



# Northern Virginia Transportation Authority

The Authority for Transportation in Northern Virginia

## SUMMARY MINUTES

Thursday, October 17, 2024 – 6:00, p.m., ET  
2600 Park Tower Drive, 6th Floor Board 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 6:12 p.m.

#### Roll Call:

- ✓ **Membership Attendees:** Mayor Rishell; Council Member Snyder; Chair Randall (Arrived at 6:15 p.m.).
- ✓ **Staff Attendees:** Monica Backmon (Chief Executive Officer); Michael Longhi (Chief Financial Officer); Peggy Teal (Deputy Chief Financial Officer); Dev Priya Sen (Investment & Debt Manager); Quinn Haley (Executive Assistant to the CEO); Margaret Duker (Accounting Assistant).
- ✓ **Council of Counsels:** Daniel Robinson (Fairfax County), MinhChau Corr (Arlington County).
- ✓ **Auditor:** Tyler Farnsworth (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 September 12, 2024, Draft Meeting Summary Minutes

- ✓ Chair Randall moved approval of the September 12, 2024, meeting minutes; seconded by Council Member Snyder. Motion carried unanimously.

## ACTION ITEMS

### 3. Acceptance of the FY2024 Audited Financial Statements and Compliance Reports

Mr. Longhi, CFO

- ✓ Mr. Longhi introduced Mr. Tyler Farnsworth as the Audit Manager with PBMares, LLP and noted.
  - The Finance Committee is designated as the Authority's Audit Committee. The Authority contracted with an independent, external, licensed certified public accounting firm PBMares, LLP to complete the required FY2024 audit.
  - Mr. Longhi presented a PowerPoint summarizing the key highlights from the Financial Statements and audit process.
    - The presentation focused on Project Perspectives, emphasizing the narrative elements of the report that position the organization as the regional leader in multimodal transportation planning. It also highlighted the use of funds, showcasing the FY2024 Statement of Net Position.
    - Mr. Longhi covered the FY2024 project reimbursements, which totaled \$138M—an increase of \$20M from last year, but \$10M below the FY2020 peak of \$148M.

- A new schedule of the Authority's approved funding, pending future appropriations, is included in the Supplementary Information section of the Financial and Compliance Reports. This new schedule, along with the appropriated project schedule, provides a comprehensive overview of the Authority's long-term financial commitments to funding regional transportation solutions.
  - For FY2024, the Authority saw a \$4.4M increase in sales tax receipts but experienced a \$1.7M drop from the Regional Congestion Relief Fee (Grantor's) and the Interstate Operation and Enhancement Program (IOEP) transfer. Investment earnings surged \$34M over projections, helping to offset these declines.
  - The Investment Portfolio was also reviewed, with FY2024 earnings projected at \$35M. Actual earnings amounted to \$66M, exceeding projections by \$31M. There was an additional unrealized gain of \$24.3 million. This is generated by audit standard requirements called 'Mark to Market'. This standard aims to present a market comparison of security values as of June 30, 2024, in the Financial Statements.
  - The new lease required significant disclosures for FY2024 due to transactions related to leaving 3040 Williams Drive and moving to a temporary location at 2600 Park Tower, with the final move to the 6th-floor suite in FY2025. The landlord provided \$1,068,000 for tenant improvements, most of which has been spent, and NVTA staff are reviewing these expenditures. Remaining office outfitting costs will be covered by the \$892,008 rent concession. A final wrap-up of the lease transactions will be presented to the Finance Committee and included in the FY2025 audit.
  - Chair Randall discussed the Revenue Outlook, specifically addressing the decrease in Grantor's tax. Mr. Longhi explained that two factors impacting the Grantor's tax are the increasing value of property and transactions, with property values remaining high but a lack of current transactions negatively impacting Grantor's tax.
  - Mayor Rishell highlighted NVTA's current investment of over \$500 million in BRT and asked if NVTA's investment surpassed that of any other entity in Northern Virginia. Mr. Longhi confirmed that a significant portion is allocated to Fairfax County's BRT and further noted that NVTA has invested more in BRT than the Commonwealth of Virginia.
- Mr. Tyler Farnsworth, CPA, Manager with PBMares, LLP, presented the fiscal year ended June 30, 2024, Financial and Compliance Reports; the required Results of the Audit that explains the overview of the Financial Statements and communication process with staff; and the Management Letter explaining upcoming Government Accounting Standards Board (GASB) and Virginia Auditor of Public Accounts pronouncements regarding future changes to audit standards.

- The Authority's FY2024 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 FY2024.
- Council Member Snyder inquired if there is any guidance that NVTA should be aware of. Mr. Farnsworth responded that there is none, as each transaction is thoroughly reviewed and checked internally, ensuring compliance for the audit.
- Mayor Rishell thanked the Finance Staff for their hard work and collaboration with Mr. Farnsworth.
- ✓ Chair Randall moved the Finance Committee recommend Finance Committee recommend Authority acceptance of the Northern Virginia Transportation Authority Financial and Compliance Audit reports for the fiscal year ended June 30, 2024. The motion was seconded by Council Member Snyder.

### **DISCUSSION/INFORMATION ITEMS**

#### **4. FY2026 Budget Guidance Discussions**

Mr. Longhi, CFO

- ✓ Mr. Longhi reviewed material for the Committee to provide guidance on the development of NVTA's three budgets for FY2025 – Local Distribution Fund Budget (30%), Regional Revenue Fund Budget (70%), and Operating Fund Budget.
  - Local Distribution Fund Budget:
    - The Committee has previously recommended establishing the budgeted amount by utilizing the finalized FY2026 revenue projections which were adopted by the Authority on June 13, 2024.
    - Wording within the final proposed budget will include language which stresses compliance with the State Code such that distributions will be made based on revenues received from the Commonwealth, regardless of projection variances.
    - Subject to adherence with the State Code required annual certification, the Local Distribution Fund revenues are restricted to proportional distribution to NVTA's member jurisdictions.
  - 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 FY2028/29 update to the Six Year Program.
  - Operating Fund Budget:
    - The Committee was provided with Operating Fund Budget guidance, organized into two distinct categories. The first category encompasses base budget escalations driven by factors such as inflation, contract terms, and required service extensions, excluding prior one-time

funding. The second category pertains to new initiatives, accompanied by supporting narratives and cost estimates. Funding of the Operating Budget through a transfer from the Regional Revenue Fund as an alternative to prorating the cost among member jurisdictions based on population.

- ✓ Mr. Longhi noted that the upcoming Finance Committee meeting 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 2025.
- ✓ Mayor Rishell asked if NVTA requires additional staffing. Mr. Longhi noted that this is under analysis, as project delivery may require more resources, and the transaction load on the finance side has increased.
- ✓ Council Member Snyder said he would be interested in knowing the calculation of the total IOEP transfer amount that was expected versus what has been actually received. Mr. Longhi confirmed that the report would be prepared.

**5. Monthly Investment Portfolio Report**

Mr. Longhi, CFO

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

**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 thanked the Finance team, particularly Ms. Teal, for leading the audit process. She highlighted that the audit began before the move to the 6th floor and that Ms. Teal successfully managed both the audit and the relocation simultaneously.

**9. Adjournment**

- ✓ Mayor Rishell expressed her appreciation to the staff for their hard work on behalf of NVTA and for the members who attend NVTA meetings.
- ✓ Seeing no further questions, discussion, or order of business, Mayor Rishell adjourned the meeting at 6:51 p.m.