Meeting Date: February 10, 2026

Meeting Time: 10:07 AM

Meeting Location: GRTC Board Room

Attendees

Chair: Hon. Jim Ingle (Finance Committee Chair)

Committee Members: Mr. Odie Donald II; Hon. Daniel Schmitt; Hon. Ellen Robertson; Hon. Tyron Nelson

Board Members in attendance: Terrell Hughes

Staff Participants: Sheryl Adams ; Joe Dillard Jr; Adrienne Torres; John Zinzarella

1. Call to Order

The meeting was called to order by Chair Jim Ingle. A quorum was present.

2. Consideration of Amendments to the Agenda

No amendments to the agenda were requested.

3. Public Comment

No public comments were offered.

4. Policy Discussion

Service Expansion and Cost-Sharing Framework

Staff presented a proposed framework for allocating operating costs associated with transit service expansions across participating jurisdictions.

The discussion focused on how service expansions should be categorized as **fully local, mostly regional, or fully regional**, and how operating costs should be allocated between local jurisdictions and regional funding sources such as the Central Virginia Transportation Authority (CVTA).

Staff explained that operating costs for expansions may be allocated based on the proportion of service mileage occurring within each jurisdiction. Examples from prior expansions, including Bus Rapid Transit implementation, were referenced as a model where cost-sharing reflected route mileage within participating jurisdictions.

Committee members discussed whether jurisdictions requesting service expansions primarily within their boundaries should assume a larger share of operating costs, while still recognizing the role of regional funding sources.

Members also discussed the financial contributions currently made by Richmond and Henrico through CVTA and maintenance of effort funding, and how those contributions should be considered when evaluating potential expansion projects.

Committee members emphasized the importance of maintaining operational stability while considering service growth. Discussion highlighted the need to ensure adequate operator staffing levels, reliable service delivery, and sustainable operating funding before pursuing additional expansions.

Staff noted that several recent service expansions were initiated through grant opportunities and local planning initiatives. Members discussed the risks associated with using grant funding to initiate service without securing long-term operating funding once the initial grant support expires.

Staff outlined a potential framework for expansion cost allocation:

- **Fully Local Expansion:** Local jurisdiction responsible for approximately 85% of operating costs
- **Mostly Regional Expansion:** Local jurisdictions responsible for approximately 30% of operating costs, apportioned by road miles
- **Fully Regional Expansion:** Local jurisdictions responsible for approximately 20% of operating costs

Committee members discussed the need for flexibility when applying the framework so that projects providing significant regional workforce or mobility benefits can still move forward.

The committee acknowledged that establishing a framework could provide clarity for staff and participating jurisdictions when evaluating and planning potential expansions.

Action: No formal motion was identified.

5. FY27 Budget Development Update

Chief Financial Officer John Zinzarella provided an update on the development of the proposed FY27 operating budget.

Staff reported that the baseline FY27 budget is currently projected to remain generally flat compared with the FY26 adopted budget.

Revenue assumptions discussed included:

- State operating assistance from the Virginia Department of Rail and Public Transportation (DRPT)
- Local operating contributions from Richmond, Henrico County, and Chesterfield County using the CVTA funding formula
- Federal formula funding and grant programs
- Advertising and community partnership revenue
- Interest income and miscellaneous revenue sources

Staff reported that advertising and sponsorship revenue is projected to increase compared with the prior fiscal year.

The committee reviewed current budget projections indicating that **proposed operating and grant-funded expenses exceed identified revenues**, creating a funding gap that must be addressed prior to adoption of the FY27 budget.

Staff discussed factors affecting the budget outlook, including transportation overtime costs resulting from operator staffing shortages. Members discussed the potential financial impact of converting overtime usage into additional full-time positions as workforce hiring continues.

Staff also reviewed several potential strategies to close the budget gap, including:

- Confirming additional local contributions associated with grant-funded projects
- Identifying additional eligible expenses that could be supported with federal funding
- Evaluating available CVTA capacity
- Considering other operational adjustments if necessary

Committee members emphasized the importance of aligning expenses with confirmed revenue projections and discussed budgeting practices commonly used by local jurisdictions, which typically begin with conservative revenue assumptions before finalizing expenditures.

Members also discussed opportunities to strengthen partnerships with institutions and community partners, including exploring potential coordination with Virginia Commonwealth University transportation services.

Staff noted that this discussion served as an early update in advance of a more detailed budget presentation scheduled for the upcoming Finance Committee meeting.

Committee members expressed appreciation for the transparency of the budget update and the overview of potential strategies for addressing the projected funding gap.

Action: No formal motion was identified.

6. Adjournment

With no further business, the meeting was adjourned at **11:01 AM**.