



Meeting of the Audit & Budget Review Committee of Hampton Roads

Monday, April 19, 2021 • 10:00 a.m.
Zoom Tele/Video Conference

MEETING MINUTES

Attendance was taken via teleconference.

Commissioners in attendance:

Commissioner Gray, City of Hampton-Chair
Commissioner Woodbury, City of Newport News
Commissioner Fuller, City of Chesapeake
Commissioner Glover, City of Portsmouth
Commissioner Bullock, City of Newport News

Alternate Commissioners in attendance:

Commissioner Cipriano, City of Newport News
Commissioner Jackson, City of Portsmouth
Commissioner Shea, City of Virginia Beach
Commissioner Velissarios, City of Newport News

Hampton Roads Transit Staff in attendance:

William Harrell, President and Chief Executive Officer
Angela Glass, Director of Budget and Financial Analysis
Ashley Johnson, Capital Budget Analyst
Conner Burns, Chief Financial Officer
Sheri Dixon, Director of Revenue Services
Adrian Tate, Finance Manager
Robert Travers, Attorney
Gene Cavazos, Director of Marketing and Communications
Sony Luther, Director of Procurement
Kim Wolcott, Chief Human Resources Officer
Debbie Ball, Director of Finance
Juanita Davis, Budget Analyst III
Keshia Branch, Director of Office of Program and Project Excellence
Joe Dillard, Organizational Advancement Officer
Dawn Sciortino, Chief Safety Officer
Brenda Green, Accounting Coordinator (recorder)
John Powell, Telecommunications Specialist
Brian Smith, Deputy Chief Executive Officer
Michael Price, Chief Information Officer/ Chief Technology Officer



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Shanti Mullen, Internal Auditor
Erin Glenn, Director of Enterprise Technology Solutions

Others in attendance:

Jeff Raliski, Hampton Roads Transportations Planning Organization (HRTPO)
Krista Edoff, Cherry Bekaert, LLP

Call to Order

Commissioner Gray called the meeting of the Audit & Budget Review Committee (ABRC) to order at 10:01 am.

The April 2021 Audit & Budget Review Committee meeting package was distributed electronically to the ABRC and Commissioners in advance of the meeting. The meeting package consisted of:

- Meeting Agenda
- ABRC February 2021 Meeting Minutes
- March 2021 FY21 Financial Report

Approval of February 22, 2021 ABRC Meeting Minutes:

A motion to approve the February 2021 Audit & Budget Review Committee (ABRC) meeting minutes was made and properly seconded. The February 2021 Minutes were approved by unanimous vote.

FY 2021 March 2021 Financials

Conner Burns, Chief Financial Officer, welcomed everyone to the meeting.

The March financials, including the operating financial statement, non-operating COVID revenue/expenses, farebox revenue/expenses, locality crosswalk and locality reconciliation, were presented in detail by Mr. Burns to the Committee. Mr. Burns mentioned that additional rows have been added that separate the traditional 5307 preventive maintenance monies from CARES preventive maintenance money. Mr. Burns stressed that CARES funding is 5307 operating money citing *United States Code 49, chapter § 5307, Urbanized area formula grants*.



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There were discussions concerning the traditional 5307 federal fund and CARES.

Mr. Burns stated that page two (2) represents the statement of operations without specific COVID revenue and expenses, and page three (3) presents the COVID expenditures separately.

There were discussions concerning the HRT's strategy as it relates to the recovery of the farebox revenue. Mr. Burns stated that with by the approval of the Transportation District Commission of Hampton (TDCHR) Board, the farebox variance is being covered indirectly with CARES funds.

FY2022 Draft Budget Update

Angela Glass, Director of Budget and Financial Analysis stated that there are no additional updates to the FY 2022 Budget to be reported. Final approval of the FY 2022 Budget will be presented to the Board in May 2021. The State Aid is the only perceivable item that may change for the FY 2022 Budget. Any additional State Aid will not have any change to the local share. The localities will remain level. HRT will keep the Committee Members apprised of any updates.

There were discussion concerning new bus stop amenities in the FY 2022 Budget. Bus stop amenities are capital related expenses and are addressed in the Capital Improvement Plan (CIP) and the New Regional Transit Service Plan (RTSP).

The final FY 2022 Budget Draft will be presented to the ABRC Members for approval and recommendation for adoption to the TDCHR Board in May 2021.

Strategic Allocation Resolution

Mr. Burns stated that an agreed upon resolution from each of the six (6) City Councils are needed to allow HRT to continue to strategically allocate funds as it relates to the FY 2022 Budget. Mr. Burns urges the MFAC Members to address this matter concerning an agreed upon resolution with their City Councils.

William Harrell, President and Chief Executive Officer supports continuation of the resolution indefinitely.



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Robert Travers, Attorney stated that the CAA requires the federal and state funding to be allocated during the budgeting process to the localities based on pro rata shares of that year’s transportation service plan (TSP) for purchased transportation. The traditional CAA method is based upon the percentage of transportation the city purchases from HRT. That percentage is equivalent to the state and federal funding that the city would be allocate. The Resolution that was adopted in FY 2021 for one (1) year allowed HRT the ability to strategically allocate the state and federal funds, ensuring the localities a zero, year-end true-up. To allow HRT to continue to deviate from the traditional CAA methodology, HRT requires an identical consensus and direction from all six (6) cities providing identical directions outlining how HRT will allocate the State/Federal funds. So, in lieu of a farebox shortfall HRT would draw down federal/state funds, dollars for dollars and strategically allocate those funds, rendering the locality harmless. This is an “all or none” situation, if all the localities do not agree to the long-term resolutions, which is a deviation of the traditional CAA, then the traditional CAA mythology would be reinstated.

There was discussion concerning the “new” service cut to routes as it relates to the FY 2021 Budget Due to nationwide COVID related staff absences and its impact on the workforce in the transportation industry HRT is implementing a “Reliability Plan”. This will address missed trips which have increased by 12% since the pandemic. The Reliability Plan is designed to cut back on route frequency while maintaining 100% geographic coverage. There will be “no” routes being eliminated just a reduction in service.

Ms. Glass reviewed the number of hours /values that the “Reliability Plan” will affect each City.

- City of Chesapeake \$1,500.00
- City of Hampton (\$158,000.00)
- City of Newport News (\$332,000.00)
- City of Norfolk (\$279, 900.00)
- City of Portsmouth (\$ 24, 900.00)
- City of Virginia Beach (\$ 53, 900.00)

Light Rail

- City of Norfolk (\$47,000.00)



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FY2020 Annual Audit Update

Mr. Burns gave a status update on the FY 2020 Annual Audit to the Committee Members. He stated that HRT experienced some system issues. These issues are related to the implementation of the new financial software, which occurred in October 2019. The Finance Department is working closely with the Information Technical (IT) Department trying to correct these issues. These system issues prevented the Agency from closing its financial records as scheduled. HRT is working very closely with IT, Microsoft, internal staff members, and consultants to correct these issues. HRT anticipates having a financial audit draft by May to present in June.

Krista Edoff, Cherry Bekaert, LLP, I confirmed that the auditing team is actively conducting the audit by having weekly audit status updates, daily check-ins, and conference calls with HRT Finance team.

Vaccination Access Transportation Program

Brian Smith, Deputy Chief Executive Officer, stated that HRT is actively working with the Community Partners, Cities, and First Responders so HRT can help to provide access to vaccination appointments. HRT is distributing One-Day Go-Passes to those persons who are identified as having a transportation need as it relates to the vaccination sites. Sheri Dixon, Director of Revenue Services, is the One-Day-Go-Pass liaison and is currently working with emergency services, coordinating with public health officials, and management in all localities concerning the passes. Additionally, HRT is providing Paratransit trips to vaccination sites, free of charge.

HRT issued a Request for Proposals (RFP) actively exploring the possibility to contracting for additional services, for an “on demand” curb to curb service to vaccination appointments that are targeting areas that Federal Emergency Management Agency (FEMA) has identified as “most vulnerable populations.” Mr. Smith stated that HRT will keep the Committee apprised of any updates.

Other Matters

Chairman Gray stated that the next meeting will be May 24, 2021 at 10 am, via Zoom teleconference.

Adjournment

With no further business to discuss, the April 2021 Audit/Budget Review Committee meeting was adjourned at 11:07am by Chairman Gray.