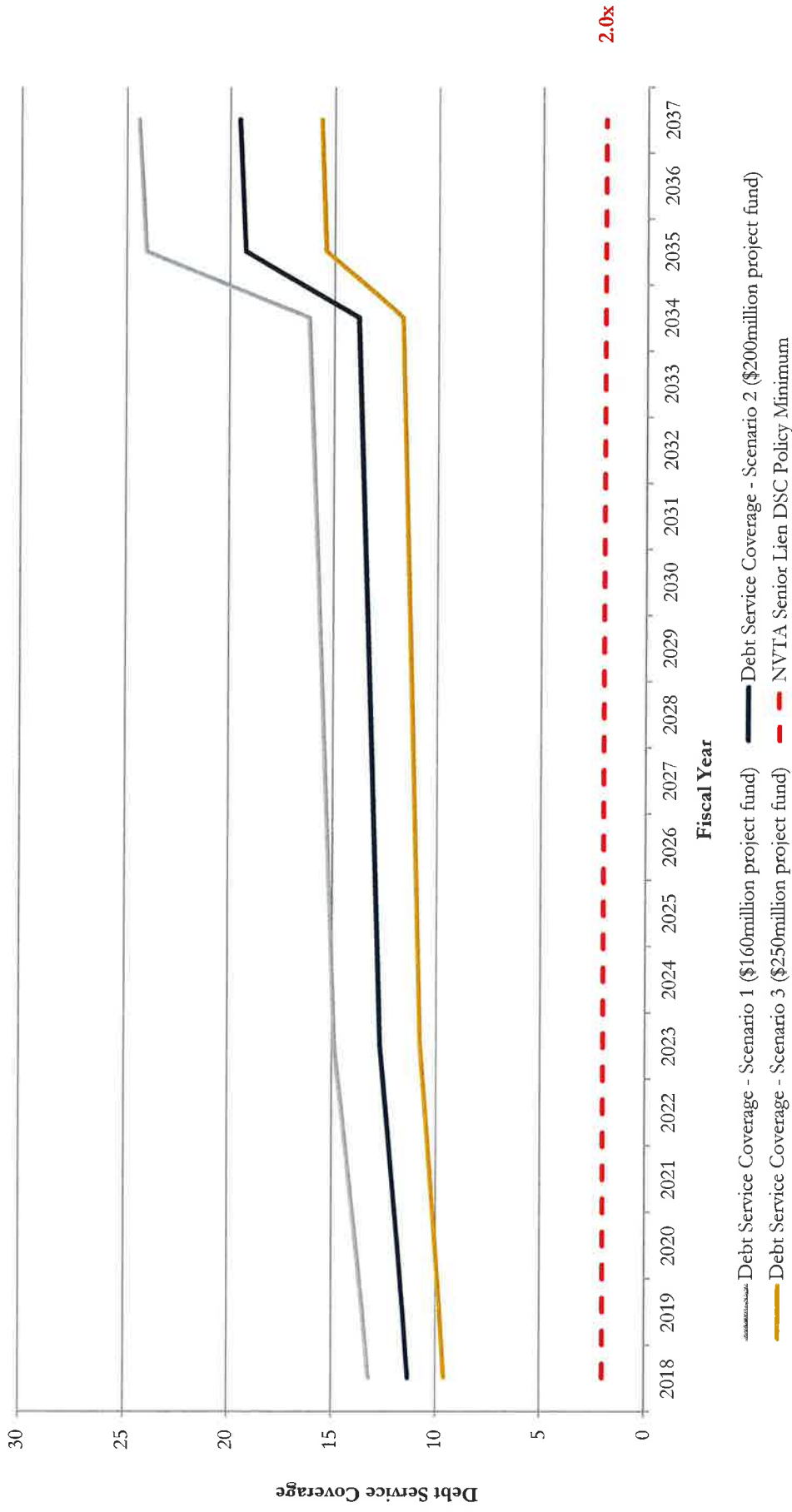
	Existing Only	Scenario 1 (\$160 million)*	Scenario 2 (\$200 million)*	Scenario 3 (\$250 million)*
Min DSC	41.3x	13.3x	11.3x	9.6x
Avg DSC	46.9x	18.6x	13.8x	11.6x
Max DSC	50.5x	24.4x	19.5x	15.6x

$$\begin{array}{c}
 \text{Debt} \\
 \text{Service} \\
 \text{Coverage}
 \end{array}
 =
 \frac{\text{NVT A Regional Revenue}}{\text{Debt Service}}
 \quad (70\%)$$

*Market conditions as of May 6, 2016. Preliminary, subject to change.

Forecasted Debt Service Coverage

Forecasted Debt Service Coverage
(Existing Debt and FY 2018 Issue)



Note: Assumes only the existing Series 2014 debt service and the assumed FY 2018 bond issue's debt service (at varying project fund amounts). No additional debt is assumed beyond FY 2018.

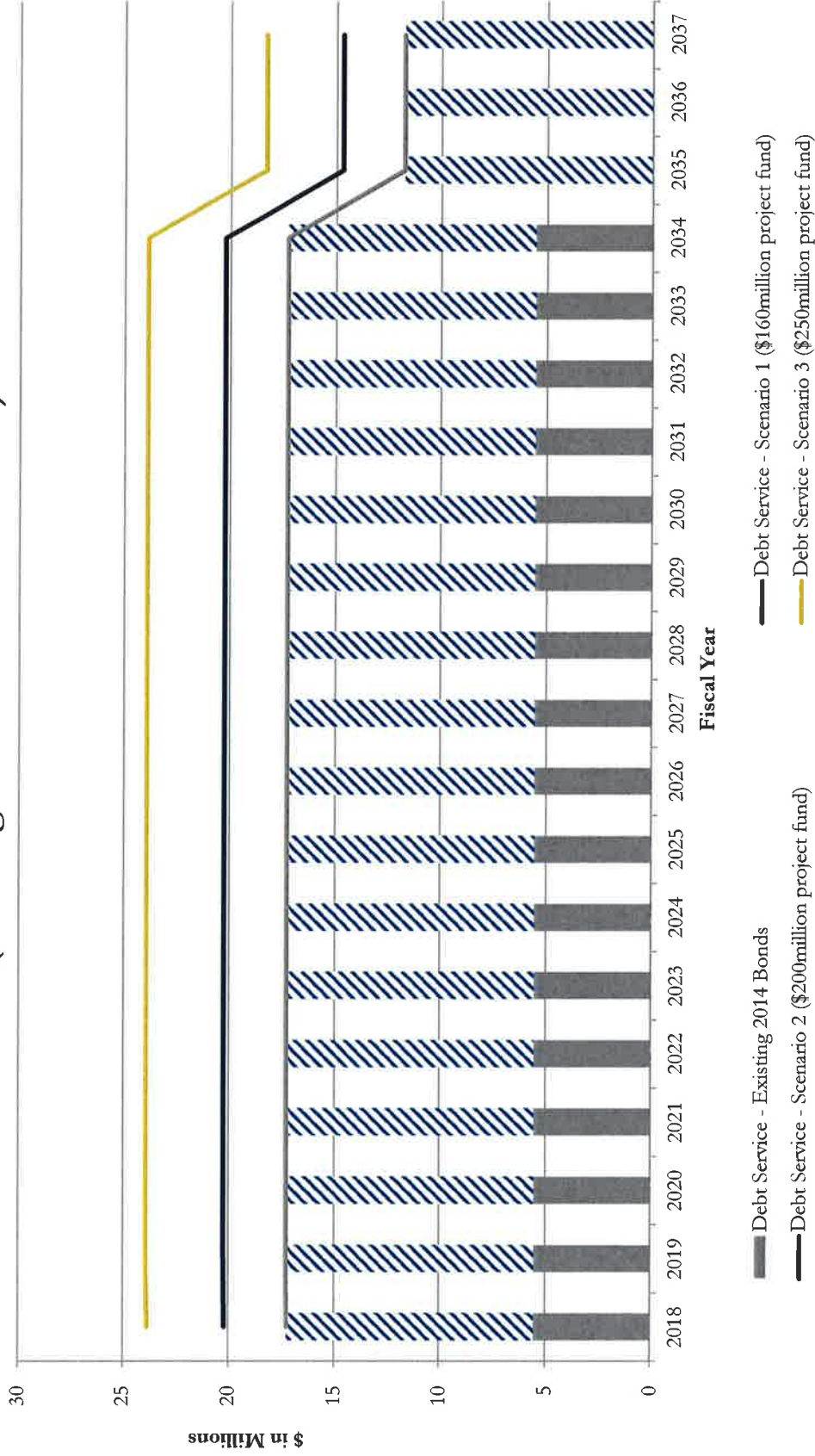
FY2018 Bond Issuance Summary

Bond Statistics*	Scenario 1	Scenario 2	Scenario 3
Project Fund	\$160,000,000	\$200,000,000	\$250,000,000
Debt Service Reserve Fund	\$11,759,250	\$14,691,500	\$18,356,500
TIC	3.21%	3.21%	3.21%
Average Annual Debt Service	\$11,755,601	\$14,687,461	\$18,351,887
Total Debt Service	\$235,112,021	\$293,749,213	\$367,037,733

*Market conditions as of May 6, 2016. Preliminary, subject to change.

Forecasted Debt Service

Existing & Forecasted Debt Service (Existing Debt and FY 2018 Issue)



Note: Assumes only the existing Series 2014 debt service and the assumed FY 2018 bond issue's debt service (at varying project fund amounts). No additional debt is assumed beyond FY 2018.

Debt & PAYGO Capacity beyond FY2018

- Senior lien bonds with fully funded bond-funded DSRF
- 20 year principal amortization, level debt service structure
- 20 year historical average interest rates
- Next issuance in FY 2019 and assumed issuance every other year in equal amounts
- Debt service coverage maintained at or above 2.1x

	FY 2018 Bond Issue			Min DSC	Estimated Remaining Bonding Capacity through 2037	FY 2017-FY2037 Estimated Remaining PAYGO Capacity ¹	Estimated Biennial Issuance
	FY 2018 Project Fund	Maximum Annual Debt Service (“MADS”)					
Scenario 1	\$160 million	\$11.76 million	13.3x	\$1.68 billion	\$3.93 billion	\$168 million	
Scenario 2	\$200 million	\$14.69 million	11.3x	\$1.63 billion	\$3.91 billion	\$163 million	
Scenario 3	\$250 million	\$18.36 million	9.6x	\$1.58 billion	\$3.87 billion	\$158 million	

¹ Total of 70% revenues remaining after debt service is paid.

Debt Capacity Summary

Debt capacity analysis assumes NVT A remains above its 2.0x debt policy threshold for debt service coverage.

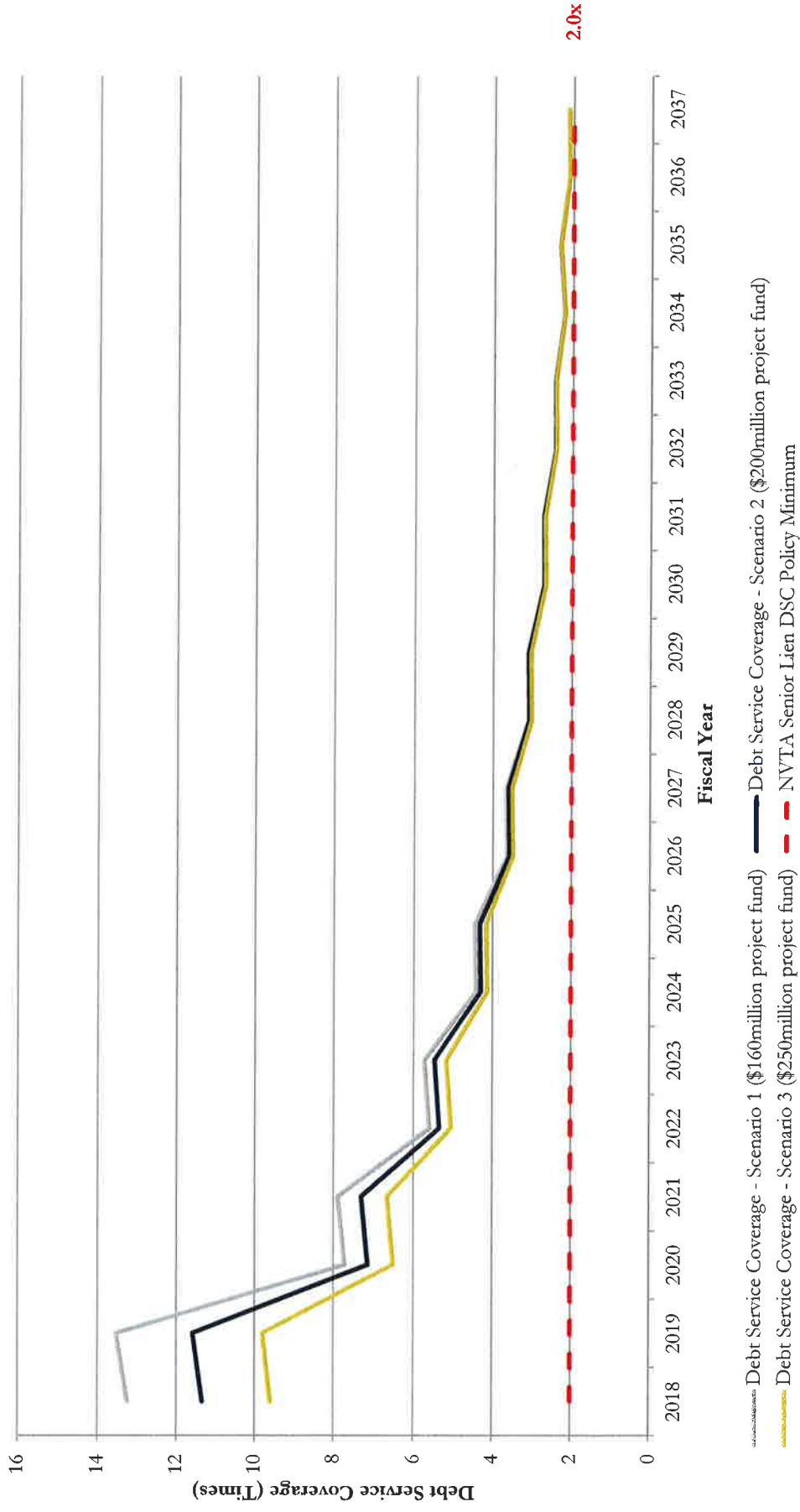
	Existing Only	Scenario 1 (\$160 million)	Scenario 2 (\$200 million)	Scenario 3 (\$250 million)
Min DSC	41.3x	2.1x	2.1x	2.1x
Avg DSC	46.9x	4.8x	4.5x	4.2x
Max DSC	50.5x	13.5x	11.6x	9.8x

$$\begin{array}{c}
 \text{Debt} \\
 \text{Service} \\
 \text{Coverage}
 \end{array}
 =
 \frac{\text{NVT A Regional Revenue}}{\text{Debt Service}}
 \quad (70\%)$$

Note: Table above shows debt service coverage including the biennial issuance which runs until 2037.

Forecasted Debt Service Coverage Multi-Year Issuance

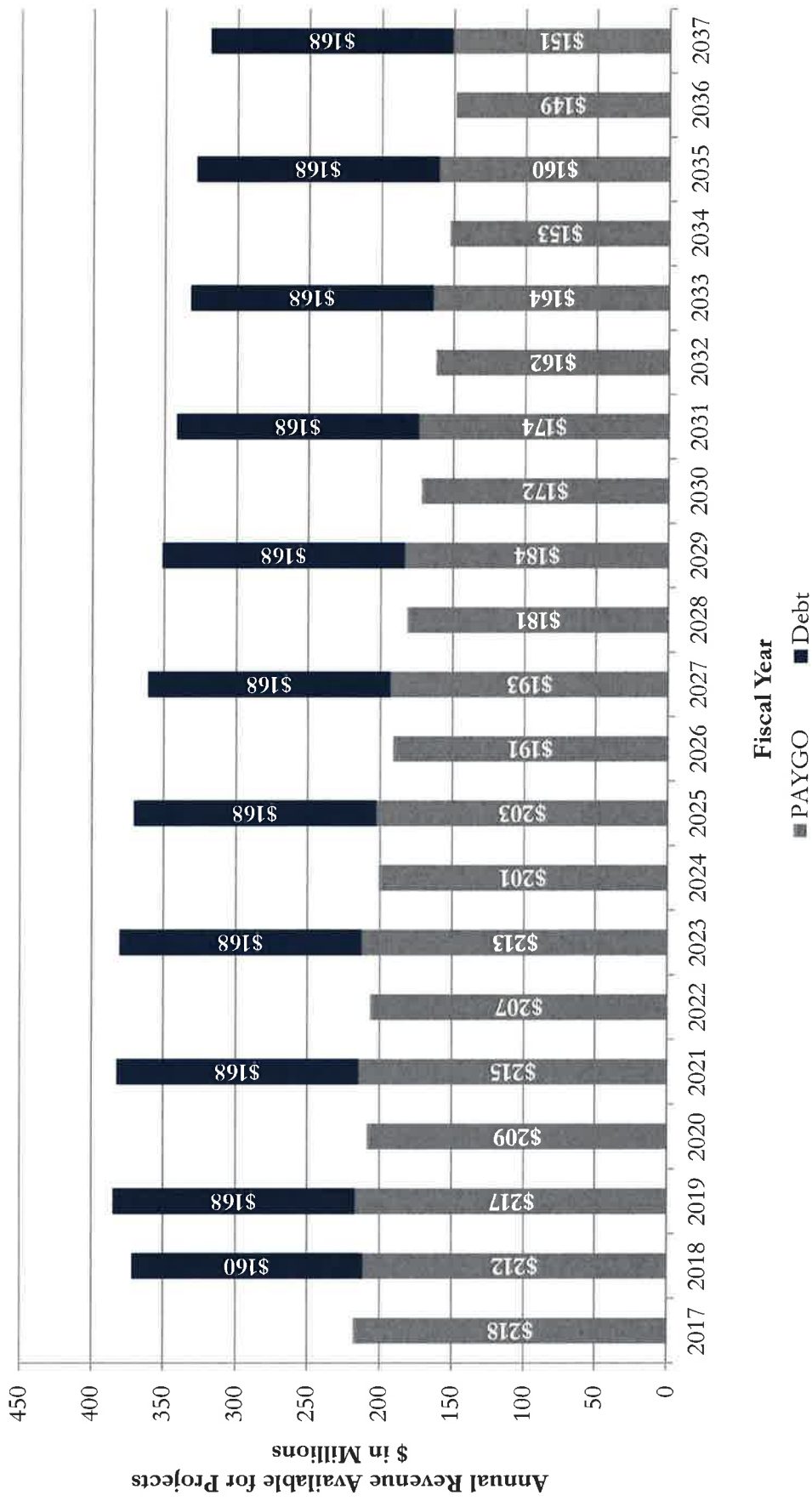
Forecasted Debt Service Coverage
(Existing Debt & New Issue + Future Issues)



Note: Assumes bond issuance every other year between 2019 and 2037 (at varying project fund amounts).

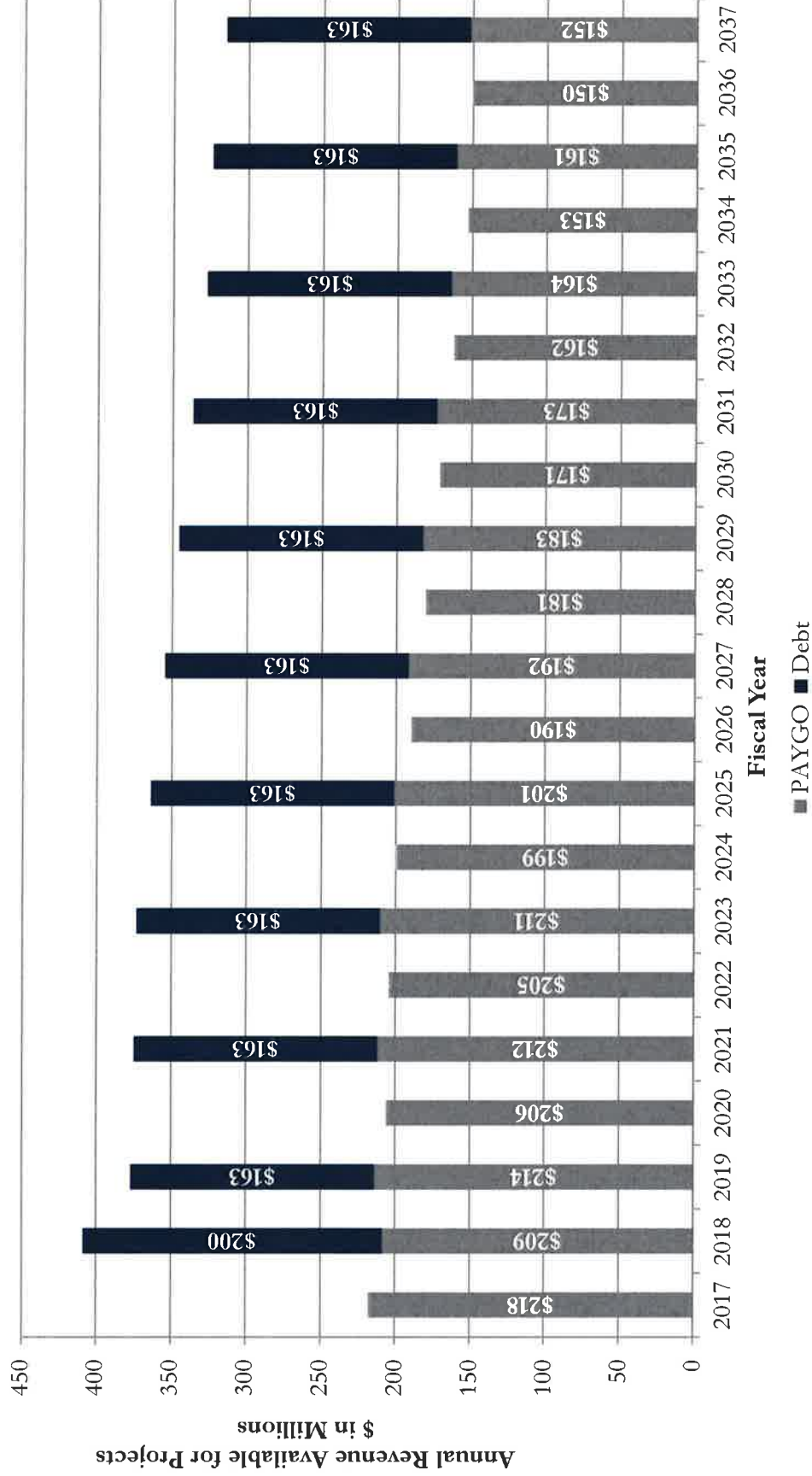
Future Debt & PAYGO Capacity under Scenario 1

Total Amounts Available for NVTA Projects
Scenario 1 (\$160 million project fund in FY 2018)



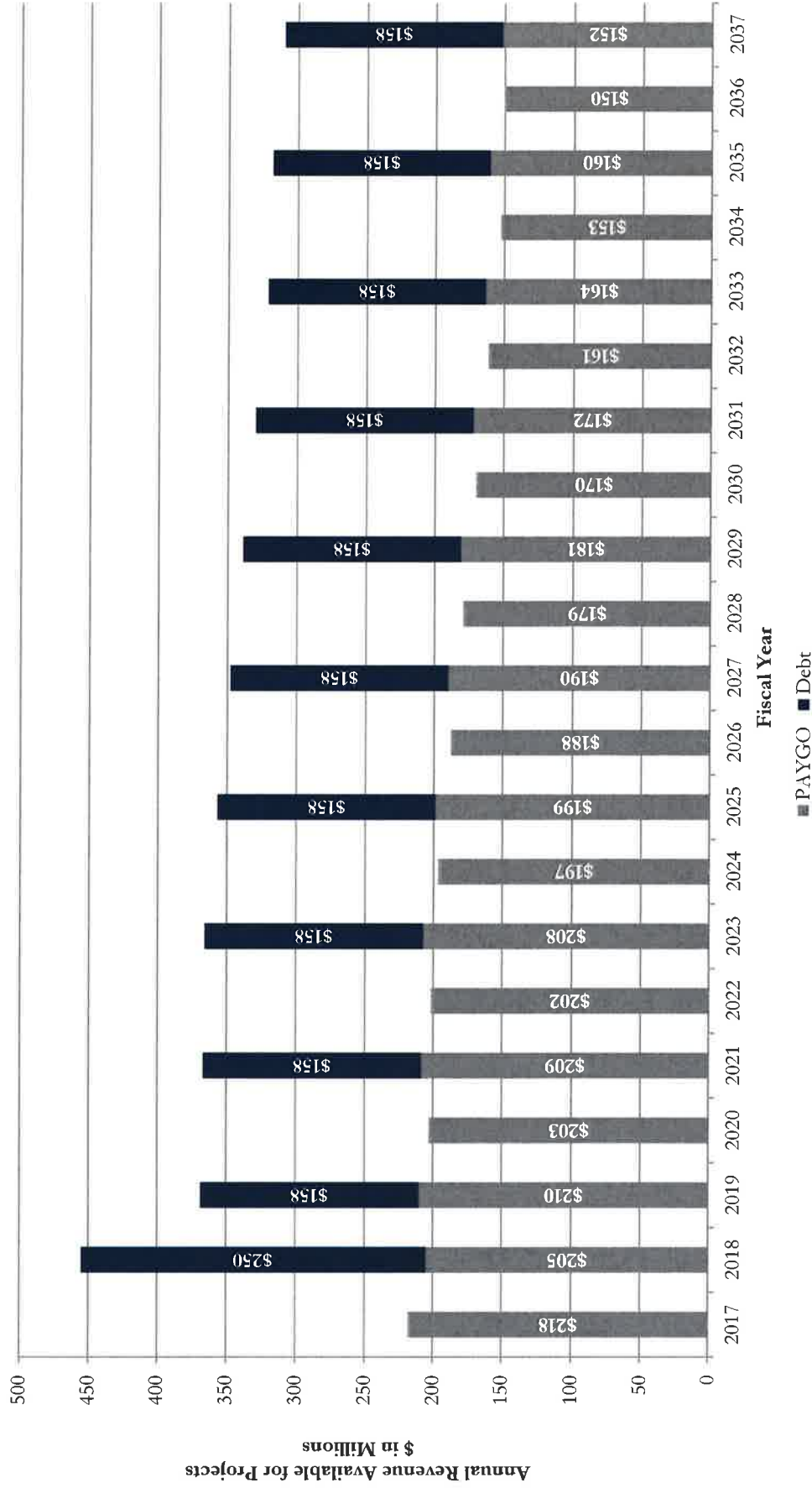
Future Debt & PAYGO Capacity under Scenario 2

Total Amounts Available for NVTIA Projects
Scenario 2 (\$200 million project fund in FY 2018)



Future Debt & PAYGO Capacity under Scenario 3

Total Amounts Available for NVTA Projects
Scenario 3 (\$250 million project fund in FY 2018)



Credit Considerations

- NVTAs additional bonds test in the Indenture and its debt service coverage threshold adopted debt policy protects NVTAs & investors from over-leveraging
- During the 2014 credit rating process, the rating agencies fully anticipated NVTAs to actively leverage its revenue stream in the future as its CIP evolves as noted through the following comments:
 - Moody’s: “While coverage levels are expected to decline ...even if NVTAs fully funded 100% of projects that are currently under evaluation, debt service coverage would still remain a strong 3.1 times, exceeding NVTAs senior lien debt service target of 2.0 times.”
 - Fitch: “Risk to overleveraging is addressed through a fairly strong additional bonds test (ABT)...currently roughly \$840 million in projects identified for such review...if entirely bond financed, would result in MADS close to \$70 million according to Fitch estimates and DSC of 2.9x from fiscal 2014 pledged revenues...”
 - S&P: “...projects under consideration for funding in fiscal years 2015 and 2016 total \$769.6 million. If NVTAs were to fund 100% of currently identified projects in full with debt only, we understand projected DSC would remain more than 3.1x.”
- Communication with credit analysts regarding the Authority’s capital improvement plan is important
- PFM believes no negative credit pressure exists based on preliminary analysis

Sources: Moody’s rating report dated November 19, 2014; S&P rating report dated November 21, 2014; Fitch rating report dated November 19, 2014.

Conclusion

- NVT A has significant debt capacity
- Even with a bond issue at various amounts contemplated, NVT A would maintain debt and PAYGO capacity for future projects
- Debt service coverage would remain healthy above 2.0x under any scenario
- While communication with credit agencies is critical, PFM views no negative credit pressure based on range of current borrowing scenarios

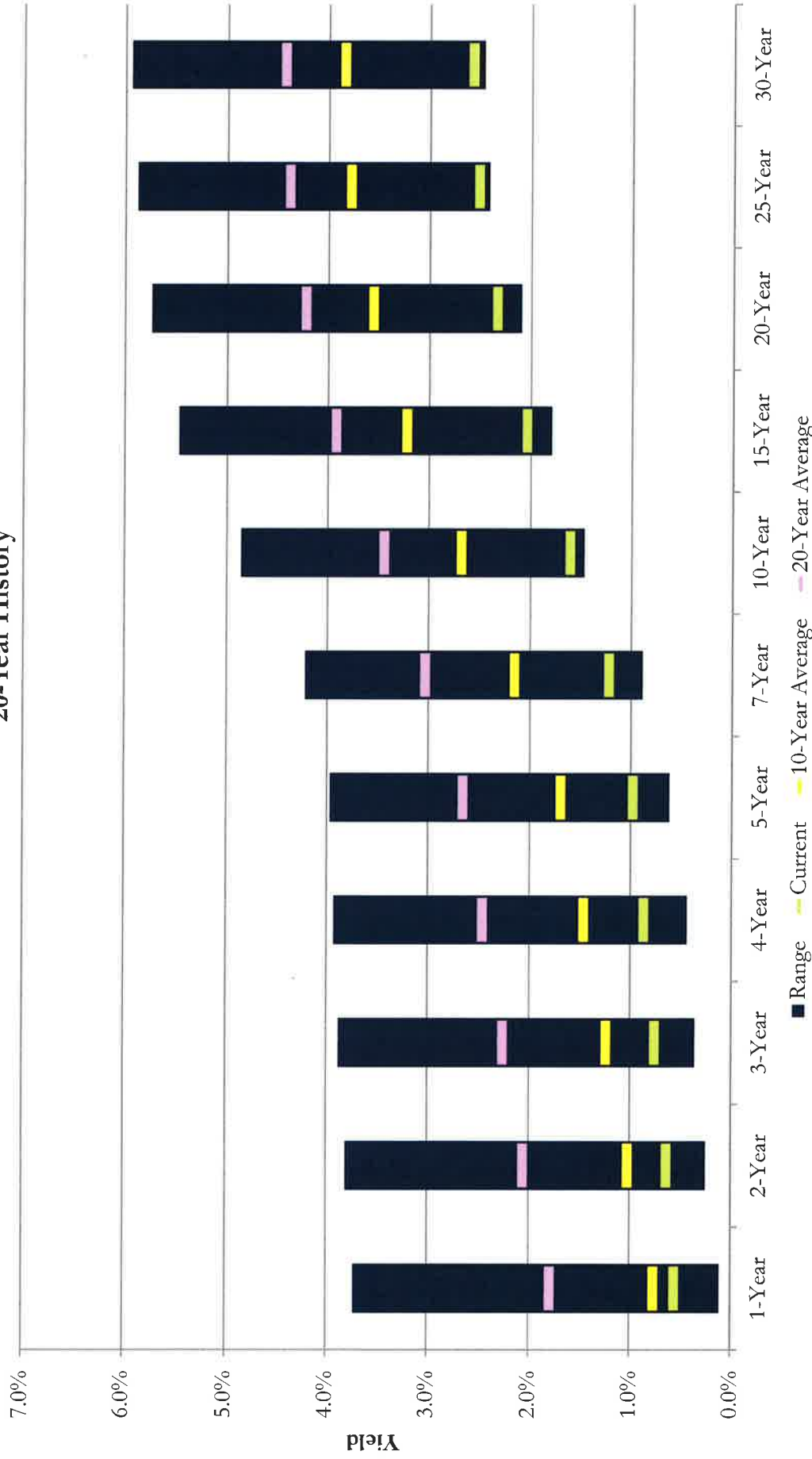
Next Steps

Timeframe	Activity
June 16, 2016	Finance Committee reviews NVTA staff recommendation
July 1, 2016	Planning and Programming Committee (PPC) meeting to consider FY2017 project recommendations
July 14, 2016	Authority considers FY2017 Project Plan
July 15 through August 2016	NVTA staff work with stakeholders of approved projects to confirm cash flow timing and level needs
July 15 through September 2016	NVTA staff work with Financial Advisor, Bond Counsel, Council of Counsels: <ul style="list-style-type: none">• Project funding mix (PayGo and/or debt)• Evaluation of need and timing of bond validation• Ensuring additional sources (non-NVTA) funding plans are in place or sufficiently finalized for projection purposes.• Prepare Plan of Finance, if approved projects exceed FY2017 Regional Revenue Budget (PayGo)
October/November 2016	Present Plan of Finance to Finance Committee and subsequently Authority
November 2016 through March 2017	Monitor project non-NVTA funding commitments
Calendar Year 2017	Upon successful conclusion of bond validation, execute Authority approved plan of finance and issue bonds

Appendix

Municipal Yield Curve Changes

Triple-A Rated General Obligation Bond Yields
20-Year History



Note: Market conditions as of June 6, 2016.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman Parrish and Members of the NVT A Finance Committee

FROM: Michael Longhi, Chief Financial Officer

SUBJECT: Draft Revisions to the FY2017 Program Drawdown Policy (Policy 17)

DATE: June 16, 2016

- 1. Purpose.** The Northern Virginia Transportation Authority commits financial resources from the Regional Revenue Fund upon project approval. The purpose of Policy 17 – FY2017 Program First Drawdown Commitment, is to provide a mechanism for the Authority to remove financial (funding) commitments for projects in the FY 2017 Program that are not advancing. These funds would be returned to the Regional Revenue Fund for assignment to future projects.

Policy 17 – FY2017 Program First Drawdown Commitment, currently measures project progress based on the timing of an initial request of a drawdown of project costs. The proposed policy modifications intend to further clarify that a project must be active and progressing in accord with the project description approved by the Authority and incorporated in the Standard Project Agreement (SPA).

2. Background.

- a. The Authority assigns funding to a project with the clear expectation of progress as outlined in the Project Description/Scope of Work. The SPA provides details of expected utilization of the already obligated funds, specifically the cash flow summary detailed in SPA Appendix B.
- b. For the FY2017 Program, projects will be approved based in part, on a commitment of project readiness.
- c. If a project sponsor is unable to complete project activation or make progress – either due to circumstances within or outside of their control – the best interest of the Authority may be served by cancelling the project and de-obligating the funds.
- d. This policy specifically addresses FY2017 projects that are not advancing in accordance with the approved SPA.
- e. The NVT A funds made available from actions taken under this policy will be returned to the Regional Revenue Fund for future allocation by the Authority.

3. Policy Revisions.

- a. The draft revisions are aimed at ensuring that a project sponsor be able to document project activation/progression within six months of an executed SPA.
- b. Project activation/progression will be documented through monthly reports submitted by project sponsors and reported in the Executive Director's monthly report to the Authority.
- c. The existing Policy 17 language calling for a close dialog between the NVT A and the project sponsor to ensure an understanding of any project delays remains unchanged.
- d. The Finance Committee recommendations from the May 19th meeting is incorporated in the attached draft and highlighted.

4. Next Steps.

- a. In addition to this presentation to the Governance and Personnel Committee for discussion, the draft revisions are currently or will be reviewed by the Governance and Personnel Committee, Planning and Programming Committee, Regional Jurisdiction and Agency Coordinating Committee and the Council of Counsels.
- b. Comments and suggestions will be consolidated and additional committee reviews undertaken as necessary.
- c. Final draft revisions will be presented to the Authority for consideration and adoption.

Attachment:

Policy Number 17 – FY2017 Program First Drawdown Commitment

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

Policy Number 17 – FY2017 Program First Drawdown/Project Activation

- I. Purpose.** The Authority appropriates current and projected financial resources from the Regional Revenue Fund upon project approval. The purpose of this policy is to provide a mechanism for the Authority to remove appropriations for approved FY2017 Program projects that do not submit a first drawdown request by June 30, 2019, or are unable to document project activation/progression within six months of an executed Standard Project Agreement (SPA). These appropriations will be returned to the Regional Revenue Fund for assignment to future projects.
- II. General.**
- A.** This policy will be in effect for all projects approved with FY2017 Regional Revenue Funds.
 - B.** The Authority assigns funding to a project with the clear expectation of progress as outlined in the Project Description/Scope of Work. Project funding is appropriated at the point that the Authority approves the project. The SPA (covered in Policy 12) provides details of expected utilization and timing of the appropriated funds, specifically the cash flow summary included in Appendix B.
 - C.** For the FY2017 Program, projects will be approved based, in part, on project readiness. For the FY2017 Program, project readiness is assessed in part on:
 - 1. The first drawdown (initial reimbursement request) being made during FY2017, FY2018, or FY2019, regardless of when the SPA is executed.
 - 2. Documented project activation/progression starting within the first six months of an executed SPA.
 - D.** If a project sponsor is unable to submit an initial reimbursement request by the end of FY2019 – either due to circumstances within or outside of their control – the best interest of the Authority may be served by cancelling the project and the appropriation. This policy specifically addresses projects approved for the FY2017 Program that are not advancing in accordance with their approved SPAs. This includes FY2017 Program projects with approved SPAs that experience delays due to procurement, funding, unforeseen construction-related events, or other issues.
 - E.** Any project that is unable to meet the commitment to submit the initial reimbursement request to NVTA by June 30, 2019, or is unable to document project activation/progression within the first six months of an executed SPA is subject to cancellation.
 - F.** Requests for extension of time must be made to the Executive Director. The Executive Director may request additional information prior to submitting a recommendation to the Finance Committee.
 - G.** In all cases, agreement will be sought with the implementing jurisdiction or agency. If agreement is not forthcoming, the Executive Director may take a project cancellation recommendation to the Finance Committee prior to referral to the Authority for action.
 - H.** Upon action by the Authority to remove funding all NVTA funds made available from actions taken under this policy will be returned to the Regional Revenue Fund for future allocation by the Authority.

III. Responsibilities.

A. Project sponsoring jurisdiction or agency

1. Submittal of first drawdown request by June 30, 2019.
2. Document project activation/progression through monthly updates submitted to NVT A and reported in the Executive Director's monthly report to the Authority.
3. Request cancellation of any projects for which the jurisdiction determines the submittal of first drawdown request by June 30, 2019, or project activation/progression within the first six months of an executed SPA is not possible, or request an extension of the deadline. Any request for an extension must include:
 - a. Basis for current delay.
 - b. Action needed to resolve delay.
 - c. Schedule for completion of actions to resolve delay.
 - d. Revised SPA Appendix B.

B. NVT A Executive Director

1. Monitor project progress through requests for reimbursements, submission of project activation/progress reports by project sponsors.
2. Include a report of project status in the Executive Director's monthly report to the Authority. Status reports will be consistent with project progress documented by project sponsors unless otherwise noted.
3. Accept requests for project cancellation and forward with recommendation to the Finance Committee prior to referral to Authority with recommendation to accept or reject the request.
4. Receive notice from project sponsors of possible delays in submitting first drawdown request or activating/progressing the project by the deadline.
5. If no submittal of first drawdown is requested by deadline or no notice of delay received, request information from project sponsor as to reason.
6. Request additional information, when required to evaluate project sponsor notice of delay or response to request for information on delay.
7. Evaluate requests for extension of time or other accommodation requested by project sponsor.
8. Make recommendation to the Finance Committee on action to be referred to the Authority.

Approved by Northern Virginia Transportation Authority: December 10, 2015 (Revision notation to be added.)

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman Parrish and Members of the NVRTA Finance Committee

FROM: Michael Longhi, Chief Financial Officer

SUBJECT: Monthly Revenue Report

DATE: June 16, 2016

1. **Purpose:** Monthly report of revenue receipts and 30% funds distribution to member localities.
2. **Background:** The attached reports reflect funding received through May 2016.
3. **Comments:**
 - a. **FY 2016 Revenues (Attachment A)**
 - i. The Authority has received approximately \$234.1 million through the May 2016 transfers from the Commonwealth.
 - ii. Actual to estimate comparison for revenues through May show a 22.63% positive variance in Grants Tax, a 2.05% positive variance in Sales Tax and a 1.38% positive variance in Transient Occupancy Tax compared to the adopted revenue estimates.
 - iii. Overall revenue receipts are tracking at 4.58% above estimate. No changes to the FY2016 revenue estimates are recommended at this time.
 - b. **FY 2016 Distribution to localities (Attachment B)**
 - i. All jurisdictions have completed the HB2313 required annual certification process to receive FY2016 30% funds.
 - ii. Of the \$234.1 million received by the Authority for FY2016, approximately \$70.2 million represents 30% local funds of which \$70.2 million has been distributed.
 - c. **FY2014 to FY2016 Year over Year Revenue Comparison (Attachment C).**
 - i. This chart reflects a month to month comparison of revenue by tax type and a year to year comparison of total revenues received through May 2016.

Attachments:

- A. Revenues Received By Tax Type, Compared to NVRTA Estimates, Through May 2016
- B. FY2016 30% Distribution by Jurisdiction, through May 2016
- C. Month to Month Comparison By Tax Type and YTD Receipts for May 2016, 2015 and 2014

Attachment A

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY
REVENUES RECEIVED, BY TAX TYPE AND JURISDICTION, COMPARED TO NVTA BUDGET
 Based on: Revenue Data Through May 2016
 FYE June 30, 2016

Grantors Tax		Received	NVTA		Annualized - Actual	Projected
			FY 2016	Annualized - Actual		
Transaction Months	10	To Date	Annualized	Budget	To Budget	Variance
City of Alexandria		\$ 2,923,422	\$ 3,508,106	\$ 3,226,950	\$ 281,156	
Arlington County		\$ 4,176,751	\$ 5,012,102	\$ 4,574,287	\$ 437,815	
City of Fairfax		\$ 309,537	\$ 371,444	\$ 292,916	\$ 78,528	
Fairfax County		\$ 16,378,239	\$ 19,653,886	\$ 15,169,980	\$ 4,483,906	
City of Falls Church		\$ 181,282	\$ 217,539	\$ 265,235	\$ (47,696)	
Loudoun County		\$ 7,778,859	\$ 9,334,631	\$ 8,635,320	\$ 699,311	
City of Manassas		\$ 488,496	\$ 586,196	\$ 274,904	\$ 311,292	
City of Manassas Park		\$ 134,910	\$ 161,892	\$ 150,781	\$ 11,111	
Prince William County		\$ 5,646,128	\$ 6,775,353	\$ 4,612,105	\$ 2,163,248	
Total Grantors Tax Revenue		\$ 38,017,624	\$ 45,621,149	\$ 37,202,478	\$ 8,418,671	22.63%
Regional Sales Tax*		Received		FY 2016	Annualized - Actual	
Transaction Months	9	To Date	Annualized	Budget	To Budget	
City of Alexandria		\$11,194,487	\$ 14,925,982	\$ 15,039,910	\$ (113,928)	
Arlington County		\$17,745,905	\$ 23,661,207	\$ 23,984,390	\$ (323,183)	
City of Fairfax		\$5,248,417	\$ 6,997,889	\$ 6,626,350	\$ 371,539	
Fairfax County		\$79,335,773	\$ 105,781,030	\$ 103,110,900	\$ 2,670,130	
City of Falls Church		\$1,704,380	\$ 2,272,506	\$ 2,532,963	\$ (260,457)	
Loudoun County		\$33,073,738	\$ 44,098,317	\$ 40,887,720	\$ 3,210,597	
City of Manassas		\$3,534,101	\$ 4,712,134	\$ 4,684,053	\$ 28,081	
City of Manassas Park		\$940,210	\$ 1,253,613	\$ 943,681	\$ 309,932	
Prince William County		\$25,370,593	\$ 33,827,458	\$ 34,946,852	\$ (1,119,394)	
Total Sales Tax Revenue*		\$ 178,147,602	\$ 237,530,136	\$ 232,756,819	\$ 4,773,317	2.05%
Transient Occupancy Tax (TOT)		Received		FY 2016	Annualized - Actual	
Transaction Months		To Date	Annualized	Budget	To Budget	
City of Alexandria	Months	9.00 \$ 2,033,001	\$ 2,710,668	\$ 3,397,640	\$ (686,972)	
Arlington County	Months	9.00 \$ 6,518,654	\$ 8,691,538	\$ 8,890,830	\$ (199,292)	
City of Fairfax	Quarters	3.00 \$ 282,023	\$ 376,031	\$ 354,803	\$ 21,228	
Fairfax County	Quarters	2.33 \$ 5,510,557	\$ 9,460,184	\$ 9,234,774	\$ 225,410	
City of Falls Church	Months	9.00 \$ 104,759	\$ 139,678	\$ 145,473	\$ (5,795)	
Loudoun County	Quarters	3.00 \$ 2,323,385	\$ 3,097,847	\$ 2,040,200	\$ 1,057,647	
City of Manassas	Months	9.00 \$ 40,977	\$ 54,636	\$ 79,732	\$ (25,096)	
City of Manassas Park	n/a	\$ -	\$ -	\$ -	\$ -	
Prince William County	Quarters	3.00 \$ 1,091,238	\$ 1,454,984	\$ 1,488,946	\$ (33,962)	
Total TOT Revenue		17,904,594	25,985,567	\$ 25,632,398	353,169	1.38%
Total Revenue Received		\$ 234,069,821	\$ 309,136,852	\$ 295,591,695	\$ 13,545,157	4.58%
		\$ 234,069,821				

*The Regional Sales Tax is reported net of fees when applicable.

Attachment B

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY FY 2016 30% DISTRIBUTION BY JURISDICTION

Based on: Receipts through May 2016

Jurisdiction	Grantor's Tax	*Regional Sales Tax (1)	Transient Occupancy Tax (2)	NVTA Fund Interest	Total	30% Funds	Accrued Interest (3)	Prior Distributions	Current Month Distribution	Total Funds Transferred
City of Alexandria	\$ 2,923,422.00	\$ 11,194,486.65	\$ 2,033,001.34	\$ 6,230.05	\$ 16,157,140.04	\$ 4,847,142.01	622.07	\$ 4,281,543.95	\$ 566,220.13	\$ 4,847,764.08
Arlington County	\$ 4,176,751.45	\$ 17,745,904.90	\$ 6,518,653.76	\$ 10,871.03	\$ 28,452,181.14	\$ 8,535,654.34	1,066.41	\$ 7,464,407.61	\$ 1,072,313.14	\$ 8,536,720.75
City of Fairfax	\$ 309,536.85	\$ 5,248,416.82	\$ 282,022.99	\$ 2,308.90	\$ 5,842,285.56	\$ 1,752,685.67	266.60	\$ 1,585,226.72	\$ 167,725.55	\$ 1,752,952.27
Fairfax County	\$ 16,378,238.71	\$ 79,335,772.86	\$ 5,510,557.26	\$ 40,099.35	\$ 101,264,668.18	\$ 30,379,400.45	3,732.43	\$ 27,110,669.05	\$ 3,272,463.83	\$ 30,383,132.88
City of Falls Church	\$ 181,282.10	\$ 1,704,379.68	\$ 104,758.77	\$ 784.69	\$ 1,991,205.24	\$ 597,361.57	88.87	\$ 526,010.31	\$ 71,440.13	\$ 597,450.44
Loudoun County	\$ 7,778,859.09	\$ 33,073,737.67	\$ 2,323,385.23	\$ 16,395.50	\$ 43,192,377.49	\$ 12,957,713.25	1,599.62	\$ 11,349,802.62	\$ 1,609,510.25	\$ 12,959,312.87
City of Manassas	\$ 488,496.45	\$ 3,534,100.86	\$ 40,976.73	\$ 1,593.19	\$ 4,065,167.23	\$ 1,219,550.17	177.74	\$ 1,080,053.96	\$ 139,673.95	\$ 1,219,727.91
City of Manassas Park	\$ 134,909.65	\$ 940,209.73	\$ -	\$ 413.75	\$ 1,075,533.13	\$ 322,659.94	88.87	\$ 282,393.49	\$ 40,355.32	\$ 322,748.81
Prince William County	\$ 5,646,127.65	\$ 25,370,593.17	\$ 1,091,238.34	\$ 12,416.26	\$ 32,120,375.42	\$ 9,636,112.63	1,244.15	\$ 8,523,822.07	\$ 1,113,534.71	\$ 9,637,356.78
Total Revenue	\$ 38,017,623.95	\$ 178,147,602.34	\$ 17,904,594.42	\$ 91,112.72	\$ 234,160,933.43	\$ 70,248,280.03	\$ 8,886.76	\$ 62,203,929.78	\$ 8,053,237.01	\$ 70,257,166.79

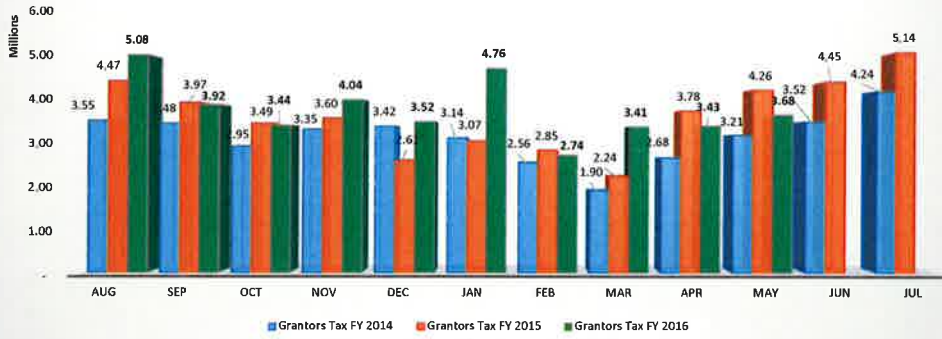
1 Net of Dept. of Taxation Fees

2 County TOT includes any town collections

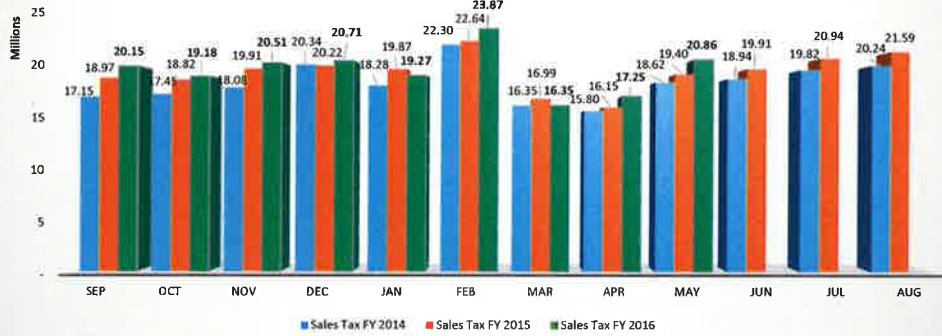
3 Interest earned through 4/30/2016

70,257,166.79

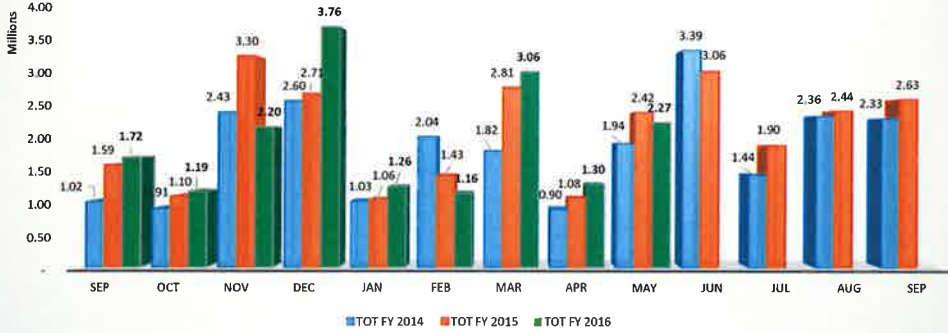
Grantors Tax (month received)



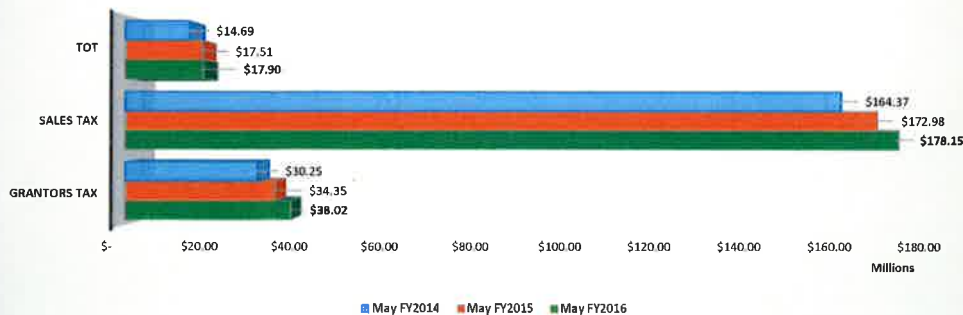
Sales Tax (month received)



Transient Occupancy Tax (month received)



YTD Receipt Comparison May FY2014, FY2015 & FY2016



NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman Parrish and Members of the NVTA Finance Committee

FROM: Michael Longhi, Chief Financial Officer

DATE: June 16, 2016

SUBJECT: NVTA Operating Budget

1. **Purpose:** To update the Authority on the NVTA Operating Budget for FY2016.
2. **Background:** The NVTA operating budget is funded through the participating jurisdictions. All jurisdictions have contributed their respective share of the FY2016 operating budget.
3. **Comments:**
 - a. Operating revenue is at 100% of estimate.
 - b. May 2016 represents 92% of the fiscal year. Through May 2016, the Authority has utilized 79% of its adjusted expenditure budget.
 - c. No further change are expected to the Operating Budget at this time.

Attachment: FY2016 Operating Budget through May 31, 2016

1000 General Fund

Account Object	Description	----- Current Year -----				%
		Current Month	Current YTD	Budget	Variance	
Revenue						
330100	Contribution Member Jurisdiction		1,100,262.02	1,100,264.00	-1.98	100
						100
	Total Revenue	0.00	1,100,262.02	1,100,264.00	-1.98	100
Expenses						
410000	Personnel Expenses					
110	Salaries-Regular Pay	53,429.38	625,670.12	678,632.00	52,961.88	92
130	Health & Dental Benefits	6,024.08	72,288.96	82,752.00	10,463.04	87
131	Payroll Taxes	3,943.20	42,210.75	53,279.00	11,068.25	79
132	Retirement VRS	7,871.36	44,729.80	50,542.00	5,812.20	89
133	Life Insurance	1,377.56	7,446.44	8,076.00	629.56	92
134	Flex Spending/Dependent Care	26.25	351.25	478.00	126.75	73
135	Workers Comp		789.00	747.00	-42.00	106
137	Disability Insurance	446.75	9,540.93	13,573.00	4,032.07	70
	Total Account	73,118.58	803,027.25	888,079.00	85,051.75	90
420000	Professional Services					
210	Audit & Accounting Services		20,000.00	27,500.00	7,500.00	73
220	Bank Service	134.02	134.02	750.00	615.98	18
230	Insurance		3,759.00	3,900.00	141.00	96
240	Payroll Services	119.31	997.78	1,300.00	302.22	77
250	TransAction Update Outreach		502.13	46,200.00	45,697.87	1
260	Public Outreach		8,961.97	46,300.00	37,338.03	19
261	Legal/Bond Council Services			50,000.00	50,000.00	
262	Financial Services		54,000.00	72,000.00	18,000.00	75
263	Bond Trustee Fees		2,687.50	2,700.00	12.50	100
	Total Account	253.33	91,042.40	250,650.00	159,607.60	36
430000	Technology/Communication					
310	Acctg & Financial Report System	4,760.00	4,760.00	12,000.00	7,240.00	40
320	HW SW & Peripheral Purchase		555.99	4,000.00	3,444.01	14
330	IT Support Svc Incl Hosting	929.00	10,797.93	10,420.00	-377.93	104
340	Phone Service	440.91	5,039.02	7,680.00	2,640.98	66
350	Web Develop & Hosting	1.00	21,470.00	38,920.00	17,450.00	55
	Total Account	6,130.91	42,622.94	73,020.00	30,397.06	58
440000	Administrative Expenses					
410	Advertisement	516.00	911.00	1,500.00	589.00	61
411	Dues & Subscriptions		1,602.00	3,000.00	1,398.00	53
412	Duplication & Printing		8,619.28	17,000.00	8,380.72	51
413	Furniture & Fixture			1,500.00	1,500.00	
414	Meeting Expenses	8.25	7,688.46	3,600.00	-4,088.46	214
415	Mileage/Transportation	18.00	3,622.40	7,200.00	3,577.60	50
416	Misc Exp		5,762.57		-5,762.57	

1000 General Fund

Account Object	Description	----- Current Year -----				
		Current Month	Current YTD	Budget	Variance	%
417	Office Lease	8,680.25	103,615.52	93,900.00	-9,715.52	110
418	Office Supplies	296.62	1,965.27	10,000.00	8,034.73	20
419	Postage & Delivery	12.50	485.59	600.00	114.41	81
420	Professional Develop & Training		3,919.99	9,750.00	5,830.01	40
421	Industry Conferences		3,065.52	3,000.00	-65.52	102
	Total Account	9,531.62	141,257.60	151,050.00	9,792.40	94
	Total Expenses	89,034.44	1,077,950.19	1,362,799.00	284,848.81	79
	Net Income from Operations	-89,034.44	22,311.83			
Other Expenses						
521000	Transfers					
820	Transfer to Operating Reserve			247,619.00	247,619.00	
	Total Account			247,619.00	247,619.00	
	Total Other Expenses	0.00	0.00	247,619.00	247,619.00	
	Net Income	-89,034.44	22,311.83			