

**Hampton Roads Planning District Commission (HRPDC)
Chief Administrative Officer (CAO) Committee Meeting
Summary Minutes of May 7, 2025**

The May 7, 2025 meeting of the CAO Committee was called to order at 11:35 am by CAO Committee Chair Mary Bunting at the City of Virginia Beach Convention and Visitors Bureau located at 600 22nd Street in Virginia Beach.

CAO Committee Members in Attendance

Mary Bunting, Chair	Hampton
Chris Price, Vice Chair	Chesapeake
Patrick Duhaney	Virginia Beach
Azeez Felder for Al Moor	Suffolk
Randy Keaton	Isle of Wight County
Rosylen Oglesby	Franklin
Michael Stallings	Smithfield
Carol Steele	Gloucester County
Scott Stevens	James City County
Andrew Trivette	Williamsburg

CAO Committee Members Absent

Alan Archer	Newport News
Patrick Roberts	Norfolk
Randy Wheeler	Poquoson
Steven Carter	Portsmouth
Brian Thrower	Southampton County
Melissa Rollins	Surry County
Mark Bellamy	York County

Executive Director:

Robert Crum

Others Recorded Attending:

Erin Carter	Senator Mark Warner's Office
Mark Geduldig-Yatrofsky	Portsmouth Resident
Greg Grootendorst	HRPDC
Diane Kaufman	Senator Tim Kaine's Office
Drew Lumpkin	Executive Roundtable
Pavithra Parthasarathi	HRTPO

Welcome

Ms. Bunting thanked Mr. Patrick Duhaney for hosting the CAO meeting. Mr. Duhaney welcomed the CAO Committee and provided a brief overview of the facility and some ongoing efforts in Virginia Beach.

Approval of Agenda

Ms. Bunting reviewed the proposed agenda for the CAO meeting and asked if there were any adjustments to the agenda as distributed. There being none, Mr. Duhaney moved to approve the agenda as presented, Mr. Azeez Felder seconded, and the motion carried unanimously.

Public Comment

Ms. Bunting asked if there were any members of the public who wanted to address the CAO Committee. There being no comments, the Public Comment period was closed.

Items of Regional Interest

Ms. Bunting noted that a valuable part of the CAO meeting agendas is the sharing of information and common issues, challenges, and best practices from each locality. She noted that the Executive Director recommended moving today's regional information sharing agenda item to the beginning of the agenda. Each CAO was provided an opportunity to report on an item of regional interest from their locality in a roundtable format. Common topic areas included the status of budget development/approval in each locality, plans for employee compensation, and discussions related to the General Assembly session.

Hampton Roads Planning District Commission Funding Model

Mr. Robert Crum and Mr. Greg Grootendorst briefed the CAO Committee on the current funding model for the HRPDC and discussed potential challenges that this funding approach presents for the organization. To begin this discussion, Mr. Crum briefed the CAOs on the following information:

- FY 2026 Operating Revenue Budget for the HRPDC from FY 2021 to FY 2026. Revenues were shown from the organization's various funding sources, categorized as federal, state, and local.
- HRPDC Revenue Trends from 2009 to 2025 on an Inflation-Adjusted Basis. A chart was shown that illustrated the declining buying power of local and state revenues over this time frame.
- Member Dues and State Allocation Trends from 2001 to 2026, on an inflation-adjusted basis. A chart was shown that illustrated that in 2001, the HRPDC received \$366,000 of base funding from the Commonwealth of Virginia, but in 2026, this funding amount has been reduced to \$190,943. On an inflation-adjusted basis, current state funding levels for the HRPDC have decreased by 72.4% since the year 2000.

Mr. Crum noted a number of challenges with the current funding model. With state funding support for PDCs continuing to decline, the PDC is supported by its localities on a per capita basis. However, due to the region's slow growth, per capita contributions from the localities have not kept up with the cost of living/inflation. As a result, the organization has been forced to pursue federal grants to support its operations, and a majority of the organization's revenues are from

federal sources. Due to the uncertainty in Washington, the status of some of these federal grants is unknown, which creates uncertainty around several of the HRPDC's funding sources.

Mr. Crum noted that he has worked with the Personnel and Budget (P&B) Committee on a proposed budget for Fiscal Year 2026, and the P&B Committee has recommended that the HRPDC and Hampton Roads Transportation Planning Organization (HRTPO) Board approve the proposed budget at the upcoming meetings in May. However, he stressed that a mid-year budget amendment is expected after a budget or continuing resolution is approved for the upcoming federal budget year on October 1, 2025 and the status of the organization's federal revenues becomes clearer.

Staff noted that the HRPDC owns the Regional Building, and that maintaining the building and property to ensure it can effectively serve as the hub for regional convening and collaboration has required investments. He noted that approximately 250 to 300 meetings are hosted per year at the Regional Building. Technology investments have been needed to keep pace with meeting and modernization needs. While the organization has slowly saved and established reserves over time, these reserves have been used to complete some major upgrades. Mr. Crum noted that to reduce costs, staff members have donated their time and skills related to carpentry and painting projects within the building, along with artwork/graphics.

Mr. Crum also noted that HRPDC/HRTPO is challenged to remain competitive in its efforts to maintain and attract quality staff due to compensation as well as employee benefit issues. He noted that many times the HRPDC loses employees to localities and other regional organizations because we are not competitive in terms of total compensation.

Mr. Crum and Mr. Grootendorst also discussed the fact that a significant portion of the members' per capita contributions (approximately \$700,000) is used as the non-federal match for transportation planning monies that are used to support the HRTPO's federally mandated transportation planning efforts. These efforts are required to address federal requirements to ensure that the region's needed transportation projects are identified, prioritized, funded, and constructed. It was stressed that there is currently no per capita assessment to assist with the required HRTPO local match.

Mr. Grootendorst reviewed the declining buying power of both the HRPDC's state funding as well as the locality per capita assessment and compared the agency's funding trends with standard inflation costs, noting how difficult it is to keep pace with basic cost-of-living increases.

Another concern discussed by Mr. Crum was the challenge that the HRPDC can have with cash flow, as it serves as a fiscal agent for its local governments on grant programs. He noted that all grants managed by the HRPDC operate on a reimbursement basis. HRPDC/HRTPO must incur the costs and then prepare and submit invoices requesting reimbursement at the end of each quarter.

Mr. Crum stressed that staff were not requesting a decision today but were sharing this information with the CAO Committee, requesting direction on how staff might proceed to address these challenges.

The CAO Committee proceeded to have a roundtable discussion and identified several potential options, including the following:

- While it would not be feasible for the localities to provide the local match of \$700,000 for transportation planning monies in one step, perhaps a phased approach could be considered where a portion is provided and then there is an agreed-upon approach that increases every year over time. The Committee agreed that they could review options to phase in this contribution over time, to determine if there is support for this approach.
- Regarding the HRPDC serving as the fiscal agent for homeland security grants, which require the HRPDC to front money for equipment purchases, it was suggested that, when possible, local governments that will benefit from the equipment purchase should assist the HRPDC in providing the upfront costs until the reimbursement is provided. It was noted that many of these purchases benefit more than one locality and involve the purchase of equipment that benefits multiple localities.
- Discussion also occurred about the possibility of having the localities agree to a small annual increase to the locality per capita assessment on an annual basis. This approach was viewed as preferable to locality contributions being frozen over several years and then having to address the need to catch up on funding needs.

Overall, no vote or consensus was developed on any of these approaches, but it was agreed that the CAO Committee would continue discussing the HRPDC funding model issue.

Update on Federal Grants

The Executive Director briefed the CAO Committee on an update/status of federal grants that support the operations and programs of the HRPDC and HRTPO. He noted grant program areas that remain reliable and reviewed potential program areas that the organization is monitoring due to the policies of the current federal administration. Mr. Crum stressed again that the HRPDC and HRTPO Board will consider a budget for approval at the May Commission and Board meetings, but he anticipates the need for a budget amendment this fall after the federal budget/continuing resolution is finalized and we better understand the status of various funding programs.

Mr. Crum and Mr. Drew Lumpkin discussed the regional coordination that is occurring among a group of regional organizations that are monitoring federal policies and funding programs. They noted that the group is monitoring funding programs that might be in jeopardy, as well as any opportunities that federal policies and priorities might offer for the Hampton Roads region.

HRPDC/HRTPO Updates

Mr. Crum provided the CAO Committee with an update on various items, including the following:

- Opportunity for Regional Town Hall Meetings
- Regional Board Meeting on the Peninsula
- HRPDC and HRTPO Agenda Items for the Upcoming May 15 Meetings

- HRTPO Federal Quadrennial Review
- Upcoming Hampton Roads Caucus Meeting

Other Business

There was no other business.

Next Scheduled Meeting

Mr. Crum noted that the next regularly scheduled meeting of the CAO Committee will be held on July 2, 2025 at 11:30 am and will be hosted by the City of Newport News.

Adjournment

There being no further business to be discussed by the CAO Committee, the meeting was adjourned at approximately 1:20 pm.

Respectfully submitted,

Robert Crum
Recording Secretary