



NOACA Finance and Audit Committee

Meeting Minutes

August 8, 2025

NOACA Offices

Present: Please see the attached attendance record.

Mayor Michael Dylan Brennan, acting Chair of the Finance and Audit Committee, convened the meeting at 8:35 a.m.

Meeting Minutes

Mr. Andy Conrad made a motion to approve the meeting minutes of May 9, 2025. Mr. Michael Dever seconded the motion. The motion passed by voice vote.

Public Comment on Current Agenda Items

No one signed in to provide public comment at this meeting.

Chair's/Executive Director's Report

Director Grace Gallucci made the following announcements:

- The NOACA Annual Meeting will be held at the Huntington Convention Center of Cleveland October 3, 2025, from 12:00 to 2:00 p.m. Members interested in attending should register to receive one free ticket using the QR code provided by NOACA. The topic will be *Northeast Ohio Maritime Transportation System: Challenges and Opportunities*.
- The September 12, 2025, NOACA Board of Directors meeting will take place at Mentor High School, Paradigm Building, Mentor, Ohio. Calendar meeting invitations were sent August 7, 2025, to ensure the correct address is on the Board members' calendars.

Action Items

SFY 2025 OWP Completion Report

Director Gallucci stated that the Completion Report is both a requirement for NOACA and a sound business practice, providing an opportunity to review the year's plan and assess accomplishments achieved with the approved funds. Staff summarized all activities outlined in the SFY 2025 OWP, and the report will be submitted to the Federal Highway Administration (FHWA) and the Ohio Department of Transportation (ODOT) following Board approval in September. She added that she uses this time each year to recognize staff for their consistent completion of a high volume of projects and commended them for their work.

Mr. Ronnie Blackshear noted that the Board approved the SFY 2025 OWP in March 2024 and updated it in September 2024. The Overall Work Program (OWP) serves as the agency's work plan and budget, guiding staff efforts to implement the Long Range Plan, while the Annual Completion Report measures performance. For SFY 2025, the OWP includes 29 total projects

with a 90% task completion rate and 81% of funds expended or encumbered. Of the 29 projects included in the OWP and Completion Report, 15 were 100% completed, 5 were between 90% and 99% complete, 6 were between 80% and 89% complete, and 3 were less than 80% complete. The average project completion rate is 90%. He noted that several projects are multi-year.

Mr. Blackshear provided an overview of the progress across various projects, categorizing them by completion status: fully completed (100%), nearly complete (90–99%), substantially advanced (80–89%), and those in earlier stages (<80%). This breakdown offered a clear snapshot of overall project performance and highlighted areas needing further attention.

Mr. Blackshear reported the 29 projects comprised a total of 122 work products or tasks, 98 were fully completed, 2 were 90–99% complete, 4 were 80–89% complete, and 18 remained under 80% completion. Overall, the agency achieved a 90% task completion rate.

Mr. Blackshear stated that approximately 81% of the budget had been expended, with unspent funds—including encumbrances and contracts—carried forward to FY 2025. When including the \$15 million CFI Grant, total expenditures amounted to 36%.

Mr. Blackshear stated that, pending Board approval, the SFY 2025 OWP Completion Report will be submitted to ODOT and the relevant federal agencies for their review.

Mr. Skip Claypool thanked Mr. Blackshear for the update on the completed work plan and raised two items for NOACA staff. The first concerned the Climate Action Plan, currently 40% complete. He asked Director Gallucci whether NOACA had received any communications, noting that the EPA's position may be shifting and referencing a recent report by USEPA Administrator Lee Zeldin stating that CO₂ is not an issue. He indicated he expected possible administrative action on climate policy and inquired if she had heard anything. Mr. Claypool stated that the second item was an explanation of “Evolution of Future Infrastructure and Technology.”

Director Gallucci stated that NOACA has not received any communication from the U.S. EPA regarding the Climate Action Planning Project in terms of cancellation, reduction, or fund withdrawal. The EPA has directed NOACA to complete the project. Under a signed agreement with the EPA, NOACA is required to complete the project by December 1, and staff are working toward that deadline. She added that if the EPA requests a different course of action, NOACA will comply.

Director Gallucci explained that the “Evolution of Future Infrastructure and Technology” refers to the use of technology in transportation and its impact on infrastructure. For example, driverless cars would require regional infrastructure upgrades to operate safely on streets and various technologies that can be integrated into infrastructure, allowing NOACA to adopt them into the system.

Mr. Claypool asked whether NOACA staff had observed any developments related to AI, noting that it is expected to advance rapidly and could have a significant impact.

Director Gallucci stated that she has not seen any specific information on AI regarding its impact on transportation operations or technology. She invited staff to comment if they had heard differently but noted that she did not believe anything has emerged. She agreed that AI is likely to bring significant changes to the transportation industry and other sectors.

Mr. Ali Makarachi stated that NOACA is currently using AI for traffic counts. He noted that a system exists that identifies vehicle types, such as trucks or cars, using AI. The company NOACA

partnered with tested the system last year with very good results. This year, the same process is being used to count vehicles and classify them by size and type.

Director Gallucci agreed with Mr. Makarachi's point, noting that the Board approved expanding NOACA's program last year from manual traffic counts to counts conducted using technology-driven devices.

Ms. Berry raised a question regarding a chart in the report. She noted that NOACA had identified nine projects, which were all under 50% complete, but this seemed inconsistent with Mr. Blackshear's presentation. She acknowledged that some projects are multi-year and that may require clarification in the chart. Ms. Berry also observed discrepancies between counts and completion percentages in the report and packet, with one listing 21 projects and the other listing 29 projects, with only three projects under 80% complete. By percent expended, several projects appeared under 50%. She expressed concern that the data presentation was unclear and asked how NOACA is ensuring it receives appropriate credit for completed work.

Director Gallucci explained that, as discussed in previous years, the amount of funds expended does not always correspond to the amount of work completed. For example, if a position is vacant but the work is performed by another staff member as part of their existing responsibilities, no additional funds are expended beyond that individual's salary, yet the staff member still advances the project's completion. She noted that multi-year projects also contribute to differences between funds expended and work completed. Director Gallucci reported that NOACA has increased the percentage of funds expended to 81%, a significant improvement over recent years, primarily due to the filling of vacant positions. With 90% of projects completed and 81% of funds expended this year, the figures are now closer than in previous years, and staff believe they are on track to further balance this issue.

Ms. Berry asked whether the term "funds expended" refers to person-hours or the budgeted money for a project. She asked why, if another staff member completes the work, the associated dollars are still not counted as expended.

Mr. Blackshear explained that within the 29 projects, staff also track sub-projects. For example, the Aerozone project is a multi-year effort. If the division reports that 30% of the project was completed this year—following 70% completion in previous years—that 30% is counted in full for the current year's tracking. This does not indicate that the entire project is complete, only that portion. He noted that he could provide more detail on the calculations and will include a clearer explanation in the full report.

Ms. Berry stated that the snapshot does not convey the full picture and does not present as positive an outcome as the numbers shared by Mr. Blackshear. She asked what information is included in the document when the OWP is reported to the state—whether it is this snapshot, other data, or the complete report—and whether the state would understand the nuances. She expressed concern that, from a layperson's perspective, the information does not appear to align.

In response to Ms. Berry's comment, Mr. Blackshear explained that the OWP provides the overall picture, while the information presented to the Committee is a snapshot of SFY 2025 activities. Each quarter, the Committee can review specific activities or tasks completed, and the Completion Report provides a detailed breakdown of each project. He noted that the report offers a clearer view of ongoing work.

Ms. Berry asked whether the state receives a complete view of the activities and progress reported.

Mr. Blackshear confirmed that the state receives the full OWP and, at year-end, compares NOACA's planned activities with the final Completion Report. He noted that NOACA has been approved each year. While there may be some back-and-forth on specific items, approval is generally granted.

Ms. Berry acknowledged the explanation and thanked Mr. Blackshear. She stated that she remained curious about the staffing aspect.

Director Gallucci clarified that the report reflects dollar amounts for both consultants and staff time, not hours.

Ms. Berry asked whether the information presented was essentially the budget for this particular project.

Director Gallucci said that was correct.

Ms. Berry stated that she did not understand why staff time would not be reflected if it was used on the project.

Director Gallucci clarified that her reference was to the bottom line rather than individual projects. She explained that individual projects can vary, and if another staff member performs the work, they will charge their time to that project. Additionally, if an employee works more than 40 hours in a week, the extra time does not count toward the project. Therefore, if someone covers additional work due to vacancies along with their own duties, that time will not appear in the report.

Ms. Berry said that it sounded similar to onward accounting.

Director Gallucci agreed, saying it was very much so.

Ms. Wordell explained that the funding tables, located on the last pages of the full OWP, break down projects by staff time and consultant costs based on the original planned process. These allocations change frequently throughout the year for various reasons. For example, if consultants are unavailable and the work is completed internally, which affects costs. She noted that it has likely been two or three years since NOACA staff last reviewed the process in detail with the Finance and Audit Committee and offered to do so with the Committee, the Board, or anyone interested in gaining a better understanding of these documents.

Ms. Berry stated that she did not want to belabor the point but felt it would be helpful to understand the underlying details. She wanted to know where the \$15 million CFI Grant was reflected within the 29 projects.

Director Gallucci stated that the \$15 million from the CFI Grant is shown in the middle of the page Ms. Berry referenced.

Ms. Berry asked whether the amount was under the "Evolution of Future Infrastructure and Technology" category, noting that this was the only item budgeted.

Director Gallucci and Ms. Wordell responded that it was under account code 6055.

Ms. Berry said she understood.

Ms. Teeuwen expressed confusion about why the \$15 million CFI Grant was being subtracted and asked staff to clarify its representation.

Director Gallucci explained that the figures were presented both ways because the grant is for a specific capital project, which is unusual for the OWP. Without including the \$15 million in the budgeted year, overall expenditures would appear distorted. Presenting the data both with and without the grant provides a clearer picture.

Ms. Teeuwen asked whether any expenditures from the grant had been accounted for to date.

Director Gallucci responded that there had been no expenditures from the grant this year.

Ms. Teeuwen inquired whether the amount of \$106,468 was included as part of the grant.

Director Gallucci asked Ms. Wordell to respond.

Ms. Wordell stated that for account code 6055, an additional fund is listed alongside Fund 10. The project has OCPG funding, and staff also created a new fund shown in the first column for the CFI Grant because no CFI Grant funds were received or expended in fiscal year 2025. Originally, \$300,000 of the \$15 million CFI allocation was set aside to hire a consultant to start the project, but this did not occur in fiscal year 2025. Instead, staff charged some CFI-related time to OCPG (Fund 10). A new fund was created to track CFI Grant expenditures starting in July with the new fiscal year. Ms. Wordell will confirm the correct fund number for the Board meeting, and the Committee will start to see CFI expenditures in future reports.

Ms. Teeuwen asked whether the OWP would be revised.

Director Gallucci stated that SFY 2026, which began in July, will be reflected in next year's report. Since there were no expenditures from the \$15 million CFI Grant in SFY 2025, which ended June 30, no revision to the current report is required.

Ms. Berry asked Ms. Wordell to confirm whether NOACA had begun spending money on staff time.

Ms. Wordell responded that the spending began in July 2025, which is SFY 2026.

Ms. Berry reminded staff of Ms. Teeuwen's earlier inquiry about why the \$106,468 was not removed from the document.

Ms. Wordell explained that staff time was charged to OCPG funds under account code 6055 because a consultant was not hired. This allowed NOACA to use OCPG funding for a portion of the CFI project that was not in the original budget.

Director Gallucci added that this also relates to the multiple sources of funding. The \$15 million is both a project and a fund, so staff subtracted it for illustrative purposes to show what the overall budget would look like without that project. She noted that staff were trying to explain the expenditures within NOACA's operating budget, and that most of the \$15 million is capital. This is why the figures were presented both with and without the grant.

Mayor John Marra asked whether there was a breakdown of the 122 work products and tasks within the 29 projects.

Director Gallucci stated that the breakdown is included in the OWP. She explained that NOACA recently prepared the SFY 2026 OWP and this Completion Report related to the SFY 2025 OWP. Each project in the OWP includes detailed information on every task, including the timeline.

Mayor Marra noted that members were at the meeting to vote on an item, but since the Committee was only being presented with the information at the meeting, there was no time to fully analyze it before being asked to vote. He expressed that he had many questions and doubts, the most significant concerning the \$15 million grant, specifically, whether those funds were set aside for certain tasks, what they were for overall, and how NOACA was spending the \$15 million.

Director Gallucci stated that the \$15 million is designated for EV charging stations under the CFI Grant program. She noted that NOACA applied for and received the grant specifically for this purpose, and the funds may only be used for charging stations.

Mayor Marra asked whether the entire \$15 million would be spent on EV charging stations.

Director Gallucci confirmed that it would.

Mayor Marra questioned the decision, noting that the electric grid currently has less than a 15% reserve. He stated that power rates have been raised to reduce consumption and reserve electricity for large data centers. He expressed concern about a lack of transparency and questioned why \$15 million was being spent on what he believed was related to driverless cars. He asked how the project benefits roads and bridges, which he considers NOACA's primary purpose, and criticized the condition of local infrastructure. He argued that building infrastructure for future technologies like driverless cars was impractical and a waste of money, particularly in downtown Cleveland, where the logistics are not in place, and suggested the funds could be better spent addressing more immediate needs.

Mayor Marra stated that he could not approve items without receiving all necessary documents in advance. He noted that members often do not have full details before voting and called for greater transparency, including providing complete breakdowns of projects and expenditures ahead of time.

Director Gallucci stated that transparency is maintained throughout the process. She explained that the Overall Work Program (OWP) had been presented to and approved by the Board over a year ago in March 2024. The full OWP, including all tasks and projects, was reviewed by the Finance Committee and subsequently approved by the Board. She stated that NOACA operates solely from the Board-approved OWP. The current request is to approve the OWP Completion Report, which reflects the work completed and the expenditures made in alignment with that plan. Director Gallucci noted that NOACA staff does not act independently; all actions, including the \$15 million grant, require Board approval. She further explained that when the grant was received, it was presented to the Finance Committee and the Board for review, discussion, and approval.

Mayor Marra stated that he understood the explanation but questioned whether the Committee truly had a choice. He noted that members were given only parts of the information, not the complete story, and were then expected to vote on the matter the same day. He said he prefers to research issues on his own rather than try to do so quickly before a vote. While acknowledging that the reports are public, he asked why they are not included in the meeting packet. Including them would allow members to review the material beforehand, prepare questions in advance, and receive complete and accurate answers at the meeting.

Director Gallucci acknowledged Mayor Marra's point. She explained that the full OWP had already been provided to the Board and the Finance Committee at earlier meetings. She noted that in the future, staff can include a link to the previous documents for members' reference.

Mr. Claypool asked for confirmation that NOACA was not seeking approval of new items, but simply asking the Committee to acknowledge what has been accomplished.

Director Gallucci confirmed this, explaining that NOACA must submit the report to FHWA with the Board's authorization.

Mr. Claypool stated that all the projects had already received approval.

Director Gallucci confirmed that this was correct.

Mr. Claypool asked whether certain line items could be removed from the report and set aside.

Director Gallucci asked Mr. Claypool whether his request to remove items was based on unclear completion percentages or expenditures, or on an objection to the expenditure itself.

Mr. Claypool cited the \$15 million item as an example, noting that it is listed as 1% complete and has not yet started. He suggested it might be an opportunity to set the item aside for further discussion. He added that he was unsure whether this approach would make sense but thought it might help address concerns some members had expressed.

Director Gallucci responded that the item could not be removed from the Completion Report but discussing it separately would be up to the Finance and Audit Committee and then the Board. She noted that if the Board wished to revisit acceptance of the \$15 million grant, they could choose to do so.

Mayor Brennan added that removing the line from the report would not change the fact that the \$15 million exists; it would only mean it is not being reported. This would not eliminate the underlying line item.

Responding to Mayor Marra's comments, Mayor Brennan noted that the United States experiences approximately 40,000 motor vehicle fatalities annually—over 100 per day. While driverless car technology may seem distant, he believed there will come a time when people question why more was not done sooner to prevent these deaths, which are often taken for granted. He emphasized that most fatalities result from human error and other driver impairments.

Mr. Alan Exley noted that even driverless cars cannot travel across bridges that are closed.

Mayor Brennan acknowledged the point.

Mr. Exley stated that, to his understanding, the \$15 million grant is designated for EV charging stations. He noted that, to date, the CFI Grant is "use it or lose it" funding and cannot be redirected to other projects within the NOACA program. He asked whether his understanding was correct.

Director Gallucci confirmed that Mr. Exley's understanding was correct. If NOACA chose not to move forward with the project, the funds would need to be returned to FHWA.

Mr. Claypool asked whether the \$15 million was specifically allocated for the CFI program.

Director Gallucci confirmed, stating that the program is the Charging and Fueling Infrastructure (CFI) program, specifically for EV charging stations, and that if NOACA chooses not to move forward, the funds would be returned.

Director Gallucci added that staff confirmed that the link to the OWP was included in the meeting packet within the OWP Completion Report memo, so all relevant information was available.

Mr. Blackshear stated that, as far as he knew, the discussion referred to the \$15 million CFI Grant. He explained that, as mentioned earlier, this is a multi-year project. The portion completed during SFY 2025 represents only a percentage of the total project, and the remaining work must still be accounted for. While staff may have completed 100% of their assigned work for this fiscal year, the overall project is not yet complete because some components have not yet started. He noted that such distinctions must be considered for multi-year projects. The SFY 2025 Completion Report is still in draft form and is presented as a snapshot to the Finance and Audit Committee; the SFY 2024 report is available on NOACA's website. Mr. Blackshear added that the annually approved OWP outlines planned work, while the Completion Report compares planned versus actual accomplishments, as reviewed by ODOT and FHWA.

Mr. Patrick asked whether not using and returning the \$15 million would put NOACA at risk of losing future grant funding or be considered a strike against the MPO.

Director Gallucci responded that returning the funds would not affect future opportunities. She explained that while failing to complete the grant as outlined in the grant document would harm NOACA, simply returning the funds would have no impact on future funding opportunities.

Mr. Dever made a motion to recommend the SFY 2025 OWP Completion Report to the Executive Committee for placement on the September 2025 Board of Directors agenda. Ms. Teeuwen seconded the motion. The Committee voted and the motion passed by voice vote.

SFY 2026 OWP Budget Amendment

Ms. Wordell introduced Ms. Lilly Johns, a new employee in NOACA's Finance Division. After completing a year-long internship with the organization, she joined the team as a full-time employee.

Ms. Johns mentioned that the Finance and Audit Committee approves periodic amendments to the OWP and Budget for new projects or changes in scope, as well as increases to the original budget. These increases may include carry-forward funds and recently awarded grants.

Ms. Johns presented on the following:

- Operating Budget Revenues
 - Total Revenue Increase - \$1,281,253
- Operating Budget Expenditures
 - Total Expenditures - \$1,281,253
- FY26 Operating and Capital Budget
 - Operating Budget: \$33,081,110, Adjustments: \$1,281,253, Amended Budget: \$34,362,363
- FY26 Federal Pass-Through Budget
 - Operating Budget: \$9,243,326, Adjustments: \$508,525*, Amended Budget: \$9,751,852 (*Supplemental Brownfield RLF = \$750,00)
 - \$241,475 budgeted in Operating
 - \$508,525 budgeted in Pass-through (Loans/Grants)

Ms. Johns stated that, pending Board approval, NOACA staff will submit the revised SFY 2026 OWP and Budget to ODOT and the appropriate federal agencies for approval.

Mr. Dever made a motion to recommend the SFY 2026 OWP Budget Amendment to the Executive Committee for placement on the September 2025 Board of Directors agenda. Ms. Berry seconded the motion.

Mr. Conrad asked whether \$15,000 was included in the budget for project-related travel and questioned the need for this amount, given that the projects are local.

Ms. Wordell explained that the projected travel-related expenses also include supplies. She noted that, as shown in the funding tables in the OWP amendment to be provided to the Board, the "Other" category may encompass travel, supplies, and several smaller expense categories. She added that when staff travel for local projects, they are reimbursed for use of their personal vehicles.

Mr. Claypool stated that, as he understood it, certain projects were under-budgeted from a revenue perspective, and he sought clarification on whether this was correct or represented additional revenue.

Ms. Wordell stated that these are additional revenues. She explained that OCPG funding from ODOT is provided to NOACA in December and it always changes between December and May based on ODOT's own budget. In this case, they provided additional funding.

In reference to "Local Crowdfunding – Irishtown Bend" also listed under Revenues, Mr. Claypool asked whether the funds are public dollars or private money.

Director Gallucci responded that it is private money. She explained that this stems from the INFRA grant application for Irishtown Bend, which included a crowdsourcing component that was heavily weighted in the grant's approval. The funding is expected to come from private sources.

Mr. Claypool asked whether there are legal concerns with NOACA handling private funds for public events.

Director Gallucci stated that the funds would cover expenses related to Irishtown Bend, making them infrastructure-related. She noted that once private money comes into NOACA, it becomes public money.

Mr. Claypool clarified that it was essentially a donation.

Director Gallucci confirmed this, stating that the funds would go toward the project. She added that the \$726,577 represents the funding gap and is the amount NOACA hopes to raise, with no guarantee that the full amount will be obtained.

The Committee voted and the motion passed by voice vote.

Presentation / Discussion Items

SFY 2025 Fourth Quarter Capital Programs Performance Measures

Ms. Sarah White provided background on NOACA's Capital Programs Performance Measures. She stated that NOACA's SFY 2025 allocation for its capital infrastructure programs is \$55.6

million. Ms. White reviewed the performance areas for program delivery and fund utilization; and discussed the SFY 2025 measures for the fourth quarter of SFY 2025:

- Program Delivery
 - % On-Time Project Implementation - 80%, YTD - 68%
4 of 5 projects delivered on time this quarter
Advanced 1 project from SFY26 to SFY 2025
 - % Program Balance – 10.2%, YTD – 10.2%
\$8.4M programmed in last quarter/\$84.6M programmed in total FY 2025
- Fund Utilization
 - % of Estimate Accuracy - (- 13.8%), YTD - (-9.6%)
4 projects: \$8.6M (TIP Budget) vs. \$7.4M (Actual)
 - % of Funds Encumbered - 46%, YTD - 46%
\$38.7M Encumbered/Budget Takes/Outstanding vs. \$84.6M Budget

Ms. White stated that staff will continue to work with project sponsors and ODOT to meet the established Capital Programs Performance Measures in SFY 2026.

Ms. Teeuwen inquired whether the goals and targets align with ODOT's or are specific to NOACA.

Director Gallucci explained that NOACA established its goals and targets approximately 10 years ago. She noted that ODOT had measures which were less detailed, but ODOT is now developing metrics that will mirror NOACA's and will be applied statewide.

Ms. Teeuwen asked whether NOACA's goals are consistent with those of other MPOs across Ohio.

Director Gallucci responded that they are not yet aligned, but ODOT plans to standardize them. She noted that NOACA is ahead of other MPOs by measuring performance proactively rather than waiting for ODOT to assess results at year-end when goals may not have been met.

Regarding the Carbon Reduction Program (CRP) budget of \$3.9 million, Mr. Claypool referenced the metric or target for CO₂ reduction outlined in the Climate Action Plan. He inquired about the current level, historical levels, and the target, noting that NOACA is spending \$3.9 million to reach that goal. He questioned whether the target is achievable or whether the expenditure may be ineffective.

Director Gallucci explained that the Federal Government developed the Carbon Reduction Program and provides NOACA with criteria and requirements for projects to meet the targets. She noted that it is a federal policy, and by the time it reaches NOACA, the agency is administering a program focused on projects rather than specific emissions reductions.

Mr. Claypool stated the Federal Government often acts on politics rather than science and may be influenced by ideology. He referenced historical CO₂ levels, noting they reached approximately 3,000 parts per million in the distant past compared to about 420 parts per million today, with a climate change goal of around 300 parts per million. Since temperatures have not changed significantly across those levels, he questioned whether the goal is achievable and whether the use of tax dollars for this purpose is justified. He suggested that the Board consider whether to advise the government against such expenditures, expressing doubt that the funds being spent will yield meaningful results.

Director Gallucci clarified that the Carbon Reduction Program (CRP) funds transportation infrastructure projects. She noted that it is not a program for outreach or planning, but specifically for construction projects related to the transportation network.

Mayor Marra inquired about the funding sources, specifically referencing the \$17.1 million allocated for the Congestion Mitigation and Air Quality (CMAQ) program and the \$3.9 million for the CRP.

Director Gallucci responded that the funds are provided by the Federal Government through legislation. She noted that the CMAQ program is a longstanding initiative, with all metrics established at the policy level in Washington, D.C., and that NOACA is responsible for administering the program once the funds are received.

Mayor Marra asked whether the money had already been appropriated.

Director Gallucci confirmed that it had.

Mayor Marra asked whether tree canopy restoration is included as part of air quality funding, noting that it had been removed at one point.

Director Gallucci explained that the tree canopy concept was part of an emissions reduction program for which NOACA applied for a special grant but did not receive funding; therefore, it is not reflected in the current report. She added that the CMAQ program does not allow for tree canopy development, as its funds must be used for transportation-related projects.

Ms. White confirmed Director Gallucci's statement.

Ms. Berry asked Ms. White to advance to the slide showing the final metric, the percentage of funds encumbered. She observed that the metric appears to be trending downward and noted that the provided sheet indicates board-approved steps are in place to address this issue. She requested additional details on the specific actions being taken, emphasizing the importance of improving this metric.

Director Gallucci stated she would address the matter from a broader perspective before having staff provide additional details. She agreed the metric is trending in the wrong direction, noting that staff share this concern and have discussed it internally. She explained that the primary issue is that community projects are not advancing quickly enough. To address this, staff have overcommitted projects so that those ready to proceed can move forward. She added that the Board permits certain actions, such as paying down debt—for example, NOACA holds outstanding State Infrastructure Bank loans—to improve the ending balance. However, it would require delaying behind-schedule projects or having communities take State Infrastructure Bank loans themselves. While these actions could improve the metric, they carry consequences and are generally avoided unless necessary.

Mr. Conrad asked whether NOACA has a policy for communities that repeatedly fail to perform on projects.

Director Gallucci responded that NOACA does not have a policy allowing for the cancellation of a sponsor's funding if a project is not progressing, noting that some projects have remained active for years. She suggested the Finance Committee consider establishing a policy whereby, after a specified period, NOACA could cancel a project if it remains incomplete. While this is an option, it is not currently practiced. Instead, NOACA typically works with sponsors to reschedule their

projects and advance others to maximize fund utilization; cancellations are rare, and no formal policy exists.

Mr. Conrad noted that other funding sources, such as those received by county engineers, impose penalties for not completing projects on time or within certain limits. He suggested that NOACA explore whether a similar approach could help address the issue.

Director Gallucci agreed and proposed that staff begin working on a policy or policy proposal to bring to the Finance and Audit Committee for review, noting that it could go a long way toward improving these numbers.

Mr. Exley asked whether NOACA knows why projects are being delayed and whether delays are due to circumstances outside the control of the agency or internal issues. He noted that for engineers, delays are often environmental or involve unforeseen issues and asked whether NOACA investigates or assists when unanticipated issues arise.

Director Gallucci stated that staff do investigate delays and try to provide support or assistance where possible. She noted that common reasons for delays include longer-than-expected design phases, changes in administration that lower a project's priority, and environmental issues. She explained that this is why NOACA has not adopted a formal policy, as each project is reviewed on a case-by-case basis. While NOACA works to advance projects, progress ultimately depends on the actions of the communities. She agreed that NOACA can improve in this area as well.

Reports/Updates

The Financial Reports and the Brownfields Revolving Loan Fund Quarterly Report were included in the meeting packet.

Ms. Berry referenced the TLCI program on page 12 of the OWP and page 18 of the financial reports under pass-through, asking whether the figures in both documents should match for the same SFY 2025 time period. She noted that the TLCI program is funded at \$2 million, with \$958,575 expended.

Ms. Wordell clarified that the \$958,575 shown in the financial reports under "pass-through expenses" is not included in the OWP expenditures. She explained that this amount covers a separate TLCI component for staff time and consultants, which are classified as operating expenses, whereas pass-through expenses are not considered operating expenses.

Director Gallucci clarified that NOACA has two TLCI components in the TLCI budget: one for planning and one for implementation. Planning is funded through OCPG or STBG and is part of NOACA's operating budget. Capital (implementation) is pass-through; NOACA does not receive or authorize the expenditures. ODOT passes the money from the Federal Highway Administration (FHWA) directly to the contractor.

Ms. Berry asked whether the funds shown at the bottom of page 18 of the financial reports would also appear in the OWP if the money comes from ODOT.

Director Gallucci responded that ODOT considers it a capital expense.

Ms. Wordell added that the amount was not part of NOACA's operating budget, so it would not be included in the funding tables.

Old Business

No old business was discussed at this meeting.

New Business

Mr. Claypool noted that, following the Policy Committee meeting, NOACA is working to comply with the Executive Order on DEI and has adopted the term “Areas of Persistent Poverty and Disadvantaged Communities.” He stated that these programs appear separate from the current environmental justice program and cautioned that renaming programs can create legal issues. He observed that the U.S. Department of Transportation has not fully implemented these programs and may discontinue them in the future, suggesting that if the funding is new, NOACA could reallocate existing funds and apply the new dollars to the new program.

Director Gallucci explained that “environmental justice” and “areas of persistent poverty” have different definitions. She noted that environmental justice has been removed from the federal website and is no longer an appropriate project evaluation criterion. NOACA will use “areas of persistent poverty” where applicable, as recommended by industry organizations. She added that there was no specific funding program for environmental justice, although it was used as a criterion in several programs under the previous administration’s Justice40 initiative.

Mr. Claypool stated that “Areas of Persistent Poverty” is a dedicated grant program and could present a new funding opportunity for NOACA, though it may be discontinued as policies change. He requested any documentation NOACA has received from agencies or industry groups on this topic.

Director Gallucci stated that NOACA receives weekly newsletters on federal developments and would provide Mr. Claypool with one addressing areas of persistent poverty.

Adjournment

Ms. Berry made a motion to adjourn the Finance and Audit Committee meeting at 9:50 a.m. Mr. Patrick seconded the motion. The motion passed by voice vote.

The Finance and Audit Committee will hold its next meeting at the NOACA offices on November 14, 2025, at 8:30 a.m. – 10:00 a.m.

Note: Additional information on the agenda items is available on [NOACA’s website](#) and [YouTube channel](#).



Finance and Audit Committee 2025 Attendance Record

MEMBERS	2/14/25	5/9/25	8/8/25	11/14/25
BIBB, Justin (Bonnie Teeuwen, Alternate) (Mike Culp, Alternate on 5/9/25)	A	A	A	
BRADLEY, Jack (Dale Vandersommen, Alternate)	X	X	A	
BRAKEY, Carolyn (Shane Hajjar, Alternate)		X		
BRENNAN, Michael Dylan (Deanna Bremer Fisher, Alternate)	X	A	X	
BRUBAKER, Kevin (Dawn Calvert, Alternate)		X		
CASTELLI, Matthew (Jim Herron, Alternate)	A	X		
CONRAD, Andy (Bethany Dentler, Alternate)	X	X	X	
DEVER, Michael (Nichole English, Alternate)	X	X	X	
EPSTEIN, Jeff (Linda Sternheimer, Alternate)				
EXLEY, Alan (Kirk Dimmick, Alternate)	X	X	X	
GUTHEIL, David (Linda Sternheimer, Alternate)				
MOORE, David J. (Thomas Patrick III, Alternate) (John Gall, Alternate 2/14/25)	A	A	A	
PLECNIK, John (John Marra, Alternate)	A		A	
RONAYNE, Chris (Debbie Berry, Alternate)	A	A	A	
SPIDALIERI, Ralph (Walter "Skip" Claypool, Alternate)			A	
TOTAL	10	11	10	

X = Member present A = Alternate present