Photo: LOVE Sign, Powhatan Courthouse

PlanRVA
Audit, Finance & Facilities Committee

NOTES
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PlanRVA is where the region comes together to look ahead. Established in 1969, PlanRVA promotes cooperation across the region's nine localities and supports programs and organizations like the Richmond Regional Transportation Planning Organization, Central Virginia Transportation Authority, the Emergency Management Alliance of Central Virginia, Lower Chickahominy Watershed Collaborative and Don't Trash Central Virginia.

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Audit, Finance, and Facilities Committee
Meeting Agenda

Wednesday, August 5, 2026 – 9:30 a.m.

PlanRVA's James River Boardroom, 424 Hull Street, Suite 300
and via Teams (Webinar Link)

A. Call to Order, Welcome & Opening Remarks *(10 minutes)*

1. **Welcome, Roll Call, and Introductions**
   (Chair Davis)

   a. **Approval of Member Participation from a Remote Location**
      (Chair Davis)
      Action requested: motion to confirm that the decision to approve or disapprove the member(s) request to participate from a remote location was in conformance with the PlanRVA Commission Policy for Remote Participation of Members; and the voice of the remotely participating member(s) can be heard by all persons at the primary or central meeting location (voice vote).

B. Administrative Items *(10 minutes)*

1. **Consideration of Amendments to the Agenda**
   (Chair Davis)

2. **Open Public Comment**
   (Chair Davis)

3. **Approval of May 20, 2026, Meeting Minutes** – page 3
   (Chair Davis)
   Requested action: approve the meeting minutes as presented (voice vote).

C. Financial Updates *(30 minutes)*
(Lauren Shephard)

1. **Key Imperative Update: Ensure Compliance & Agency Sustainability**

2. **Review Unaudited Preliminary FY 2026 Q4 financials**

D. Adjournment

1. **Next meeting: October 21, 2026, at 9:30 a.m.**

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PlanRVA Audit, Finance & Facilities Committee

Meeting Minutes

May 20, 2026 – 9:30 a.m.

PlanRVA James River Boardroom, 424 Hull Street, Suite 300, Richmond, VA 23224 and via Teams

Members and Alternates Present (X), Virtual (V):

LOCALITY	NAME	X (attended)
City of Richmond	Cynthia Newbille	V
New Kent County	Jordan Stewart	V
Hanover County	Sean Davis	V

The technology used for the meeting was a web-hosted service created by Zoom and YouTube Live Streaming and was open and accessible for participation by members of the public. A recording of this meeting is available on our Plan RVA YouTube Channel.

Others Present	
Martha Shickle	Sidd Kumar
Lauren Shephard	Elizabeth Oatman
Sarah-Keel Crews	

A. Welcome, Roll Call and Introductions

Chair Davis welcomed everyone virtually and called the Audit, Finance and Facilities Committee meeting to order at approximately 9:41 a.m. He took roll call and noted that all members were present virtually for a quorum. He then requested a motion to confirm remote participation for himself, Ms. Stewart, and Dr. Newbille, because there was a conflict with in-person scheduling. Dr. Newbille made the motion, and it was seconded by Ms. Stewart, with all voting in favor.

B. Administrative Items

There were no considerations of amendments to the agenda or public comments, so the Chair moved on to the approval of the February 4th meeting minutes. On a motion by Ms. Stewart, seconded by Dr. Newbille, all voted in favor and the motion carried.

C. Financial Updates

Chair Davis then turned the meeting over to Lauren Shephard, PlanRVA. She gave an overview of all the financial updates.

1. FY 2026 Key Imperative Update: Ensure Compliance & Agency Sustainability and review of FY 2026 Q3 Financials

Lauren Shephard explained that the discussion would focus frame the budget conversation. She looked back to early 2025, when leadership identified major operational challenges through staff and committee listening sessions. Those conversations made clear that the agency's first priorities needed to be a stronger financial and grants management system and the selection of a new auditor. She noted that the FY26 budget had been developed using the best tools available at the time, including QuickBooks, Excel spreadsheets, and the expertise of finance staff.

Shephard said that as staff moved through FY26 and prepared the FY27 budget, every decision was tied to the agency's core imperative of compliance and sustainability. In this context, the budget was described not simply as a spending plan, but as a tool for implementing stronger systems, stronger reserves, and a stronger audit. Investments made in FY26 in the financial management system were already improving data quality, timeliness, revenue and expense tracking, and full cost recovery across grants, contracts, and programs. She reported that this work had resulted in more than $800,000 in previously unrecovered costs being identified this year, directly improving reserve balances and long-term sustainability. The new systems also strengthened invoicing and collections, with less than 2% of current receivables more than 30 days old and positioned the agency to move from quarterly to monthly invoicing on its largest transportation awards to further improve liquidity and cash flow.

Ms. Shephard also highlighted progress on the audit function. She noted that the FY26 work program called for an audit RFP, which was successfully led by the agency's accounting manager. Following the RFP and interview process, the agency selected Baker Tilly as its new audit firm. She described Baker Tilly as a large national firm with deep experience serving government entities, planning district commissions, and regional councils. Their expertise, particularly in indirect rate recovery, was seen as especially valuable as the agency grows and explores more complex opportunities to apply indirect rates. The FY27 budget includes the planned audit costs needed to support this stronger audit framework.

On reserves, Shephard explained that the agency is transitioning away from the outdated 2004 fund balance policy, which had called for a static $1 million balance without clearly addressing liquidity. Under the new reserve policy approved by the commission in February, the initial target—effective by December 2027—is three months of core operating expenses, defined as personnel, occupancy, and technology, with a long-term goal of six months. Using the FY27 budget, the initial three-month reserve target equals $1.1 million, including a cash target of $570,000. However, due to improved cost recovery, invoicing, and collections, projected reserve cash by June 30, 2027 is expected to reach $1.16 million, ahead of schedule and entirely in cash. Shephard noted that while the commission had originally discussed a 50-50 mix of cash and receivables, the agency may revisit that assumption as its financial systems continue to improve and receivables are converted to cash more quickly.

She then broke down the projected $1.16 million reserve cash balance, explaining that it includes the current cash reserve balance of $126,000 and an anticipated CVTA payment of $818,000 for FY26 and prior-year cost recovery. She noted that some of that amount includes FY26 revenue and would ultimately affect the current year's surplus when finalized. At present, the FY26 surplus is projected at $19,000 before the CVTA reimbursement is applied, while the FY27 proposed budget intentionally includes a projected surplus of $194,000. Shephard added that FY26 revenues are currently projected 34% above budget, largely because of additional federal and private grant awards received after budget adoption, along with CVTA salary and benefit amounts that are offset in expenses. Expenses are likewise projected 34% above budget, primarily due to those same offsetting items. She concluded this portion of the presentation by inviting questions before shifting fully into the proposed FY27 operating budget.

2. Review Proposed FY 2027 Operating Budget

Ms. Shephard then explained that the proposed FY27 budget is firmly grounded in the agency's key imperative of compliance and sustainability, with a planned surplus of $194,000 intended to continue building operating reserves. She noted that federal funding remains the agency's largest revenue source at $3.6 million, or 64% of total revenues, but emphasized that this reflects a deliberate effort over the past 18 months to diversify revenue sources and reduce reliance on federal funds.

In follow-up remarks, Martha Shickle reinforced Lauren's presentation by emphasizing that the FY27 budget was built using a notably conservative approach to revenue forecasting. She explained that projected revenues are based only on funding already in hand, such as executed contracts, notices of award, and known carryover balances, rather than anticipated or speculative awards. She described this as a careful risk-based review undertaken by both the finance team and program leads. Ms. Shickle also stressed that the agency has been intentional about not overleveraging discretionary and restricted funds—particularly member dues—for match requirements or program subsidies, which is a key reason the budget is able to direct a significant contribution into fund balance next fiscal year. She added that if pending awards are secured in the coming months, staff would bring updated forecasts back to the Finance Committee.

Ms. Shickle also noted that the budget reflects current uncertainty at the state level, since Virginia had not yet adopted its budget at the time of discussion. As a result, the FY27 proposal assumes level state funding based on the unamended budget figures still under conference consideration, even though leadership remains hopeful that General Assembly appropriations could increase. On compensation, she said staff closely tracked salary decisions by both the state and local member governments to ensure the agency remained aligned with prevailing public-sector practice. The recommended budget includes a 3% salary adjustment for staff, which committee members indicated was generally consistent with what their own jurisdictions were providing, with some localities slightly above that level. Ms. Shickle characterized the overall budget posture as grounded in realism, and one committee member agreed, describing it as a safe and practical approach under current conditions.

She further highlighted that the budget preserves support for professional development, which he described as an ongoing priority for both the board and management. Ms. Shickle said the agency continues to view employee investment holistically, balancing salary adjustments with the cost of quality benefits, employee quality of life, and opportunities for professional growth. While she acknowledged that previous years may have allowed for larger compensation increases, she expressed hope that the overall package would be satisfactory to both staff and the board. After these remarks, the committee indicated there was no further discussion needed. Chair Davis then moved to accept the financial plan and all subsequent actions necessary to bring it to the full commission for a vote. The motion was seconded by Ms. Stewart, and all voted in favor.

3. FY27 Committee Priorities & Meeting Schedule

Next, Lauren Shephard outlined several proposed priorities for the committee moving forward, beginning with continued work to build the agency's reserve balance and refine the appropriate mix within those reserves in coordination with the committee. She also said the agency is aiming for a clean FY26 audit with its new audit firm, which is expected to begin preliminary field work within the next few weeks. In addition, she noted that staff are considering a review of the agency's banking relationships, including a possible relationship with the RRTPO, as part of broader financial and operational planning.

Ms. Shephard also highlighted a strategic opportunity to establish a 501(c)(3) entity in order to expand the agency's access to funding sources. She explained that the agency's grant specialist has identified many opportunities that are specifically geared toward charitable or nonprofit organizations, and that some regional partner organizations already use affiliated foundations or similar entities to pursue a wider range of grants. She said staff are continuing to explore that option and hope to have it in place during the next fiscal year. Beyond that, she noted plans to build out an integrated customer relationship management system as a module within the agency's new financial management platform. Although she said this initiative falls somewhat outside the committee's direct scope, she emphasized that it remains relevant because it will help the agency better track and manage stakeholder engagement, with potential implications for future funding opportunities.

Finally, Ms. Shephard said staff would like committee input on these proposed priorities and, if there is agreement, would develop a meeting schedule aligned with the major deliverables associated with them. She gave the example of timing committee meetings around the draft audit report so that the schedule supports key decision points and oversight responsibilities.

D. Adjournment

Seeing there was no further discussion regarding Ms. Shephard's presentation, and no comments from members, Chair Davis adjourned the meeting at approximately 10:13 a.m.