



Northern Virginia Transportation Authority

The Authority for Transportation in Northern Virginia

SUMMARY MINUTES

Thursday, February 8, 2024 – 6:04, p.m., ET
3040 Williams Drive, Suite 200
Fairfax, VA 22031

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

1. Call to Order

- ✓ Mayor Rishell called the meeting to order at 6:20 p.m.

Roll Call:

- ✓ **Membership Attendees:** Mayor Rishell; Council Member Snyder; Chair Randall;
- ✓ **Other Attendees:** Supervisor Walkinshaw (on behalf of Chairman McKay);
- ✓ **Staff Attendees:** Monica Backmon (Chief Executive Officer); Michael Longhi (Chief Financial Officer); Peggy Teal (Deputy Chief Financial Officer); Dev Priya Sen (Investment & Debt Manager); Amanda Sink (Executive Assistant to the CEO); Adnan Malik (Senior Accountant); Keith Jasper (Principal, Transportation Planning and Programming); Sree Nampoothiri (Senior Manager, Transportation Planning)
- ✓ **Council of Counsels:** Christina Zechman-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 [NVTVA's YouTube Channel](#)

2. Approval of January 11, 2024, Draft Meeting Summary Minutes

- ✓ Chair Randall moved approval of the January 11, 2024, meeting minutes; seconded by Council Member Snyder. Motion carried unanimously.

DISCUSSION/INFORMATION ITEMS

3. FY2025 Local Distribution Fund Budget Guidance

Mr. Longhi, CFO

- ✓ Mr. Longhi presented the FY2024 Local Distribution Fund Budget by noting Local Distribution Fund (30%) revenues are distributed in their entirety to member jurisdictions with revenues received from the Commonwealth.
- ✓ He noted that all Local Distribution Fund revenues are distributed each fiscal year resulting in a zero-carryforward balance and a zero-ending fund balance each fiscal year. The distributions to jurisdictions are based on the actual transactions conducted within the jurisdiction.
- ✓ The Authority's principal four sources of revenue are shown at 30% of what is expected to be received. CoVa Interest is interest earned on the Authority funds prior to their transfer to the Authority's investment and banking accounts.
- ✓ The proposed FY2025 Budget allocations for the four revenue streams, including Sales Tax, Interstate Operations & Enhancement Program, Regional Congestion Relief Fee, and Commonwealth NVTD Transfer.

- ✓ Mr. Longhi further added that the FY2025 proposed budget allocates \$128.9 million for distribution to the member localities, with distributions based on actual revenue received.
- ✓ Mr. Longhi then briefed that monthly 30% distributions would continue according to the established budget guidance, regardless of revenue projection variances, provided member jurisdictions complied with the Annual Certification requirements.

4. FY2025 Regional Revenue Fund Budget Guidance

Mr. Longhi, CFO

- ✓ Mr. Longhi discussed the current budget guidance, emphasizing that the Regional Revenue Fund Budget functions as the primary funding reservoir for transportation projects. This budget encompasses 70% of the Authority's four main revenue streams, alongside supplementary income sources such as interest accrued from the Commonwealth of Virginia on the Authority funds before their transfer, and earnings from the investment portfolio.
- ✓ Mr. Longhi reviewed the Regional Revenue Fund budget expenditures.
 - Debt service for the outstanding 2014 bond series.
 - Modeling License and Support which includes the cost of software licenses and technical support.
 - Recommended Project Appropriation Requests. The total requested and NVTAs staff recommended project funding is \$298 million.
 - Net Revenue-Restricted for the FY2020-FY2025 Six Year Program Commitments: This represents funding approved in the FY2020/25 Six Year program for which appropriations have not been requested.
 - Transfer Out to Operating Fund: Transfer from the Regional Revenue Fund to support the Authority's FY2025 Operating Budget, as permitted in the Code of Virginia, and in lieu of jurisdictions using their funds on a per capita basis.
 - Restricted Fund Balance - Carryforward to Six Year Program Update: These funds represent positive revenue variances and investment portfolio income, which will be used in the PayGo determination for the FY2028/29 update to the Six Year Program.
 - Working Capital Reserve: This is a NVTAs required policy, and credit rating agency noted reserve, to insulate project and operational funding from variances and disruptions in revenues.
 - Debt Service Reserve: This reserve is required by the Authority's bond covenants.
- ✓ Chair Randall asked if forward appropriation is allocated for specific project phases. Mr. Longhi clarified that it covers the entire project and is allocated in advance. Chair Randall also inquired about NVTAs current funds. Mr. Longhi suggested that utilizing funds could expedite projects. Ms. Backmon stressed the importance of timely communication regarding the need for funds.
- ✓ Council Member Snyder asked whether the assigned money for forward appropriation is from the present or future budget. Mr. Longhi clarified that it encompasses both current and future funds.

- ✓ Mayor Rishell asked when NVTa would utilize market options versus tapping into the \$120 million capital reserve. Mr. Longhi clarified that the \$120 million capital reserve would be depleted before considering short-term bonds such as a letter of credit.

5. FY2025 Operating Budget Guidance

Mr. Longhi, CFO

- ✓ Mr. Longhi presented the proposed Operating Budget, which serves as the financial nucleus for the operational and administrative expenditures of the Authority. The guidance for the operating budget is divided into two sections– Base Budget Escalations and New Initiatives.
- ✓ Base Budget Escalations for FY2025:
 - The base budget includes increases for compensation to align with prior member jurisdiction actions (catch up) and contract increases for categories such as Benefits, Professional Outreach, Office Lease, and Professional Development/Training.
 - The Finance Committee was informed about the execution of the lease for the new office space.
- ✓ New Initiatives for FY2025:
 - The initiatives discussed with the Committee are aimed at preparing for the forthcoming update to the Authority’s Five-Year Strategic Plan. These efforts prioritize the need to expand our capacity to sustain and improve the current array of services offered by the Authority, while also readying us to tackle other pressing regional transportation priorities that remain unmet.
- ✓ Mr. Longhi addressed the 7% salary compensation cap, explaining that budget increases could result in higher individual staff raises. This includes adjustments for vacant positions or market rates but may not include merit increases. He emphasized that NVTa staff receive merit-based annual compensation increases. He presented a table illustrating salary increases across jurisdictions in recent fiscal years, concluding that the 7% increase aims to catch up.
- ✓ Chair Randall and Mayor Rishell emphasized the importance of maintaining parity by keeping pace with counterparts.

Based on the Finance Committee's guidance and direction, the Finance Committee members reached a consensus to present the three proposed FY2025 Budgets at the next Authority meeting.

6. Monthly Investment Portfolio Report

Mr. Longhi, CFO

- ✓ Ms. Sen reviewed and presented the Monthly Investment Portfolio Report by noting that the reports are based on investment activity through the end of December 2023.
- ✓ Ms. Sen addressed the volatile market by intending to secure longer durations at higher rates for maturities and monthly revenue, anticipating potential Fed interest rate reductions.

7. Monthly Revenue Report

Mr. Longhi, CFO

- ✓ Mr. Longhi reviewed and presented the Monthly Revenue Report as provided in the packet.

8. Monthly Operating Budget Report

Mr. Longhi, CFO

- ✓ Mr. Longhi reviewed and presented the Monthly Operating Budget Report as provided in the packet.

9. NVTA Update (Verbal Report)

Ms. Backmon, CEO

- ✓ Ms. Backmon confirmed the lease signing for NVTA's new office and thanked the Council of Counsels and Mr. Longhi for their efforts.
- ✓ Mayor Rishell expressed appreciation to the staff.

10. Adjournment

- ✓ Seeing no further questions, discussion, or order of business, Mayor Rishell adjourned the meeting at 6:40 p.m.