

SUMMARY MINUTES

Thursday, October 9, 2025 – 5:30, p.m., EST
2600 Park Tower Drive, Suite 601
Vienna, VA 22180

This meeting was conducted both in person and virtually as well as livestreamed

1. Call to Order

- ✓ Chair David Snyder called the meeting to order at 5:32 p.m.

Roll Call:

- ✓ **Membership Attendees:** Chair Snyder; Chair Randall (Arrived at 5:53pm); Chair Jefferson; Mayor Davis-Younger
- ✓ **Staff Attendees:** Monica Backmon (Chief Executive Officer); Michael Longhi (Chief Financial Officer); Peggy Teal (Deputy Chief Financial Officer); Dev Priya Sen (Investment & Debt Manager); Lu Han (Comptroller); Margaret Duker (Accounting Assistant); Lauren Wilber (Financial Accountant); Gary Armstrong (Senior Accountant)
- ✓ **Council of Counsels:** Daniel Robinson (Fairfax County)

Members of the public, jurisdiction and agency staff were in person and were able to watch the meeting livestreamed via [NVRTA's YouTube Channel](#)

2. Approval of September 11, 2025, Draft Meeting Summary Minutes Chair Snyder

- ✓ On a motion by Chair Jefferson, seconded by Mayor Davis-Younger, the Summary Meeting Minutes of September 11, 2025, were approved unanimously.

Action Items

3. Acceptance of FY2025 Audited Financial Statements and Compliance Reports

Mr. Garber, CPA Partner of PB Mares & Mr. Longhi, CFO

- ✓ Mr. Garber introduced himself as a partner at PB Mares, the firm that has served as the auditor for NVRTA since HB2313 (2013). This long-standing relationship has provided consistency and a deep understanding of NVRTA's financial operations. PB Mares brings extensive experience auditing similar regional authorities across Virginia and employs a specialized team focused on government audits. This expertise ensures compliance with government auditing standards and supports strong financial oversight for their clients.
- ✓ Mr. Longhi and Mr. Garber presented FY2025 Financial statement and MDA Highlights PowerPoint.
 - A. Project Perspective
 - Project delivery successes have resulted in \$109 million in project funding reclassifications within the first year. Of this amount, \$76.5 million has been successfully returned to the Pay-Go process, for use in future two year updates to the Six Year Program.

- In fiscal year 2025, NVTa continued its initiative to develop a plan for a regional Bus Rapid Transit (BRT) system. NVTa's BRT Action Plan builds upon the more than \$880 million in NVTa investments across five BRT segments currently operating or under development within Northern Virginia.
- The \$2 billion balance sheet reflects the financial health and capacity of the NVTa to fund ongoing and future projects.
- Project reimbursements rose to \$196 million in FY25, up from \$138 million the prior year, showing improved project delivery and funding efficiency.
- The Schedule of Changes in Restricted Funding for Appropriated Projects, along with the Schedule of Restricted Approved Funding for the FY2025–2029 Adopted Programs, was shared with the members.

B. Revenue Outlook

- For the fiscal year ended June 30, 2025, the Authority's governmental activities generated \$547.6 million in intergovernmental revenue and investment earnings, net of premium and discount amortization, changes in fair value. This represents a \$31.9 million increase compared to June 30, 2024.
- The Authority's investment portfolio is performing exceptionally well, covering the entire annual operating budget plus \$2 million in one month, generating roughly \$7.4 million in monthly returns.

C. Required Communications under Government Auditing Standards

- The audit was conducted in accordance with Government Auditing Standards (Yellow Book) and the Specifications for Authorities, Boards, and Commissions from the Virginia Auditor of Public Accounts.
 - There were no disagreements with management, no audit adjustments, and no internal control or compliance issues noted.
 - PB Mares remains independent, with no consulting or non-audit services provided that would impair objectivity.
 - Two new GASB pronouncements were adopted during the year, with no significant impact on NVTa's financial statements.
 - NVTa's investment portfolio is well managed and in compliance with policy.
 - Mr. Garber commended the NVTa finance team for their high-quality preparation of the financial statements.
 - The final audit deliverables will include the audit report, a communications letter to the committee, and the management representation letter.
- ✓ The Authority's FY2025 Financial and Compliance Reports received an unmodified (clean) audit opinion. This opinion reflects that the Authority's financial statements, in all material respects, fairly and accurately present the financial position of the Authority for FY2025.
 - ✓ Chair Snyder asked if there were any recommendations beyond the audit, and Mr. Garber replied that while there were no specific suggestions, their review includes ensuring compliance with broader policies.
 - ✓ Chair Snyder moved the Finance Committee recommend Authority acceptance of the Northern Virginia Transportation Authority Financial and Compliance Audit

reports for the fiscal year ended June 30, 2025. The motion was seconded by Chair Randall and approved unanimously.

Discussion/Information Items

4. FY2027 Budget Guidance Discussion

Mr. Longhi, CFO

- ✓ Mr. Longhi reviewed material for the Committee to provide guidance on the development of NVTa's three budgets for FY2027 – Local Distribution Fund Budget (30%), Regional Revenue Fund Budget (70%), and Operating Fund Budget.
 - A. Local Distribution Fund Budget:
 - The Local Distribution Fund Budget supports the monthly distribution of 30% funds to member jurisdictions. Prior guidance for this budget has been to base the budgeted amount on the finalized FY2027 revenue projections which were adopted by the Authority on June 13, 2024. The revenue projections will be updated as part of the next six-year program for FY2026 to FY2031.
 - B. Regional Revenue Fund Budget:
 - Prior guidance for this budget has been to base the budget on the finalized FY2025/29 revenue projections and PayGo analysis which were adopted by the Authority on June 13, 2024. The PayGo analysis confirmed funding for all previously approved projects and set the recommended amount of funding made available for the FY2026/31 update to the Six Year Program.
 - Revenue and Pay-Go estimate will be developed later in the cycle this year to account for ongoing economic volatility. However, the estimates will be available in time for the two-year program update.
 - C. Operating Fund Budget:
 - The Operating Fund Budget is the central accounting point for operating and administrative expenses of the Authority.
 - The committee discussed the continued use of the Regional Revenue Fund to support the operating budget, rather than requiring population-based contributions from member jurisdictions.
- ✓ Mr. Longhi noted that the upcoming Finance Committee meetings will address the ongoing budgets. He also mentioned that NVTa Policy 10 – Financial Management includes a guideline requiring the Authority to adopt budgets two months before the start of the fiscal year, which means budget adoption should occur by April 2026.

5. Monthly Investment Portfolio Report

Ms. Sen, Investment & Debt Manager

- ✓ Ms. Sen presented the Economic Data Driving Fed's Decision to cut Rates:
 - A. Inflation, CPI, PCE
 - Consumer Price Index (CPI) and Personal Consumption Expenditures (PCE) are closely monitored as inflation indicators. A decrease in consumer spending often points to a weakening economy, which could prompt the Fed to cut interest rates to stimulate activity.
 - B. Labor Market

- Labor market health, characterized by unemployment rates and job creation, plays a crucial role; rising unemployment may trigger rate cuts to support hiring.
- C. Growth Data
 - Growth data which is the data is measured by GDP, Retail Sales and Purchasing Managers Index (PMI). Slowing growth or contraction in these areas may influence the Fed to lower rates in order to spur demand and economic expansion.
- D. Housing & Credit Market
 - Higher interest rates on mortgages and credit lines can suppress both consumer and business activity. A rate cut can reduce borrowing costs, stimulate the housing market, and improve access to credit, all of which can support broader economic recovery.
- E. Sentiment
 - This reflects overall consumer and business confidence, which measures optimism about the state of the economy and the market. A decline in confidence typically signals weaker spending and reduced investment.
- F. Global Stress
 - Global stressors such as international trade tensions and foreign policy uncertainty also feed into rate decisions. These factors can tighten financial conditions and reduce global investment, prompting the Fed to lower rates to maintain domestic economic stability. Ms. Sen noted recent trade tensions and a federal government shutdown have delayed critical data releases, adding to the uncertainty.
- ✓ Chair Randall raised a question about the implications if federal job or economic data stops being released entirely due to a Federal government shutdown. In response, Ms. Sen and Mr. Longhi explained that if the data is only delayed, it will likely be released at a later date. Federal data has long been regarded as the gold standard due to its nonpartisan nature. However, if the data is permanently withheld, NVTa will need to rely on alternative sources such as Bloomberg.
- ✓ Chair Randall asked a follow-up question about whether political factors are considered in investment decisions. Mr. Longhi responded that they are, but the staff concentrates on how politics impacts the markets, rather than on the politics themselves.
- ✓ Chair Snyder and Mr. Longhi discussed the benchmarks used to evaluate NVTa's investment performance. Mr. Longhi explained that NVTa utilizes the Virginia LGIP Extended Maturity Pool and the ICE Bank of America 1–3 Year Index, both of which correspond to NVTa's targeted maturity range and liquidity requirements. The staff selected these aggressive benchmarks to promote disciplined and rigorous performance evaluation.

6. Monthly Revenue Report

Mr. Longhi, CFO

- ✓ Mr. Longhi provided an overview of sales tax. Sales tax collections have started the fiscal year on a positive note, though there is only one month's data. Continued monitoring will be essential to assess the sustainability of this positive trend as the year progresses.

- ✓ Mr. Longhi presented the investment portfolio continues to perform well, generating over \$7 million in income per month. This strong performance reflects the effectiveness of the current investment strategies.
- ✓ Mr. Longhi reported that while the real estate market is showing increased transaction volume due to seller concessions, such as covering buyer costs, these trends suggest softening market conditions.
- ✓ Chair Jefferson commented that one of the biggest concessions in today's real estate market involves buyers now being responsible for their own real estate fees.

7. Monthly Operating Budget Report

Mr. Longhi, CFO

- ✓ Mr. Longhi presented FY2026 operating budget - As of September FY2026, 15% of the budget spent at 17% through the fiscal year.

8. NVTa Update (Verbal Report)

Ms. Backmon, CEO

- ✓ Ms. Backmon expressed her appreciation to all for the clean audit opinion.

9. Adjournment

- ✓ Chair Snyder expressed his appreciation to the staff and the members of the Finance Committee for their ongoing support and contributions.
- ✓ Seeing no further questions, discussion, or business, Chair Snyder adjourned the meeting at 6:23 p.m.