

SUMMARY MINUTES

Thursday, May 8, 2025 – 6:00, p.m., ET
2600 Park Tower Drive, Suite 601 Window Conference 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 6:00 p.m.

Roll Call:

- ✓ **Membership Attendees:** Chair Snyder; Chair Randall; Chair Jefferson; Mayor Davis-Younger, Board Member De Ferranti
- ✓ **Staff Attendees:** Michael Longhi (Chief Financial Officer); Peggy Teal (Deputy Chief Financial Officer); Dev Priya Sen (Investment & Debt Manager); Lu Han (Comptroller); Abigail Hillerich (Communications & Public Affairs Manager); Margaret Duker (Accounting Assistant)
- ✓ **Remote Attendees:** Monica Backmon (Chief Executive Officer)
- ✓ **Council of Counsels:** Daniel Robinson (Fairfax County); Christina Brown (City of Alexandria - Remote). MinhChau Corr (Arlington 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 April 10, 2025, Draft Meeting Summary Minutes

Chair Snyder

- ✓ On a motion by Chair Randall, seconded by Mayor Davis-Younger, the Summary Meeting Minutes of April 10, 2025, were approved unanimously.

Discussion/Information Items

3. Economics and Revenue

Mr. Longhi, CFO

- ✓ Mr. Longhi recapped current economic information and revenue impacts:
- ✓ Economic Topics:
 - Global Trade Re-alignment
 - Mr. Longhi addressed the topic of global trade realignment, emphasizing the economic uncertainty it brings. A key concern discussed was the potential financial impact if China and Japan were to offload significant holdings of U.S. Treasuries, which could additionally destabilize global markets. This concern is compounded by ongoing tariff policies and shifting trade strategies.
 - Tariff Impacts
 - Mr. Longhi discussed the impact of new and pending tariffs, with Chair Snyder noting that a 25% tariff on cars and car parts, particularly affecting imports from Japan is expected to significantly raise vehicle and repair

costs for local governments and construction firms. Construction materials, including HVAC systems and imported lumber, are already showing price pressures. On a positive note, Mr. Longhi reassured that the Authority's financial planning and revenue protection tools are strong. He emphasized that the authority's top priority is to ensure funding commitments for approved projects are met promptly.

- Federal Government Employee Reductions in Force (Local)
 - Mr. Longhi addressed the potential reductions in federal government employment and possible Grantor's tax impacts.
- Recession Probability
 - Mr. Longhi addressed that, although much of the market reaction remains speculative, there are early signs of an economic slowdown. One example provided was JB Hunt, a major U.S. trucking company, which has seen an 8% revenue decline in the last quarter and is idling large portions of its long and short haul fleet.
 - Chair Randall raised the question of whether current conditions meet the criteria for a recession. Mr. Longhi explained that a recession is technically defined as two consecutive quarters of negative GDP growth.
- Federal Open Market Committee Rate Setting, Chairmanship
 - Mr. Longhi expressed concern about the President's threatening the independence of the Federal Reserve Bank Chairmanship and related Federal Open Market Committee's Rate Setting And Board Member De Ferranti emphasized the importance of maintaining the Federal Reserve Bank's independence.
- Weaker Dollar – The International US Debt Trade
 - Mr. Longhi noted that a weaker U.S. dollar makes it harder to address the trade imbalance.
- ✓ Revenue and PayGo Protection Tools:
 - Project Delivery - \$109.1 million impact, \$76.5 million effectively is new PayGo.
 - Investment Portfolio – Out producing projections by approximately \$50 million/year.
 - Route 28 Bypass Project Withdrawal/Reimbursement – places \$95 million back in PayGo.
 - Consistently Conservative Revenue Estimates, to protect funding of approved projects.
 - Revenue estimate taper in outer years of revenue cycle (Used during COVID uncertainty and reestablished.)
 - Current revenue estimates, adopted 1.5 years ago, included the likelihood of a recession during the estimate period.
 - Fully funded Working Capital Reserve of \$120 million.
 - Short and long term debt capacity (combined) of over \$1 billion. Highest possible credit ratings from the top three credit rating agencies.
- ✓ Board Member De Ferranti inquired whether there is a specific timeframe for determining the level of confidence in project funding protection. Mr. Longhi

responded by expressing strong confidence that the current project funding can be protected.

4. Monthly Investment Portfolio Report

Ms. Sen, Investment & Debt Manager

- ✓ Ms. Sen presented the Monthly Investment Portfolio Report, explaining that while market conditions remain unstable with declining rates, the investment portfolio continues to perform well due to strategically placed long-term securities yielding 4–5%. She noted that recent investments include securities maturing in February 2027, with additional placements planned for May 2027. Although the market downturn is expected to persist, the presence of high-yield instruments in the portfolio is expected to cushion the impact, helping to maintain relatively stable overall returns.

5. Monthly Revenue Report

Mr. Longhi, CFO

- ✓ Mr. Longhi provided an overview of the revenue. He referred to the standard charts in the packet and highlighted the following points:
 - Sales tax revenue showing a concerning dip, but historical analysis shows a 75% likelihood of a 'bounce back' in this time period.
 - The portfolio experienced a temporary dip in February due to the shorter month, but current liquid funds stand at \$72 million, well above the \$35 million estimate providing confidence in exceeding the current projection by \$50 million.
 - Grantors' tax revenue is being closely monitored.

6. Monthly Operating Budget Report

Mr. Longhi, CFO

- ✓ Monthly Operating Budget Report in the meeting package was reviewed.

7. NVTA Update (Verbal Report)

Ms. Backmon, CEO

- ✓ Ms. Backmon thanked everyone.

8. 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 6:45 p.m.