

SUMMARY MINUTES

Thursday, February 13, 2025 – 6:00, p.m., ET
2600 Park Tower Drive, 6th Floor Meeting Room,
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 6:10 p.m.

Roll Call:

- ✓ **Membership Attendees:** Mayor Davis-Younger; Mayor Read; Chair Randall
- ✓ **Remote Attendees:** Chair Snyder; Chair Jefferson
- ✓ **Staff Attendees:** Monica Backmon (Chief Executive Officer); Michael Longhi (Chief Financial Officer); Margaret Duker (Accounting Assistant); Gary Armstrong (Senior Accountant); Lu Han (Comptroller); Sree Nampoothiri (Senior Manager, Transportation Planning & Programming); Abigail Hillerich (Communications & Public Affairs Manager); Starla Couso (Planner, Transportation Planning & Programming)
- ✓ **Council of Counsels:** Christina Brown (City of Alexandria); Daniel Robinson (Fairfax County).

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

2. Approval of December 12, 2024, Draft Meeting Summary Minutes

- ✓ Chair Randall moved approval of the December 12, 2024, meeting minutes; seconded by Chair Jefferson. The Motion was carried unanimously with 2 abstentions.

Action Items

- ✓ The development of NVTA's three budgets for FY2026, the Local Distribution Fund Budget (30%), Regional Revenue Fund Budget (70%), and Operating Budget—were initially scheduled as discussion items to provide the Committee further opportunity to provide guidance. However, during the discussions the Committee determined further guidance was not required. As a result, the items were reclassified from discussion to action during the meeting. The Committee subsequently recommended presenting the budgets to the Authority in April for consideration.
- ✓ With the consent of Committee Chair Snyder, Chair Randall made a Motion to move the three budgets forward to the Authority for consideration: seconded by Chair Jefferson. The Motion was approved unanimously.

3. FY2026 Local Distribution Fund Budget Proposal

Mr. Longhi, CFO

- ✓ Mr. Longhi presented the proposed FY2026 Local Distribution Fund Budget.
 - The Local Distribution Fund Budget allocates 30% of revenue received to localities. Revenue sources include Sales Tax; Grantor's Tax; Interstate Operations and Enhancement Program (IOEP) transfer and the Commonwealth's Northern Virginia Transportation District (NVTD) transfer.
 - CoVA Interest is the interest earned on the funds while transitioning through the state system.
 - Interest Earnings is the interest earned while funds are held in the Authority's investment portfolio.
 - All funds are disbursed to member jurisdictions in accordance with the State Code. Distributions occur monthly, subject to compliance with Annual Certification requirements.
 - The total revenue available for distribution is projected at \$141 million, representing a \$12 million increase or 9% from the previous year.
 - Chair Randall asked about the difference between the adopted FY2025 and proposed FY2026 Grantors Tax. Mr. Longhi explained that the decrease is the result of a regional drop in home sale transaction volume, not due decreases in value. Chair Randall recognized the low inventory of homes available for sale regionally.
 - Chair Snyder asked about the expected increase in Sales Tax, considering the federal activity in the region. Mr. Longhi expressed confidence in the increase, noting that Sales Tax is one of the most resilient revenue sources. He emphasized that over 25 years of sales tax history, Northern Virginia has only seen two year-over-year decreases, once with 911 and the other during Federal sequestration. The current revenue estimates include a projected recession within six years. The recession period is assigned to FY2027 in the current estimates. However, estimates are revised every two years as part of the PayGo calculation for the Six-Year Program.

4. FY2026 Regional Revenue Fund Budget Proposal

Mr. Longhi,

CFO

- ✓ Mr. Longhi presented the proposed FY2026 Regional Revenue Fund Budget .
 - The budget for the Regional Revenue Fund, totaling \$398 million, reflects an 18.6% increase, mainly from an increase in Sales Tax and portfolio earnings. Portfolio Earnings are expected to double from \$35 million to \$70 million for FY2026, becoming the Authority's second-largest revenue source.
 - Expenditures include the principal and interest payments on the bonds currently outstanding, as well as;
 - \$397,000, representing a proposed change in the budget structure. Mr. Longhi shared, staff is recommending transferring the system development costs associated with the Project Information Monitoring and Management System

(PIMMS) and the NOVA dashboard to the Regional Revenue Fund budget. In previous years, it was determined that expenses for regional functions, such as TransAction and PIMMS, should be reflected in the Regional Revenue Fund budget. PIMMS was originally started as a largely internal tool but has evolved to a regional one. The proposed upgrade to PIMMS will include CMAQ and RSTP applications and transfers, automating the process similarly to how PIMMS automated Regional Revenue Fund project applications. The proposed upgrade will streamline the process for localities, minimize errors with added checks and balances, and allow CMAQ and RSTP projects to be displayed on the NOVA dashboard.

- \$4.5 million is allocated for the legislatively required upcoming procurement to update TransAction and three future Six-Year Program updates. TransAction is updated every five years, with the update taking approximately two years to complete.
- \$173 million represents appropriations for eight projects approved for funding including two forward appropriations. The two forward appropriations are from the FY2024-FY2028 funding program and are being recommended for appropriation for FY2026 because the project sponsors stated the projects are able to start early.
 - Loudoun County: Route 7 Corridor ITS Implementation Program (2022-315-1) \$2,500,000.
 - City of Alexandria: Alexandria Bike and Pedestrian Trails Construction and Reconstruction: Holmes Run Trail - Dora Kelly Fair-weather Crossing Bridge. (2022-329-1) \$5,000,000.
 - City of Alexandria: West End Transitway Phase 1b: South Van Dorn Street and Bridge Design. (2022-328-1) \$5,000,000.
 - City of Manassas: Liberia Avenue 3rd Lane Eastbound: Route 28 to Euclid Avenue. (2022-314-1) \$8,851,639.
 - Virginia Passenger Rail Authority: Franconia-Springfield Passenger Rail Bypass. (2020-313-1) \$22,958,821.
 - Fairfax County: 8 New Battery Electric Buses - Fairfax Connector Buses for Tysons to Franconia Service (2022-324-1) \$10,000,000.
 - Prince William County: Route 234 and Sudley Manor Drive Interchange. (2024-343-1) \$115,000,000 (Forward Appropriation).
 - City of Manassas: Roundabout at Route 28 and Sudley Rd. (2024-342-1) \$4,020,000 (Forward Appropriation).

5. FY2026 Operating Budget Proposal

Mr. Longhi, CFO

- ✓ Mr. Longhi presented the proposed FY2026 Operating Budget. The Operating Budget is presented in two phases: base budget with escalations and new initiatives.
 - Base budget escalations primarily include contract-required increases and inflationary adjustments, with salary increases not to exceed 6% based on the local jurisdictions' final budgets.
 - The majority of the changes are contract increases, but there is a notable reduction of \$26,800 in Public Outreach that is due to the

- reduced costs in annual report preparation. And \$10,575 in reduced costs due to one-time equipment expenses for this year's new employees.
 - Advertisement expenses have decreased, partly due to the reduced need for advertising vacancies.
 - The Office Lease has a \$13,172 increase in costs due to regular escalation.
 - Office furniture and fixtures have seen a \$17,580 decreased due to one-time expenses.
 - Professional Development & Outreach includes an additional \$5,000 for training and increased engagement in regional/national transportation forums.
- New Initiatives include three new positions: A financial accountant, a regional transportation planner, and a communications position.
 - The financial accountant position aims to enhance project delivery and financial tracking, ensuring efficient use of funds and compliance with legal responsibilities. With the investment portfolio exceeding \$2 billion, staff efforts are currently being focused from general duties to increasing complex management focus on the portfolio.
 - The regional transportation planner role is critical for managing an increasing number of projects, facilitating communication with project sponsors, and ensuring timely project delivery.
 - The communications position is intended to improve internal and external communication, allowing for better public engagement and transparency regarding transportation initiatives and funding. This position is largely funding through reduction in contract costs and internal savings.
 - Due to the start of the TransAction procurement, staff is suggesting early onboarding for the communication and regional planner positions upon budget adoption.
- Chair Randall asked if NVTa believes it has the necessary staffing levels it needs right now. Ms. Backmon confirmed that the Authority has been running with a lean staff for several years. The focus has been on keeping the organization small, but with increasing demands, a focus on project delivery, the current staffing is no longer sufficient. Ms. Backmon further explained that as the Authority adopts each funding program, staff is responsible for monitoring, overseeing, and is accountable for these projects. As the Authority's project count grows, staffing levels are not increasing at the same pace. The additional positions ensure staff can handle project delivery, planning, and programming, while also addressing other initiatives and legal requirements.
- Chair Randall raised a question about whether any position needed to go to a vote tonight? Mr. Longhi replied that the early onboarding of the communications and planning positions will address the immediate needs.

Discussion/Information Items

- 6. Monthly Investment Portfolio Report** Ms. Sen, Investment & Debt Manager
✓ Mr. Longhi presented and reviewed the Monthly Investment Portfolio Report included in the meeting package.
- 7. Monthly Revenue Report** Mr. Longhi, CFO
✓ Mr. Longhi presented and reviewed the Monthly Revenue Report as provided in the packet.
 - The report highlighted the positive performance of the Sales Tax, essentially covering the drop in Grantor's Tax revenue.
 - Interest Earnings and Unrealized Gains/Losses: A new chart was introduced to give a clearer picture of portfolio performance. The chart includes monthly interest earnings and provides changes in market valuations.
 - Grantor's Tax was discussed in the context of current market fluctuations, changes in Federal administration and Presidential Executive Orders.
- 8. Monthly Operating Budget Report** Mr. Longhi, CFO
✓ Monthly Operating Budget Report in the meeting package was reviewed.
- 9. NVTA Update (Verbal Report)** Ms. Backmon, CEO
✓ Ms. Backmon thanked Chair Snyder for serving as Chair of the Committee.
- 10. 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 order of business, Chair Snyder adjourned the meeting at 7:00 p.m.