



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

Thursday March 27, 2025 • 12:00 p.m.  
2<sup>nd</sup> Floor Board Room, 3400 Victoria Blvd, Hampton, VA  
In-Person/Hybrid Meeting

## MEETING MINUTES

### Call to Order

Roland White, Chair, City of Hampton called the meeting to order at 12:00 PM.

Roll Call was taken for the meeting resulting in a quorum.

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

Steven Carter – City of Portsmouth  
Lisa Cipriano - City of Newport News  
Shannon Glover - City of Portsmouth  
Hope Harper – City of Hampton  
Marcellus Harris – City of Newport News  
Mamie Johnson – City of Norfolk  
Les Smith – City of Chesapeake  
Roland White, City of Hampton

### **Commissioners in attendance virtually:**

Avery Daugherty, DRPT  
Constantinos Velissarios, City of Newport News

### **Hampton Roads Transit Staff in in-person attendance:**

Adrian Tate, Assistant Director of Finance  
Alexis Majied, Chief Communications Officer  
Angela Glass, Director of Budget and Financial Analysis  
Anthony Clemmons, Senior Client Technology Specialist  
April Garrett, Senior Executive Assistant  
Ashley Johnson, Assistant Director of Budget and Financial Analysis  
Brenda Green, Accounting Supervisor  
Brian Smith, Deputy Chief Executive Officer  
Conner Burns, Chief Financial Officer  
Donna Brumbaugh, Director of Finance



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Jamira DeWeese, Accounting Coordinator  
Kim Wolcott, Chief Human Resources Officer  
Luis Ramos, Executive Assistant to the President & CEO  
Malika Blume, Director of Internal Audit  
Michael Price, Chief Information Officer/Chief Technology Officer  
Noelle Pinkard, Organizational Advancement Officer  
Paula Studebaker, HR Executive Assistant  
Ray Amoruso, Chief Planning & Development Officer  
Robert Travers, Attorney  
Sibyl Pappas, Chief Engineering and Facilities Officer  
William Harrell, President and Chief Executive Officer

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

Blue Bell, Budget Analyst  
Dawn Sciortino, Chief Safety Officer  
James Lyons, Staff Accountant  
Keianna Harris, Special Project Assistant  
Matthew Stumpf, Budget Analyst  
Sheri Dixon, Director of Revenue  
Shleaker Rodgers, Staff Auditor  
Sonya Luther, Director of Procurement  
Toni Hunter, Staff Auditor

### **Others in attendance:**

Andrea Kerley, City of Chesapeake  
Christine Turner, Brown Edwards & Company  
Danielle Nikolaisen, Brown Edwards & Company  
Jeff Raliski, Hampton Roads Transportation Planning Organization  
William Landfair, City of Portsmouth



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The March 2025 ABRC package was posted on the GoHRT.com website and distributed electronically to Committee members prior to the meeting. The meeting package consisted of:

- Agenda
- Approval of Meeting Minutes – September 23, 2024
- Approval of Meeting Minutes – October 24, 2024
- Approval of Meeting Minutes – December 09, 2024
- FY2023 Financial Audit Presentation – Brown Edwards
- FY 2023 Financial Audit
- February 2025 FY2025 Financial Report

The following additional item was distributed electronically to the Committee members after the meeting.

- Draft FY2026 Operational Budget

### **Approval of Meeting Minutes**

Roland White of the City of Hampton made the motion to adopt the approval of the following ABRC meeting minutes:

- September 23, 2024
- October 24, 2024
- December 09, 2024

Mamie Johnson of the City of Norfolk made the motion to move the adoption.

Les Smith of the City of Chesapeake properly seconded the move to adopt.

The above minute meetings were approved by unanimous vote.



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### **FY2023 Financial Audit Presentation**

Danielle Nikolaisen of Brown Edwards presented the *FY2023 Financial Audit* discussing the unmodified (clean) opinion with two-material weaknesses while making a note that the introductory section and the required supplementary information are unaudited.

The two-material weaknesses were:

1. Financial reporting due to material audit adjustments.
2. Financial reporting due to material adjustments required to grants and grant-related amounts.

Management has implemented a comprehensive action plan to rectify and resolve both findings.

### **February 2025 FY2025 Financials**

Conner Burns, Chief Financial Officer, presented the February 2025 Draft Financial Statement and the locality reconciliation amongst the cities of Hampton Roads.

*Farebox (Passenger) Revenue* for the month of February was \$612,300 with a variance of \$106,200 (14.8%) which was below the budgeted projection of \$718,500. There were two weekdays of no service and one snow day on a Saturday due to high snow accumulation which affected the transit system company wide.

*Advertising Revenue* has been below projections for the last 4 months. It has been recognized that some things were not being accounted for in terms of production and a full forensic analysis will be presented at the next MFAC meeting in April or May.

The agency will draw down \$2,820,200 from the *Federal Funding (5307/5337)* to cover expenses incurred for the month of February. This draw down will leave a variance of \$842,800 in revenue not needed to cover the expenses for the month.

*Purchased Transportation* is anticipated to be over budget for the year. Mr. Burns and the financial team will do a budget transfer out of *Casualties & Liabilities* into *Purchased Transportation*. The *Purchased Transportation* line item will be monitored closely as the months follow.



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The new administration and its focus on reducing federal spending has caused substantial uncertainty with regards to HRT's current and future funding. The January memo from the *Office of Management and Budget (OMB)* initiated a temporary pause of federal grant expenditures while the merits of all Federal projects were reviewed. Because of this focus, HRT financial staff reviewed every federal grant, both operating and capital, to determine their vulnerability.

The planned COVID relief funds were also reviewed for risks of being rescinded or eliminated. These funds were planned for future use through at least 2029. In coordination with The Department of Rail and Public Transportation (DRPT), the Federal Transit Administration (FTA) and the Agency's external auditors, a plan was discussed to accelerate and draw down the COVID relief funds to avoid losing them in the future.

This new plan will allow HRT to provide an option to return the *Service Reliability Credit* to the cities in the form of a lump sum payment (*one year at a time*) or a budgetary credit. These payments will eliminate concerns about any budgetary maneuvering or any amendment issues of the cost allocation. This plan will have no impact on the *Line of Credit*.

### **Adjournment**

With no further business to discuss, the meeting was adjourned at 12:49 pm.