



## NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

### MEMORANDUM

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

**FROM:** Mayor Parrish, Chairman – NVTAF Finance Committee

**DATE:** March 4, 2016

**SUBJECT:** Expenditure Transfer - \$124,700 from the Regional Revenue Fund Budget to the Operating Budget.

---

- 1. Purpose.** Transfer of expenditures related to Financial Advisor Services, Bond Counsel and Bond Trustee Fees from the Regional Revenue Fund Budget to the Operating Budget in FY2016. The transfer was reviewed by the Finance committee which recommends approval to the Authority.
- 2. Suggested motion.** *I move Authority approval of the expenditure transfer of \$124,700 for Financial Advisor Services, Bond Counsel and Bond Trustee Fees from the Regional Revenue Fund Budget to the Operating Fund Budget in FY2016.*
- 3. Background.** The Authority requires ongoing consultation and support from Bond Counsel and a Financial Advisor as well as the annual payment of bond trustee fees.
  - a. For FY2016, these fees were budgeted in the Regional Revenue Fund. Subsequently, it has been determined these fees are more appropriately classified as operating expenses in the Operating Budget.
  - b. In June of 2015 the Authority approved a 3 year contract for financial advisory services with Public Financial Management Inc. (PFM). Expenses for this service are \$72,000/yr.
  - c. Bond Counsel fees are estimated at \$50,000/year.
  - d. Bond Trustee Fees are estimated at \$2,700/year.
  - e. These estimates relate to annual fees and do not include the costs associated with a future debt issuance.
  - f. Where appropriate and possible, the annual fees will be converted to the cost of issuance on future bond financings and reimbursed to the Operating Budget. Such reimbursements will occur in the year the financings are closed.
  - g. The reimbursements will decrease the operating cost share to jurisdictions in the fiscal year following receipt of reimbursement from a bond sale.
  - h. The bond trustee fees of approximately \$2,700/year will not be reimbursable from future bond sales.

**4. Fiscal Impact.** For FY2016 this transfer will require the use of excess fund balance. Shifting the budget location for these expenses will increase the Operating Budget in FY2017 by \$124,700. The total Operating Budget is allocated to and paid by member jurisdictions based on population.

**Coordination:**

Finance Committee  
Council of Counsels