



Northern Virginia Transportation Authority

The Authority for Transportation in Northern Virginia

SUMMARY MINUTES

Thursday, September 12, 2024 – 6:00, p.m., ET
2600 Park Tower Drive, First Floor Conference Room,
Vienna, VA 22180

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

1. Call to Order

- ✓ Mayor Rishell called the meeting to order at 6:00 p.m.

Roll Call:

- ✓ **Membership Attendees:** Mayor Rishell; Council Member Snyder; Mr. Minchew.
- ✓ **Other Attendees:** Supervisor Turner.
- ✓ **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 (Project Delivery/Grants Manager); Quinn Haley (Executive Assistant to the CEO); Adnan Malik (Senior Accountant); Margaret Duker (Accounting Assistant).
- ✓ **Council of Counsels:** Christina Zechman-Brown (City of Alexandria); Daniel Robinson (Fairfax County), MinhChau Corr (Arlington County) Remote Participation.

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 May 9, 2024, Draft Meeting Summary Minutes

- ✓ Council Member Snyder moved approval of the May 9, 2024, meeting minutes; seconded by Mr. Minchew. Mr. Minchew abstained from the vote as it was his first meeting following his appointment. Motion carried unanimously.

ACTION ITEMS

3. Out of Cycle/Forward Appropriations

Mr. Longhi, CFO

- ✓ Mr. Longhi commented that the appropriations for the Regional Revenue Fund are usually included with the annual budget adoption. Occasionally, additional appropriations are proposed when project sponsors indicate they can advance a project within the current fiscal year.
- ✓ Mr. Longhi further noted that the City of Fairfax and Arlington County have made the requests noted below:
 - City of Fairfax requests \$700,000 for Jermantown Road / Route 29 Intersection Improvements (CFX-015). This project was approved in the FY2020/25 Six Year Program resulting in an out of cycle appropriation. (Out of cycle refers to the project being eligible for appropriation in FY2025. The request was not submitted during the budget preparation.)
 - Arlington County requests \$58.9 million for Ballston-MU Metrorail Station West Entrance (ARL-021). This project was approved in the FY2022/27 Six Year Program resulting in a Forward Appropriation. (A Forward Appropriation occurs

when a project is requesting funding sooner than originally approved by the Authority. Such appropriations require additional tracking to ensure the Authority does not overextend cash flow and revenue.)

- ✓ NVTA staff recommend Finance Committee approval of both requests based on:
 - The City of Fairfax request was in the adopted PayGo level for FY2025.
 - The Arlington County request reflects the transfer of \$21.1 million from the Ballston-MU Metrorail Station West Entrance (ARL-021) which was originally approved for FY2026/27 at \$80 million, resulting in a net amount for the appropriation of \$58.9 million.
 - NVTA staff have identified adequate FY2024 Regional Revenue Fund Balance (unaudited) to support both appropriations.
- ✓ Mr. Minchew asked if there are any committed funds from Arlington County that haven't been drawn down. Mr. Longhi confirmed this is common among project sponsors, as the total project amount is available in the initial appropriation. Mr. Longhi gave a brief explanation of the forward appropriation process. He noted this process, monitored by independent auditors, saves the Authority significant costs, as it reduces the need for debt issuance by using unspent project funds to advance initiatives.
- ✓ Council Member Snyder moved the following Finance Committee recommend Finance Committee recommend the Northern Virginia Transportation Authority approve FY2025 Regional Revenue Fund appropriations for:
 - City of Fairfax \$700,000 for Jermantown Road / Route 29 Intersection Improvements (CFX-015).
 - Arlington County \$58,900,000 for Ballston-MU Metrorail Station West Entrance (ARL-021)
- ✓ The motion was seconded by Mr. Minchew (for discussion), who then abstained from voting on the second motion.
- ✓ Mr. Minchew and Mr. Longhi agreed to a future meeting whereby the forward appropriation process and benefits would be discussed in detail.
(ED. Note. At this point in the meeting the Council of Counsels noted that, while there was a meeting quorum, the NVTA Bylaws require an affirmative vote by at least three jurisdictional members for Action Item approval. . Since there were only two jurisdictional members present at the meeting, the Action Item could not proceed with a Finance Committee recommendation. The Committee gave a verbal directive to have this item placed on the Authority's October agenda and note the Bylaw issue.)

DISCUSSION/INFORMATION ITEMS

4. Finance Team Activities Report

Mr. Longhi, CFO

- ✓ Mr. Longhi provided the Finance Committee with an update of the activities of the Finance Team by noting:
 - Annual Audit:
 - The annual audit is progressing on schedule. No concerns have been identified at this time and we anticipate a smooth, on-time conclusion.

- Inclusion of a New Supplementary Schedule will be added to the audit report to outline future project funding commitments by the Authority, which have yet to receive an appropriation. This report is in addition to the existing schedule which shows appropriated projects. This will enhance clarity regarding our financial position by highlighting both committed (appropriated) projects and future obligations not reflected in the current budget, totaling \$1.8 billion.
 - New Office:
 - Staff moved to the 6th floor of 2600 Park Tower Drive on August 19th.
 - Conference room furniture is expected to arrive and be set up on September 19th and 20th.
 - Galley space and some décor enhancements are waiting schedule sequencing.
 - Meeting room audio visual technology has been installed, with configuration, testing and training ongoing.
 - All lease costs are within the Authority approved Term Sheet (no cost overruns) and all costs associated with the move and outfitting the new space are being covered by various landlord concessions.
 - A wire transfer of \$890,000 from the landlord as the final concession from the negotiations is expected the following week.
 - Economic Analysis:
 - Based on Authority Member comments, it appears the independent, external economic impact analysis conducted after each update to the Six Year Program, could be improved by including an evaluation of NVTAs adopted Core Values of Equity, Safety and Sustainability.
 - Economic analyses of these topics are a relatively new study area.
 - Such an analysis will require a new procurement and additional budget Authorization, which would not be complete for the 2025 General Assembly Session. Mr. Longhi recommended undertaking the currently planned economic analysis while also issuing a new Request For Proposals (RFP) for the Core Values component, without requesting a budget commitment now, but returning to the Authority with a budget proposal later.
- ✓ Mayor Rishell emphasized the importance of timing and suggested that they should prepare something for the General Assembly, as this is crucial for their lobbying efforts to protect the Authority.
- ✓ Council Member Snyder sought further details about the economic analysis. Mr. Longhi explained that the RFP on Economic Analysis will incorporate the Core Values of Equity, Safety, and Sustainability, reflecting the new focus area. Ms. Backmon noted that the Authority embraced the principles of the Economic Impact Analysis six years ago, emphasizing that this analysis not only covers transportation projects and congestion reduction but also demonstrates the direct link between these investments and economic outcomes. This updated analysis builds on prior efforts while incorporating our Core Values.

- ✓ Mr. Minchew inquired about the important deadline for the budget cycles in November, referencing the meeting of the General Assembly money committees. Mr. Longhi replied that we usually have the current format economic analysis prepared by December, just before the General Assembly convenes.
- ✓ Mr. Longhi summarized the goal is to conduct the current economic analysis in time for the General Assembly session and then incorporate the Core Values analysis, merging it with the basic report. In future years, both analyses will be completed together.
- ✓ Mayor Rishell inquired whether the Finance Committee members were seeking a formal consensus, to which they affirmed and provided verbal direction to Mr. Longhi to proceed.

5. Monthly Investment Portfolio Report

Mr. Longhi, CFO

- ✓ Ms. Sen reviewed and presented the Monthly Investment Portfolio Report, highlighting that the data reflects investment activity through July 31, 2024.
 - She provided an overview of the portfolio strategy, discussing adjustments to portfolio duration, benchmark responses to market rate changes, and methods for preserving yield amid declining rates.
 - Ms. Sen noted that fluctuations in market rates will immediately impact on our LGIP Extended Maturity Benchmark, reflecting changes in real time. In contrast, the ICE BofA Benchmark will react more slowly due to its 18-month average calculation. Consequently, our portfolio will align with the ICE BofA benchmark at a more gradual pace.
 - Investment portfolio earnings for FY2024 were projected at \$35 million. Actual earnings are \$66 million (\$36.3 million in realized and \$29.7 in accrued interest). There was an additional unrealized gain of \$24.3 million.
- ✓ Ms. Sen concluded that the portfolio and market are now positioned to preserve yield over the long term as market rates decline, while also maintaining the flexibility to capitalize on potential rate increases.
- ✓ Mr. Minchew asked whether our investment policies restrict us to purchasing only Virginia municipal bonds. Mr. Longhi clarified that the policies do not limit us to Virginia municipal bonds; we can invest in other municipal bonds if they comply with our investment guidelines.

6. Monthly Revenue Report

Mr. Longhi, CFO

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

7. Monthly Operating Budget Report

Mr. Longhi, CFO

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

8. NVTA Update (Verbal Report)

Ms. Backmon, CEO

- ✓ Ms. Backmon indicated that she does not have an update for the Committee.

9. Adjournment

- ✓ Mayor Rishell expressed her gratitude to the staff for their hard work and dedication.
- ✓ Seeing no further questions, discussion, or order of business, Mayor Rishell adjourned the meeting at 6:41 p.m.