



## Meeting of the Audit & Budget Review Committee of Hampton Roads

Monday, February 22, 2022, • 10:00 a.m.  
2<sup>nd</sup> Floor Board Room, 509 18<sup>th</sup> Street, Norfolk, VA  
Hybrid In Person Zoom Tele/Video Conference

### MEETING MINUTES

#### **Call to Order**

Jimmy Gray, Chair – City of Hampton, welcomed everyone and called the meeting to order at 10:02 am.

Attendance was taken for the meeting.

#### **Commissioners in attendance In-person:**

Commissioner Gray, Chair - City of Hampton  
Commissioner Glover, City of Portsmouth

#### **Commissioners in attendance virtual:**

Commissioner Woodbury, City of Newport News

#### **Alternate Commissioners in attendance In-person:**

Commissioner Cipriano, City of Newport News  
Commissioner Shea, City of Virginia Beach

#### **Others in attendance virtual:**

Commissioner Velissarios, City of Newport News  
Megan Gribble, City of Virginia Beach

#### **Hampton Roads Transit Staff In-person:**

William Harrell, President, and Chief Executive Officer  
Conner Burns, Chief Financial Officer  
Angela Glass, Director of Budget and Financial Analysis  
Debbie Ball, Director of Finance  
Brenda Green, Accounting Coordinator (recorder)  
Ray Amoruso, Chief Planning and Development Office  
John Powell, Telecommunications Specialist  
Kim Wolcott, Chief Human Resources Officer



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Michael Price, Chief Information Officer/Chief Technology Officer  
Gene Cavasos, Director of Marketing and Communications  
Adrian Tate, Finance Manager  
Keisha Branch, Director of the Office of Program and Project Excellence  
Brain Smith, Deputy Chief Executive Officer  
Robert Travers, Attorney  
Sibyl Pappas, Chief Engineering and Facilities Officer

### **Hampton Roads Transit Staff virtual:**

Michele Goode-Bacon, Contract Administrator  
Shanti Mullen, Internal Auditor  
Ben Simms, Chief Transit Operations Officer  
Sonya Luther, Director of Procurement  
Dawn Sciortino, Chief Safety Office  
Robert Lee, Management Analyst  
Ashley Johnson, Capital Improvement Plan Analyst III  
James Wall, Director of Maintenance  
Tracy Moore, Interim Director of Transportation

### **Others in attendance:**

Jeff Raliski, Hampton Roads Transportations Planning Organization (HRTPO)

### **Call to Order**

Commissioner Gray called the meeting of the Audit & Budget Review Committee (ABRC) to order at 10:02 am.

The February 2022 Audit & Budget Review Committee meeting package was posted to HRT's website and distributed electronically to the ABRC members and Commissioners in advance of the meeting. The meeting package consisted of:

- Meeting Agenda
- ABRC December 9, 2021, Meeting Minutes
- January 2022 FY22 Financial Report

The additional items electronically distributed in the February 2022 MFAC meeting invite consisted of:

- FY 2023 Preliminary Operating Budget



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### **Approval of October 2021 ABRC Meeting Minutes:**

A motion to approve the December 2021 Audit & Budget Review Committee (ABRC) meeting minutes was made and properly seconded.

The December 2021 minutes were approved by unanimous vote.

### **January 2022 FY 2022 Financials**

Conner Burns, Chief Financial Officer, welcomed everyone to the meeting. Mr. Burns presented the Draft Financial Statement, ending January 31, 2022, to the Committee Members. The January 2022 financials included the operating financial statements, RTS financial statement, non-operating COVID revenue/expenses, farebox revenue/expenses, consolidated crosswalk, and locality crosswalk. Mr. Burns also presented the locality reconciliations, which reflects the estimated year-to-date Locality Service Reliability Plan credit for each of the cities. The Statement of Operations is structured to reflect the traditional operating budget without specific COVID spending. In addition, the Regional Transit System (RTS) expenses and operations are added into this statement, page three addresses RTS specifically. The Agency's line of credit balance as of January 31, 2022, is \$7,152,055.18 or 42% of available funding. The Coronavirus Aid, Relief and Economic Security Act (CARES) available funding after January 31, 2022, expenses are \$0. The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSSA) available funding through January 31, 2022 after expenses is \$7,770,694. The financial operating crosswalk reflects the Hampton Roads Regional Transit Funding (RTF) for the Metro Area Express (MAX), Peninsula Commuter Service (PSC), and the 15-minute increment services. The year-to-date estimate of the locality Service Reliability Plan (SRP) credits were included in the budget status totals, as it relates to the financial crosswalk. Mr Burns gave an overview of each of the partnering locality's year-to-date FY 2022 reconciliation, utilizing both the strategic and traditional methodologies, highlighting the forecasted SRP credit.

There were discussions concerning HRT's fuel rates for FY 2023.

### **FY 2023 Preliminary Draft Budget & TSP Review**

Angela Glass, Director of Budget and Financial Analysis, reviewed the FY 2023 Operating Budget and Transportation Service Plan (TSP) Draft with the Committee Members. The upcoming events related to the FY 2023 Budget Calendar were also presented. Ms. Glass



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defined the type of cost and the cost by mode associated with the Cost Allocation Agreement (CAA). The preliminary draft revenue budget assumptions, revenue sources, prioritized cost drivers, expenses, miscellaneous variance, local contribution, TSP local summary and TSP draft for each locality were also presented to the MFAC members. In addition, Ms. Glass summarized the “next steps” needed to be taken prior to the final adoption of the FY 2023 Operating Budget by the Transportation District Commission of Hampton Roads (TDCHR) in May 2022.

There were discussions concerning VIA Transportation, HRT’s contracted paratransit service company.

The new Mangrove Light-Rail Maintenance Facility will be relocating to 4600 Princes Anne Road, Norfolk in the Spring of 2022.

There were discussions concerning the adoption of the proposed drafted Strategic Resolution.

There were discussions concerning the assumption of merit increase for administrative staff being built into the FY 2023 Draft Budget.

There were discussions concerning what funding source will be used for merit increases and any additional new on-going expenses, in lieu of CRRSSA, which is a one-time funding allotment. HRT states that as the Regional Service Plan (RSP) expands, and additional service hours come-on-line, the Agency will begin to pull those permanent expense costs into the Cost-Per-Hour calculations.

### **Annual Capital Improvement (CIP) Development Process**

Brian Smith, Deputy Chief Executive Officer, presented the CIP annual evaluation, and the plan development process and opportunities for improvements to the Committee Members. The CIP Team’s desire is to start the annual process earlier, engage Commissioners, conduct pre-work, enhance the use of project charters, and improve the contents for the readability and understanding of the CIP process. The Team will compare HRT’s CIP processes and contents with the local governments processes and contents to examine some of the CIP project’s information, timing, and contents. The Team will provide comprehensive details and share information with the TDCHR Board soon. In addition, the CIP Team will report a detailed use of the ACC funds, depicting all programmed funds, allocated amounts, and expense categories for each Project. Moving forward, the CIP team is dedicated to kicking off the annual CIP process sooner and



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planning for enhanced Commission work sessions through July and November. There will be a goal of completing the CIP Draft by October, keeping a continued commitment of One-on-One briefings and collaborating with the staff to provide quarterly update status of grants and projects.

Keisha Branch, Director of the Office of Program and Project Excellence, presented the quarterly grant update of active projects that are in progress. She also gave an overview of the allocated funds, as it relates to the budget, expenses, encumbrance, and the balance of the each of the active grants.

### **Adjournment**

Chairman Gray stated that the next ABRC will be announced via email and meeting invitation.

With no further business to discuss, the February 22, 2022, ABRC Committee meeting was adjourned at 11:37 am.