



Meeting of the Audit & Budget Review Committee of Hampton Roads

Monday, June 21, 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 Glover, City of Portsmouth
Commissioner Bullock, City of Newport News
Commissioner Hamel, City of Chesapeake
Commissioner McClellan, City of Norfolk

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
Conner Burns, Chief Financial Officer
Angela Glass, Director of Budget and Financial Analysis
Adrian Tate, Finance Manager
Robert Travers, Attorney
Sonya Luther, Director of Procurement
Gene Cavazos, Director of Marketing and Communications
Kim Wolcott, Chief Human Resources Officer
Ray Amoruso, Chief Planning and Development Officer
Debbie Ball, Director of Finance
Larry Kirk, Assistance 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)
Misty Allen, Risk Manager
Sibyl Pappas, Chief Engineering and Facilities Officer
Brian Smith, Deputy Chief Executive Officer



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Michael Price, Chief Information Officer/ Chief Technology Officer
Danielle Hill, Director of Human Resources
Anthony Clemmons, Desktop Service Technician

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 June 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 May 2021 Meeting Minutes
- May 2021 FY21 Financial Report

Approval of May 24, 2021, ABRC Meeting Minutes:

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

FY 2021 May 2021 Financials

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

The May 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 the 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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Mr. Burns stated that page two (2) represents the statement of operations without specific COVID revenue and expenses, and page three (3) represents the COVID expenditures separately. Mr. Burns also pointed out that the local funding does include the carry forward recordation offset and that the locality crosswalk excludes the COVID19 revenue and expenses. The Locality Reconciliation is the Cost Allocation Agreement (CAA), which reflects the federal aid and the actual CARES Act funding allocated. The Locality Service Reliability Plan credits will be displayed on the June FY2021 financial report.

HRT currently has approximately \$26.3 million dollars remaining of CARES Act funding which is budgeted through October 2021. This balance will change dramatically next month as we finalize year-end. He also stated that there are additional federal funds that have been awarded to HRT, which would allow the Agency to be carried through FY 2022.

ACTION ITEM: HRT was asked to give a breakdown of all the federal funding that the Agency received, how these funds were allocated, and the time span in which these funds were allocated. It was also asked that this presentation be given to ABRC and the Management/Financial Advisory Committee (MFAC).

FY 2020 Annual Audit Update

Mr. Burns stated that the FY 2020 Annual Financial Audit has been challenging due to the combining of the two financial systems of PeopleSoft and D365. However, with the assistance of the IT Department, Mr. Burns is confident that the Agency will be able to complete the audit in July 2021. Mr. Burns emphasized that the delay of the audit is not due to an auditing issue, it is related to system issues. Ms. Krista, Edoff, Senior Partner, Cherry Bekaert LLP, gave a brief status of the audit and the progress. She outlined possible control deficiency limitations and will present further at next month's meeting. The intention is that the audit will be complete and presented to the ABRC Members in July 2021.

There were discussions concerning the Cost Allocation Agreement and True-up as it relates to the auditor's timeline. HRT can confirm that the localities will be receiving a positive true-up at the end of FY21.

There were discussions concerning the Recordation Tax Offset funds of \$3.1 dollars carried forward from FY20 into FY21 and how it should not be confused or muddled with the Service Reliability Plan funding credit of \$896,000.

The financial statement in June 2021 will reflect both funding sources separately.



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Other Matters

Chairman Gray stated that the next meeting will be in person on July 19, 2021, the location will be announced when it is determined.

Adjournment

With no further business to discuss, the June 2021 Audit/Budget Review Committee meeting was adjourned at 10:42 am by Chairman Gray.