

FISCAL YEAR 2016 BUDGET



VISION

Our vision is to be the most customer-driven and efficient public transit agency in Virginia.

MISSION

Our mission is to serve the community through high quality, safe, efficient and sustainable regional transportation services.

CORE VALUES

INTEGRITY

Demonstrate honesty, transparency, fairness and accountability in everything we say and do.

CUSTOMER SERVICE

Ensure positive customer experiences that exceed expectations everyday.

WORKFORCE SUCCESS

Treat everyone with courtesy and respect. Our diverse team of employees drives our success. Our hiring, training, professional development and work environment will aim for the success of every team member.

SAFETY

Strive for safety excellence and continuously promote safety through policies, procedures, training and outreach.

QUALITY

Be passionate about quality and take pride in a job well done.

INNOVATION

Embrace creativity and initiative that shows good business judgment to improve the value of our services, environmental sustainability, and efficient and effective operations.

FINANCIAL HEALTH

Show good stewardship of resources to build strong and lasting relationships with customers and funding partners who invest in making our services possible.

Dear Commissioners,

It is with pleasure that I present the operating budget for fiscal year 2016. This budget reflects \$22.1 million in operating revenues, \$74.5 million in non-operating revenues and \$96.6 million in expenses. The approved budget is being presented in a more comprehensive and detailed format than in recent years. We trust you will find this document informative and useful.

This budget includes additional fare income from the Commission's approval of a first-ever incremental fare increase effective October 5, 2014. We have also increased agency-generated revenues through contract income and advertising sales, totaling \$3.4 million. After local municipal funding (which accounts for about 42%), HRT customers and agency-generated revenue represents the highest share of income to cover expenses. Additionally, we are expecting to receive \$33.9 million in federal and state funding in fiscal year 2016.

Despite some positive policy changes under MAP-21, HB2313 (the historic transportation funding bill passed by the Virginia General Assembly in 2013) and HB1887 (the 2015 transportation omnibus bill that will result in transit capital funding to help offset expiring Capital Project Revenue bonds), we are very attuned to significant budget pressures at federal, state, and local levels. Meanwhile, for many years the agency has flexed over federal Section 5309 capital funds to support operating costs. While this has aided in keeping municipal partners from covering larger shares of operating expenses, it has also hindered the agency from making capital investments that are mission-critical to support our core business.

Specifically, this practice has contributed to HRT not being able to effectively achieve and maintain a state of good repair for the bus fleet. We are taking steps to incrementally reverse this practice, however, in order to make priority investments in bus refurbishing, repowering, and replacement. As of this writing, the current bus fleet age is about 9.9 years. That number should be closer to 6.5 years. Addressing core fleet needs remains a priority of my administration while we also chart a clear path of long-term fiscal sustainability.

Ultimately, we need to increase overall funding to support effective transit operations across the region. This must include support from sources other than traditional local general funds. If we let present trends continue unchanged, there will be an ever increasing demand on local general funds, which we know are already significantly burdened. Alternatively, we could be faced with service reductions. Of course, demand for more and better transit is at an all-time high in Hampton Roads and neither of these alternatives are welcome.

I believe it is imperative moving forward that we address the structural deficiencies with how transit is planned for and funded regionally. This is critical to achieving our vision of being the most efficient and customer-driven transit agency in Virginia.

We look forward to working closely with the Commission, and with our partners on local, regional, state and federal levels to implement needed solutions, to include advancing Connect Hampton Roads®. Working together, I am confident we can do a better job connecting the people and places of Hampton Roads with quality transit – both now and for generations to come – supported by sustainable, reliable funding.

Respectfully Submitted,

William E. Harrell
President & CEO



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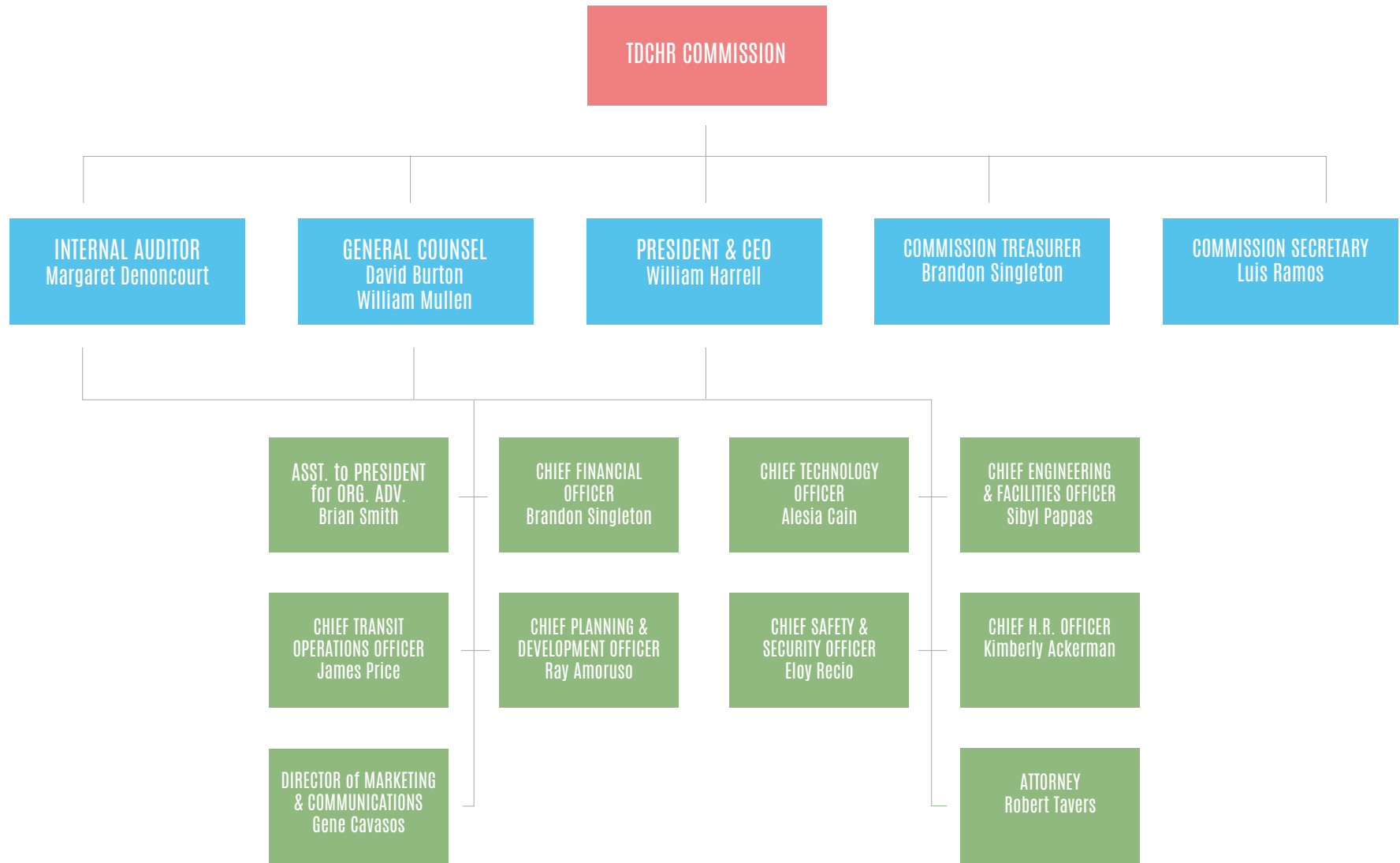
Hampton Roads Transit Executive Team

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Luis Ramos	Commission Secretary
Margaret Denoncourt	Internal Auditor
Brian Smith	Assistant to the President for Organizational Advancement
James Price	Chief Transit Operations Officer
Alesia Cain	Chief Technology Officer
Eloy Recio	Chief Safety and Security Officer
Ray Amoruso	Chief Planning and Development Officer
Kimberly Ackerman	Chief Human Resources Officer
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ORGANIZATIONAL CHART



EXECUTIVE TEAM

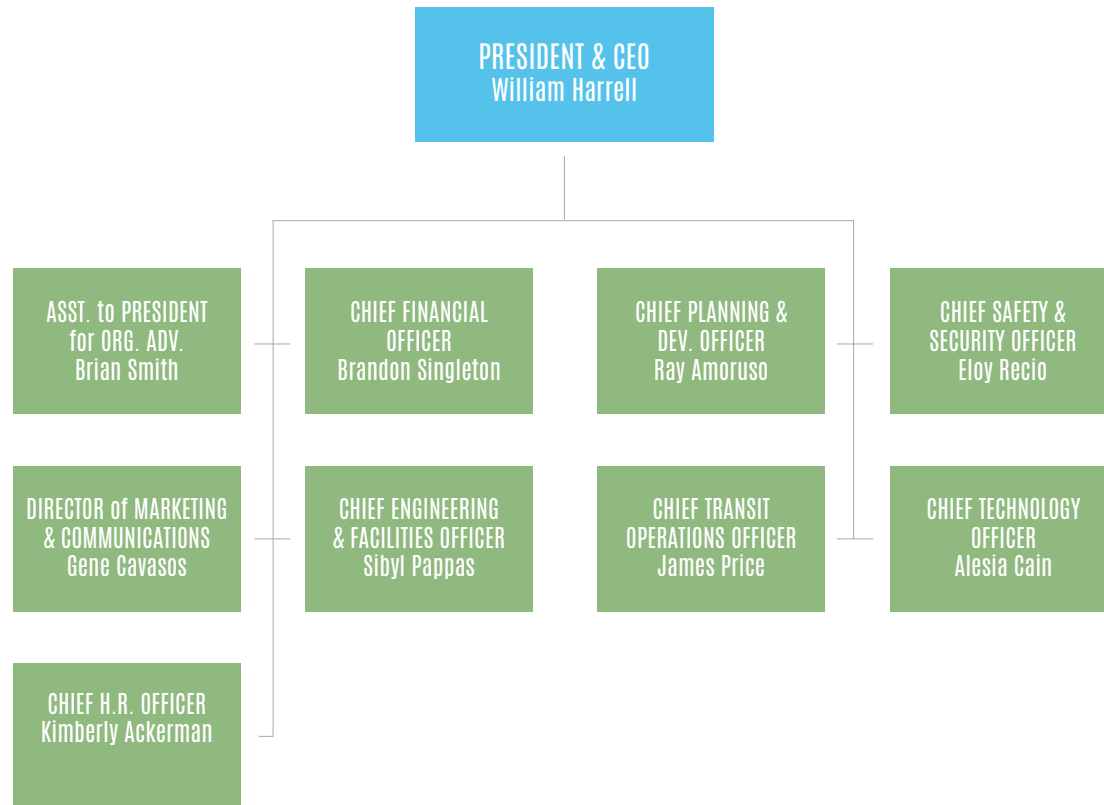


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Mass transit has a long history in Hampton Roads. Electric trolleys operated on both sides of the Hampton Roads area from before the turn of the 20th century under the operation of several different railway companies. From the 1920's to through the 1940's buses gradually replaced the streetcars. Today, ferries, light rail, vans, hybrid-electric buses and varying sizes of transit buses operate in Hampton Roads.

PENINSULA

In 1889, the first trolley car on the Peninsula ran from Hampton to Old Point operated by the Hampton and Old Point Railway Company. Other private companies operating separate lines soon joined them. In 1896, three separate companies joined and became the Newport News and Old Point Railway and Electric Company. A rival company, the Peninsula Railway Company formed in 1898 and in 1900 became Citizen's Railway Light and Power Company. In 1914, the Newport News and Hampton Railway Gas & Electric Company formed, merging all earlier public transportation companies on the Lower Peninsula.

The first buses arrived in 1923 and were operated by the Citizen's Rapid Transit Corporation (CRTC) of Newport News. In 1924, the Virginia Public Service Company purchased CRTC. In 1926, buses and trolleys came together when the Virginia Public Service Corporation merged with the Newport News and Hampton Railway Gas & Electric Company, retaining the name Virginia Public Service Company. In 1944, the Virginia Public Service Company merged with Virginia Electric & Power Company (VEPCO). In 1945, Citizen's Rapid Transit Company acquired VEPCO's transportation facilities, and in 1946, streetcar operations were completely discontinued and buses were substituted throughout Hampton and Newport News.

In 1974, the Peninsula Transportation District Commission (PTDC) was created by agreement between the cities of Hampton and Newport News under the Transportation District Act of the Code of Virginia. In 1975, the PTDC acquired the operating assets of the Citizen's Rapid Transit Company for \$1.8 million with the assistance of a U.S. Department of Transportation grant which allowed for up to 2/3 of the funds needed to purchase failing private companies in order to retain mass transit services in the localities. The PTDC operated under the trade name "Pentran". New buses were purchased and a new route structure developed one year after Pentran was created. Paratransit service, Handi-Ride, began serving persons with disabilities in 1980. The "Adopt-A-Bus" advertising sales program began in 1985 and Pentran was the first transit system in the country to offer a whole bus to be painted over with advertising. In 1988, a new Administration, Operations and Maintenance facility was opened on the original site of the streetcar operations. In 1989, Pentran implemented a new route structure and marketing program call "The New Pentran" with new, color-coded routes that provided extended services to new areas. In 1991, Pentran began late evening service, operating until 12:00 midnight on most routes. Transportation Centers in Downtown Hampton and Downtown Newport News were opened in 1994 and 1995 respectively. In 1995, Sunday service was started on all routes. In coordination with the City of Newport News, Pentran conducted a Major Investment Study for the CSX Railway Corridor from James City County, through Newport News to Hampton and the final report in 1997 recommended that Pentran should initiate enhanced bus service first and look at rail transit later.

SOUTHSIDE

On the Southside, the City Railway Company operated the first streetcars in the City of Norfolk. In 1889, Norfolk became one of the first cities to use the overhead street electric railway system, preceded by Richmond in 1887. The Norfolk-Portsmouth Traction Company was formed in 1906 and assumed operating control over the Norfolk and Portsmouth rail system. In 1911, the Virginia Railway and Power Company extended its operations from Richmond and took over the systems of the two cities. The first buses arrived in 1925 when the Virginia Electric and Power Company purchased 36 buses for its Norfolk operation. In 1944, the Virginia Transit Company (VTC) took over transit operations in Norfolk. In 1947 the VTC inaugurated the modernization program by converting the Naval Base streetcar line to buses and the program was completed in 1948 with the Ocean View Main Line being the last streetcar to operate in the City of Norfolk. On March 9, 1973, the City of Norfolk purchased the transit operations of the Norfolk Division of the Virginia Transit Company for \$2.3 million. The U.S. Department of Transportation provided two-thirds of the funds needed for the purchase. It was renamed Tidewater Metro Transit (TMT).

In May 1973 the Tidewater Transportation District Commission (TTDC) was formed and began the process of acquiring the privately held transit companies on the Southside. The TTDC, operating under the trade name Tidewater Regional Transit (TRT), began offering public transportation services in Portsmouth, Chesapeake and Suffolk in 1975. April 1, 1977 marked the consolidation of Tidewater Regional Transit and Norfolk's Tidewater Metro Transit operation. In 1979, TRT began operating Handi-Ride service for person with disabilities. Ferry service between Norfolk and Portsmouth was restored in 1983 with a 50-passenger diesel powered launch. In 1985, a 150-passenger steel hulled, diesel-powered paddlewheel ferryboat replaced the launch. In 1985, the Virginia Beach Transit Company was consolidated with TRT and for the first time all five cities were being served by TRT. In 1989, TRT implemented a new comprehensive route structure. In 1992, the High Occupancy Vehicle (HOV)-2 lanes opened and express bus service to downtown Norfolk and the Norfolk Naval Base began. In 1993, TRT converted a trolley from gas power to compressed natural gas. In 1996, TRT converted one of its three ferries into natural gas power. Between 1993 and 1998 TRT conducted a Major Investment Study for the Norfolk-Virginia Beach Corridor to determine the most appropriate transportation solutions for the congestion in the Route 44/I-264 area. In May 1996, the TTDC approved a resolution to focus study on an alternative combining Light Rail Transit, Enhanced bus Service and other transportation demand management activities. In 1997, TRT began the Preliminary Engineering/Environmental Impact Statement phase of the Light Rail Transit study.

MERGER & CREATION OF HAMPTON ROADS TRANSIT

Talk of a merger between the two public transit systems in Hampton Roads began in 1994. After five years of discussion, study, negotiation, financial accounting, and other due diligence activities, Pentran and TRT voluntarily merged into one organization on October 1, 1999. The Transportation District Commission of Hampton Roads (TDCHR) was created with membership from seven cities: Chesapeake, Hampton, Newport News, Norfolk, Portsmouth, Suffolk and Virginia Beach. The TDCHR operates under the trade name Hampton Roads Transit (HRT). The City of Suffolk is no longer a part of the TDCHR but growth within the remaining six cities has been driving the agency forward at a steady pace as the benefits of public transportation are being realized by citizens residing within Hampton Roads.

After six decades of increasing miles driven by automobiles, 2004 saw a reversal of that trend. In fact, every year since has seen a decrease. Americans in communities of all kinds nationwide want more transportation choices. We are starting to live closer to our jobs, shopping and entertainment venues. And more of us want a greener planet and less dependency on foreign oil. Public transportation plays a significant role in finding smart solutions to the challenges facing Hampton Roads today.

ENVIRONMENTAL IMPACT

Like many metropolitan areas in the United States, Hampton Roads continues to be a maintenance area under federal air quality regulations meaning that Hampton Roads does not or did not meet air quality standards for ozone, carbon monoxide, particulate matter, or nitrogen dioxide.⁶ The Hampton Roads Planning District Commission (HRPDC) and the Virginia Department of Transportation (VDOT) is slowly beginning to recognize transit's role in providing viable transportation alternatives to the single occupancy vehicle and in helping to reduce congestion, air pollution and improving mobility.

Traffic congestion is worsening every year and the I-64 and I-264 corridors are the highest stressed corridors in the region. There are currently 592 lane miles of severely congested roadways.² That number is expected to grow 29% by 2030.² The majority of voters recognize that congestion and traffic are very serious problems. When put to the ballot, voters are approving transit-related solutions nearly 80% of the time.

Per passenger mile, public transportation is twice as energy efficient as cars.¹ A high quality rail or bus line can carry as many people as seven highway lanes or 17 lanes of urban street.¹ The Texas A&M Transportation Institute published a 2011 study for the Virginia Beach area that revealed the excess fuel consumed by commuters due to traffic congestion was almost 20 million gallons annually. Per year, the average local commuter spends 43 additional hours in traffic due to congestion which Texas A&M calculated to be worth \$877.00 per commuter. If public transportation were discontinued in the Hampton Roads region, the annual delay for commuters (as a whole) would increase by over 1.6 million hours and an additional 700,000 gallons of fuel would be wasted.⁴

By moving more people in a smaller space, public transportation allows cities to increase their economic output while maintaining a smaller footprint at a lower cost of transportation infrastructure than would be required without public transit. Cities can, therefore, achieve more growth for less money with high quality public transportation.¹

ECONOMIC IMPACT

While it is widely known that transit eases congestion by adding capacity to existing roadways, transit's numerous societal benefits are often overlooked. An increased investment in public transportation creates jobs and boosts economic growth.

JOB CREATION

- + Transit creates jobs by attracting employers to areas that are accessible to more people. Companies that have chosen Hampton Roads as their headquarters include Canon Virginia, Inc. and Huntington Ingalls Industries.
- + Transit supports spin-off industries such as maintenance facilities and computer software development. For example, the local transit industry supports Western Branch Diesel in Chesapeake, who provides major engine repair service to HRT and other transit systems in Virginia.
- + Transit strengthens local businesses by giving them access to workers and to a wider market. Eastern Virginia Medical Center in Downtown Norfolk depends upon HRT to transport a significant number of employees to its facilities. Hotels also depend on HRT to transfer hospitality workers to the Oceanfront daily to support tourism.

ECONOMIC GROWTH

- + Every \$1 dollar communities invest in transit generates \$4 dollars in economic returns.³
- + Every \$1 billion invested in public transportation capital and operations creates and supports an average of 36,000 jobs.³
 - These 36,000 jobs result in roughly \$3.6 billion in business sales and generate nearly \$500,000 million in federal, state, and local tax revenues.³

STRENGTHENED COMMUNITY

Public transportation provides communities with affordable means of mobility, offering individuals greater opportunity to better themselves and provide for their families. It provides access to join opportunities for millions of Americans and is a key link to jobs for service and entry level employees with limited mobility options.

Transit moves people to school and training, allowing them to seek higher paying jobs and become self-sufficient. Hampton Roads Transit HRT serves Christopher Newport University, Thomas Nelson Community College, Hampton University, Old Dominion University, Tidewater Community College, Norfolk State University, and numerous technical schools.

Transit enables elderly and disabled people to remain independent by providing access to health care, shopping, nutrition programs, and other basic life needs. Approximately 11% of Hampton Roads residents are living with a disability, and over 12% of the local population is age 65 or older.⁵ Eighty-three percent of older Americans say public transit provides easy access to things they need in everyday life.¹

Households with access to public transportation spend a lower percentage on housing and transportation costs. Living in a transit rich area can allow a two-car family to eliminate one of its vehicles, saving almost \$10,000 per year. Savings this significant allow funds otherwise tied up in transportation expenses to stimulate the economy.¹

SOURCES

1. APTA - "Economic Recovery: Promoting Growth - The Benefits of Public Transportation"
2. Hampton Roads Transportation Planning Organization - Hampton Roads Congestion Management Process: 2010 Update
3. APTA - "Public Transportation Gets Our Economy Moving"
4. Texas A&M Transportation Institute - "Urban Mobility Report - Congestion Data"
5. Hampton Roads Transportation Planning Organization - "Hampton Roads Regional Benchmarking Study: 2012 Estimates"
6. U.S. Department of Transportation - Federal Highway Administration

GEOGRAPHY

Virginia's Hampton Roads is a region rich in history, situated in the southeastern corner of Virginia, where the Atlantic Ocean meets the Chesapeake Bay. The region, comprised of 16 counties and cities, is enhanced by an extensive system of waterways. Because of the abundance of waterways, the transportation network is heavily dependent on bridges and tunnels. Aging infrastructure and congestion around tunnels and bridges pose a threat for future economic development.

POPULATION

The Hampton Roads region ranks as the 37th largest populous metropolitan area in the United States.⁶ Between 2000 and 2010, the population increased by 6.4% to 1.67 million people.¹ By the year 2040, the Hampton Roads Planning District Commission estimates that the population will exceed 2.04 million¹. The number of vehicles in Hampton Roads was just over 1.2 million in 2010. By 2040, that number is expected to reach almost 1.7 million.¹

EMPLOYMENT

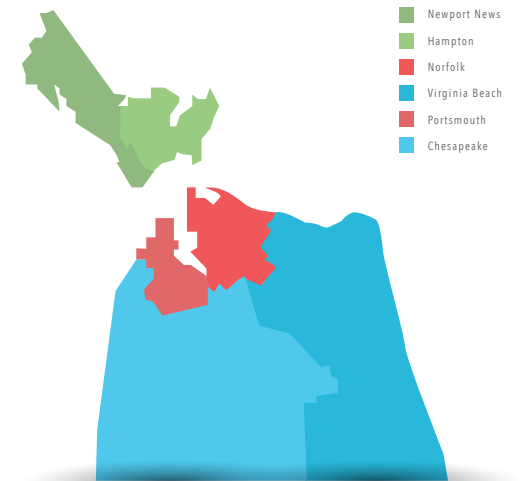
As the nation continued to recover from recession during 2008 through 2010, unemployment rates fell in nearly every state. The Hampton Roads area saw a drop in its unemployment rate to 4.9 percent in February 2014, which was the lowest level since November 2008.⁸ Employment in the local Metropolitan Statistical Area (MSA) increased from 762,400 in June 2013 to 764,600 as of June 2014.⁷ Virginia's employment in May 2014 was 3.7 million and increased to 4.1 million as of June 2015.⁵ The unemployment rate has an inverse effect from the employment. Hampton Roads' unemployment rate has hovered around 5.7% over the past three years, even as the U.S. rate continued to improve, and is only 0.4 percentage points below the July 2013 level. In comparison, the U.S. unemployment rate declined by 1.13 percentage points between July 2013 and July 2014.²

A strong military presence in the region has helped stabilize unemployment rates. The U.S. military is a major employer in the Hampton Roads region, and so U.S. military spending is an important influence on the region's employment growth. Hampton Roads has also experienced relatively strong employment growth across several industry sectors, particularly Education and Health Services, Leisure and Hospitality and Trade, Transportation, and Utilities.⁴ Employment opportunities in Hampton Roads are predicted to grow with jobs in excess of 1.3 million by 2040.¹

DEMOGRAPHICS

Compared to Virginia and the nation as a whole, the population of the Hampton Roads region tends to be younger and more diverse. In 2011, the Hampton Roads area (both MSA and region) continued to have average salaries and wages (\$44,743) that fell below both the Virginia and national averages.³ The region's relatively low wages can be attributed to such factors as the region's unique occupational and industrial mix. One characteristic that distinguishes Hampton Roads from other areas include a largest military presence in the region, with 19 military facilities in the area.⁶ There is also a large presence of military veterans in the civilian workforce. Hampton Roads ranks 1st in these two categories when comparing our region to other areas with a population of 1-3 million people for those categories.

With growth in the number of residents and visitors that are part of our region's promising future, we also have real challenges to connecting the people and places of Hampton Roads. As the region grows, our ability to move around with ease will be more and more challenging. A lack of mobility choices can limit access to jobs, educational, retail and recreational opportunities - and keep Hampton Roads



from effectively supporting our existing businesses and military communities, and attracting new businesses to grow the regional economy. Now more than ever, we need to plan for a strong, multifaceted transportation network to meet the growing needs of businesses, residents and visitors.

SOURCES:

1. Hampton Roads Planning District Commission 2040 Socioeconomic Forecast – December 2013
2. HRPDC – “Hampton Roads Economic Quarterly”
3. Hampton Roads Vision Annual Report 2013
4. U.S. Bureau of Labor Statistics – “Occupational Employment Statistics – May 2014 State Occupational Employment and Wage Estimates”
5. U.S. Bureau of Labor Statistics – “Economy at a Glance”
6. Wikipedia – “Hampton Roads”
7. U.S. Bureau of Labor Statistics – “Virginia Beach Area Employment-June 2014”
8. Hampton Roads Economic Development Alliance – “Unemployment rates in Virginia dropped in February”

Hampton Roads is a region that depends on its maritime-rich geography including all the benefits that come with it, such as commerce derived at its ports, tourism drawn to its beaches and the waters that allow it to be one of the most concentrated Naval strongholds on the planet. Those same geographic attributes, however, bring with them interconnected vulnerabilities that, if not managed and planned for properly, have the potential to overpower the positive.

MILITARY

The Hampton Roads region contains one of the largest natural harbors in the world, making the region an attractive location for military facilities. The region's military presence is comprised of the Norfolk Naval Base, the largest in the world, Langley Air Force Base, Ft. Eustis Army Post and dozens of other military facilities, all together having almost 93,000 active duty military personnel and over 51,000 federal civilian employees, with the majority, 44,600 federal civilian employees that work in defense functions.¹ The total military population – including active duty, reserve, retirees and family members – totals approximately 393,000 or 40% of the 995,000 employees in the region.¹ According to the 2008 Bureau of Economic Analysis data, Hampton Roads has the second highest concentration of military employment in the nation behind the San Diego, CA area. As a result of the area's large military presence, much of the local economy is driven by the U.S. Department of Defense (DoD). In 2011 alone, the region's defense expenditures and obligations topped \$10.1 billion.¹

Defense readiness and efficient military operations require a sufficient transportation network so that cargo and personnel can be moved as quickly and as safely as possible. Transportation congestion and problems may hinder the ability to maintain or bring additional military personnel to our regions. Local traffic congestion affects every day commuting for military personnel as well as travel times between installations during business hours. Delays at bridges/tunnels significantly detract from mission performance effectiveness and efficiency. Local service members and their families who are routinely impacted by traffic challenges are less likely to spend additional tours of duty in this location or consider this area for retirement.

The significance of the Defense sector in Hampton Roads cannot be overstated as the direct, indirect, and induced impact of the military presence accounts for as much as one-third of the region's economy. The extent of DoD impact includes military personnel, DoD civilian employment, government contractors, the ship building and repair industry, as well as the veterans that both boost the Hampton Roads workforce and inject spending into the local economy.

TOURISM

The tourism sector is an important contributor to Hampton Roads' externally generated income. Hampton Roads provides a diverse set of tourist attractions; each city has its own unique attractions, events and activities. Visitors can choose from the surf and sand of Virginia Beach to the east or the historic attractions of Williamsburg, Yorktown and Jamestown to the west. In addition to the hoteliers who depend on tourists to fill their rooms, tourism brings extensive new money to restaurants, retail establishments and government coffers. According to the Virginia Tourism Corporation, tourists in Hampton Roads spent approximately \$3.9 billion dollars in 2011.² Tourism impacts practically all area businesses, contributing to quality of life through the influx of tax revenue, creation of jobs and rise of services and attractions that add to the vibrancy of life in Hampton Roads.

Many tourists who visit the Hampton Roads area come from those living within a day's drive of the region, which also makes the private automobile the primary mode of transportation. More than 85% of the areas visitors travel by automobile.³ According to VDOT, on average there are 3,000,000 vehicles traveling through the Hampton Roads Bridge-Tunnel (HRBT) monthly with more than 100,000 per day during the tourist season.⁴

As defense expenditures that have boosted the local economy for the past five years are expected to decrease substantially in the next five years, tourism promotion can help fill the income gap. Furthermore, increases in fuel costs combined with the recent 40% decline in the value of the dollar that makes foreign travel so expensive underscore the opportunity for increased income from tourism development.³

PORT OF VIRGINIA

The naturally safe harbors in Hampton Roads have been bringing commerce and trade to the Hampton Roads region for centuries. The Port of Virginia in Hampton Roads is widely regarded as one of the top deepwater harbors on the East Coast. With channels reaching 50 feet in depth and year-long freedom from ice, the Port of Virginia can accommodate ships of all sizes and purposes, from the largest container ships to the cruise ships that dock at the Norfolk Terminals.⁵

Significant investments by both the Port of Virginia and by APM Terminals (A.P. Moller-Maersk Group) have positioned Hampton Roads well to capitalize on and accommodate increased port traffic well into the future. The Port of Virginia is a tremendous economic engine for Hampton Roads and the entire state. In fiscal year 2013, The Port of Virginia provided more than 374,000 jobs and generated \$60.3 billion in total economic impact throughout the Commonwealth.⁸ The Virginia Port Authority (VPA) in Norfolk averages yearly operating revenue of more than \$225 million.⁵ Operations of this size translate to significant impacts on local area income and employment. In 2015, the Port handled over 2.5 million Twenty-foot Equivalent Units (TEUs).⁷

One major factor that allows the Port of Virginia to successfully compete for markets in the Midwest is the high quality of its rail connections. Shippers and ocean carriers that send rail shipments through the Port indicated that the quality of its rail connections is among the best on the East Coast. Road connections to the port, however, are strained and reduce the ability of freight trucks to reach their destinations on-time. Sixty-four percent of freight transport in and out of the Port area was by truck in 2008.⁵

As the capacity of the port increases, available transportation capacity must expand as well. Port activity into the future will largely be influenced by the ability of the Hampton Roads region to manage the timely transportation of an increasing volume of freight. The price, availability, reliability, and expediency of freight transportation to and from the port are major factors influencing the structure and future of the transportation system.⁵

SOURCES:

1. Hampton Roads Planning District Commission – Economic Impact of DoD in Hampton Roads – November 2013
2. US Travel Association- Hampton Roads Regional Section
3. Future of Hampton Roads, Inc – Improving the Competitiveness of Hampton Roads
4. VDOT Hampton Roads Tunnels and Bridges
5. Programs of Hampton Roads Partnership-Port & Maritime Logistics
6. Secretary of Transportation – Governor McAuliffe Announces The Port of Virginia’s Return to Profitability

SERVICES PROVIDED

Last fiscal year, HRT provided more than 17.4 million customer trips. This equates to almost 50,000 trips per day across six of Virginia's ten largest Cities. HRT operates a comprehensive transit system, offering local, express, and shuttle routes, providing connections throughout the Hampton Roads region. The Agency provides local service up to 21 hours per day, seven days per week. Our transportation fleet is comprised of Transit Buses, Light Rail, Passenger Ferry and Vans.

FAST FACTS

Bus



- + 288 diesel buses travel to all six TDCHR cities
- + All buses are equipped with bicycle racks and have low floors, ramps, or wheelchair lifts to assist the elderly and those passengers with disabilities to board with ease
- + 73 fixed routes
- + Additional Bus services:
 - Virginia Beach Wave*
 - 18 diesel-electric hybrid buses
 - An easy way to get around the Virginia Beach Oceanfront
 - A seasonal service operating daily May – September
 - Metro Area Express (MAX)*
 - Eight fixed routes that provide express service between the Hampton/Newport News and Norfolk/Virginia Beach
 - Ideal for commuters who want to avoid bus transfers
 - 4 designated routes traveling to/from Naval Station Norfolk
 - Free Wi-Fi

Light rail



- + 7.4 miles of track in the City of Norfolk
- + Nine light rail vehicles powered by an overhead electrical system and driven by an on-board operator
- + Capacity of up to 160 passengers per vehicle
- + 19 bus routes that offer direct connections to six of the 11 Tide stations
- + Four Park-and-Ride locations with almost 800 free parking spaces to facilitate commuters' ease of access to The Tide and feeder bus lot locations
- + HRT's newest addition began revenue service 8/29/2012

Passenger Ferry



- + Three 150-passenger ferries on the Elizabeth River between downtown Norfolk and downtown Portsmouth
- + Ferries run every 30 minutes, with 15 minute service during peak morning and afternoon commute times and during special events
- + Free Park-and-Sail program for commuters in Portsmouth who travel by ferry

Paratransit



- + All HRT services are wheelchair accessible, however for eligible customers who cannot ride or access our fixed route bus services due to a disability, HRT provides curb-to-curb shared ride Paratransit services by appointment
- + These services are federally mandated by the Americans with Disabilities Act (ADA) of 1990
- + All persons with disabilities are entitled to the same public transportation opportunities that everyone else uses and enjoys

Transportation Demand Management Program (TDM)



- + Designed to promote and implement transportation alternatives

FARE STRUCTURE

Hampton Roads Transit's governing board approved changes to its fare structure after public comment at nine public hearings, including two before the full board. The October 5, 2014 increase is the first in the history of the modern Hampton Roads Transit. While the prospect of fare changes aren't pleasant for anyone, it is a necessary action on the part of Hampton Roads Transit as we face strong headwinds to its financial health. Hampton Roads Transit is doing everything within its power to control and contain costs, but like any business it must evaluate its price to determine if they are fair and reasonable.

Although no new routes or additional service frequencies will be funded with the approved fare increase, the additional projected \$1.6 million in year one of the two year phase in will be used to address critical operational needs including much needed rolling stock revitalization and rehabilitation. The new fare schedule is also intended to reduce complexity, streamline the fare pass options, and help the agency maintain a balanced budget.

CURRENT FARES			
Local Bus, Light Rail & Ferry			
Ticket/Pass Type	Adult	Half Fare	Paratransit
LOCAL BUS, LIGHT RAIL, & FERRY			
Cash	\$1.75	\$0.75	n/a
1 Day	\$4.00	\$2.00	n/a
1 Day <i>(The Tide only)</i>	n/a	n/a	n/a
1 Day <i>(Bundle of 5)</i>	\$19.00	\$9.50	n/a
2 Ride	n/a	n/a	n/a
2 Day	n/a	n/a	n/a
3 Day	n/a	n/a	n/a
7 Day	\$20.00	n/a	n/a
30 Day	\$60.00	\$35.00	n/a
SHUTTLE			
Cash	\$2.00	\$1.00	n/a
1 Day	\$4.00	\$2.00	n/a
3 Day	\$8.00	\$4.00	n/a
MAX			
Cash	\$3.50	\$1.75	n/a
1 Day	\$6.50	\$6.50	n/a
1 Day <i>(Bundle of 5)</i>	\$30.00	\$30.00	n/a
7 Day	n/a	n/a	n/a
30 Day	\$110.00	\$110.00	n/a
PARATRANSIT			
Clients - Cash			\$3.00
PCA - Cash			\$0.00
Guests - Cash			\$3.00

FARES 07.01.16			
Local Bus, Light Rail & Ferry			
Ticket/Pass Type	Adult	Half Fare	Paratransit
LOCAL BUS, LIGHT RAIL, & FERRY			
Cash	\$2.00	\$1.00	n/a
1 Day	\$4.50	\$2.25	n/a
1 Day <i>(The Tide only)</i>	n/a	n/a	n/a
1 Day <i>(Bundle of 5)</i>	\$21.00	\$10.50	n/a
2 Ride	n/a	n/a	n/a
2 Day	n/a	n/a	n/a
3 Day	\$13.00	\$6.50	n/a
7 Day	\$22.00	n/a	n/a
30 Day	\$70.00	\$40.00	n/a
SHUTTLE			
Cash	\$2.00	\$1.00	n/a
1 Day	\$4.50	\$2.25	n/a
3 Day	\$13.00	\$6.50	n/a
MAX			
Cash	\$4.00	\$2.00	n/a
1 Day	\$7.50	\$7.50	n/a
1 Day <i>(Bundle of 5)</i>	\$35.00	\$35.00	n/a
7 Day	n/a	n/a	n/a
30 Day	\$125.00	\$125.00	n/a
PARATRANSIT			
Clients - Cash			\$4.00
PCA - Cash			\$0.00
Guests - Cash			\$4.00

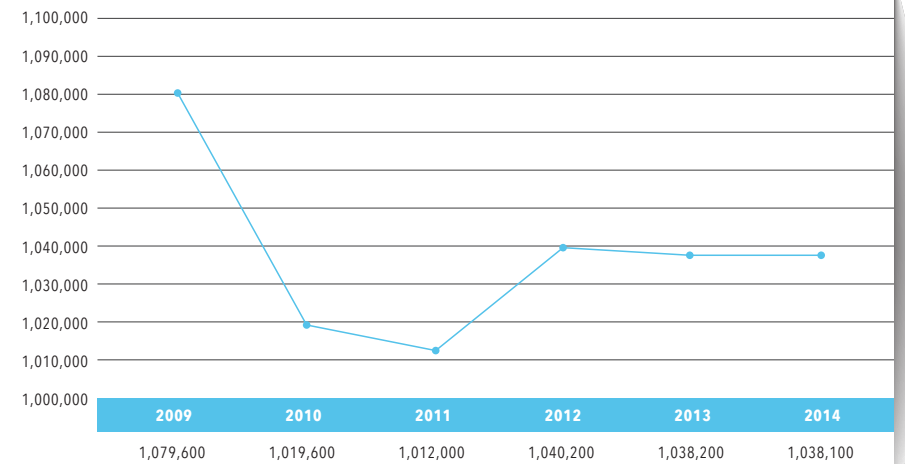
OPERATIONAL STATISTICS

The following charts represent select annual statistical data submitted to the National Transit Database (NTD) Revenue hours, miles & ridership are graphically displayed below:

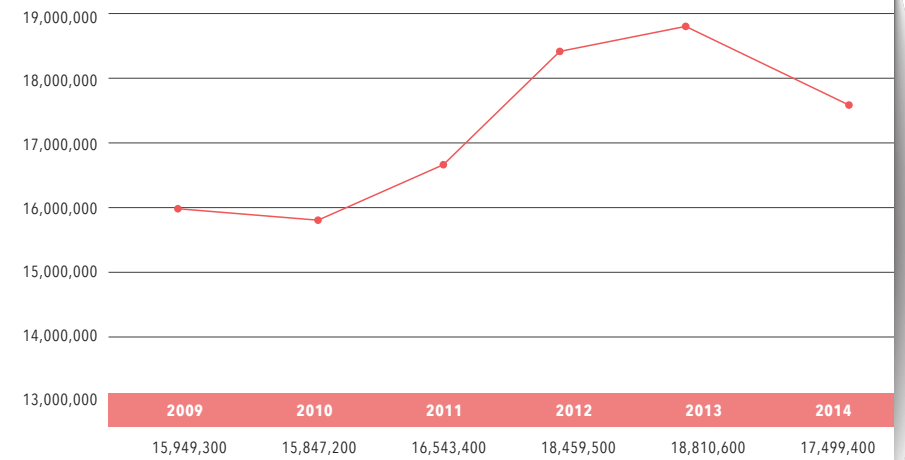
TOTAL NTD REVENUE MILES



TOTAL NTD REVENUE HOURS



TOTAL NTD RIDERSHIP



- + Completed full rebuild of ADA-compliant Military Circle Transfer Center including new shelters, bike racks, improved lighting, landscaping, benches, pavers, security cameras, and reinforced concrete pads for buses.
- + Have achieved and maintained 100% adherence to scheduled bus Preventative Maintenance.
- + Installed new bus stop signs at 1,000 locations on Northside and Southside, providing more detailed route and schedule information for customers.
- + Successfully completed Fiscal Year 2014 with clean financial audits with no repeat findings.
- + Worked closely with DRPT and the Transit Service Delivery Advisory Committee to define and implement new methods for allocating state capital and performance-based operating assistance.
- + Implemented TransitStat, winner of the Virginia Transit Association's Best Program Award, to support data-driven performance management.
- + Fully evaluated and revised employee classification and compensation policy and procedures to ensure accountability, equity, control and transparency consistent with industry and labor market standards and best practices.
- + Balanced fiscal demands and needs to be responsive to the public in obtaining fare policy update and securing first base fare increase in the fifteen-year history of Hampton Roads Transit.
- + Upgraded backbone technology systems including PeopleSoft HCM and HASTUS.
- + Successfully re-engineered the paratransit service model, implementing new cost controls while working to improve responsiveness to customers. For example, using on-line customer reservation capabilities and reducing an administrative back log in customer eligibility.
- + Balanced fiscal and operational needs and responsiveness to the public concerns to successfully implement the first base fare increase in the fifteen-year history of Hampton Roads Transit.
- + A TransitStat initiative, achieved 19% decline in Operator absenteeism which equates to nearly a \$312,955 reduction in FY2015 wages compared to FY2014.
- + A TransitStat initiative, "Going Paperless" since October 2014 has resulted in agency-wide 23 percent increase in electronic records, with over 71,000 records now archived with records management.
- + Achieved new 2014-2017 Collective Bargaining Agreement in 10 work sessions with no undue legal expenses. This is in contrast to the previous CBA negotiation that spanned over 20 months.

- + Formed new Marketing and Communications business unit. This team's work has already netted a national Telly Award for the GoPass 365 campaign; began publishing the new monthly Mini-Link; launched the HRT blog; and completed a total revamp of social media to include 206% increasing in audience, 99% increase in post impressions on Facebook, and 153% increase on Twitter.
- + For the first time in the agency's history, we have developed a true six-year Capital Improvement Program (CIP) which was enhanced this past year with detailed sub-plans for core areas: Fleet, Technology, Facilities, and Safety and Security.
- + Successfully engaged in a timely response to a June 2014 generator fuel spill in keeping with highest ethical standards and team work for environmental stewardship. HRT's robust and effective response to spilled diesel fuel minimized risk exposure and avoided unnecessary cost. Through collaboration with Virginia Department of Environmental Quality (VDEQ), HRT was able to complete spill mitigation measures and terminate the VDEQ Consent Order.
- + Implementation of a merit-based Performance Evaluation System that holds employees accountable and rewards commensurate with performance.
- + Have achieved approximately 21,000 hours or \$347,000 reduction in total sick time (paid sick leave, unpaid sick leave and FMLA) for the year 2013 to 2014.
- + Maintained reduction in legal fees by over 45% since FY12 to \$443,872 (Fiscal year 2014-15).
- + Implemented a new healthcare plan (high deductible with health savings accounts) resulting in \$1.4 million net savings for 2015, plus \$21,000 FICA/Medicare tax match savings.
- + For the second consecutive year, the agency has been awarded the Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report (CAFR) from the Government Finance Officers Association (GFOA).
- + Successfully finalized the Federal Transit Administration's Financial Management Oversight (FMO) Follow-up Review. The prior full scope review (April 2011) reported two (2) material weaknesses; six (6) significant deficiencies, noted three (3) advisory comments and received an overall significant deficiency rating. The results of the FMO follow up review resulted in acceptance of all corrective actions and only one advisory comment.
- + Obtained State funding of \$7.4 million to help fund the next phase of the Naval Station Norfolk Transit Extension Study and achieved re-programming of RSTP funding to complete the Peninsula High Capacity Transit Corridor study.
- + Successfully obtained grant funding to acquire 14 new Vintage Trolley vehicles for the Oceanfront bus service.
- + Successfully leveraged new top tier state capital match rate (68 cents on each dollar) for a major new bus procurement (32 forty-foot buses at a \$33.7M contract value; plus option to purchase 45 additional vehicles in future years), moving HRT toward achieving mission-critical State of Good Repair objectives.
- + Completed contract for sale of property at 1500 Monticello Avenue, closing out a \$70M public-private development contract. Partnered with City of Norfolk to put 1500 Monticello property back on city of Norfolk tax rolls.

- + Recipient of Leadership in Energy and Environmental Design (LEED) GOLD Award – Southside Campus.
- + Successfully advocated to secure transit capital funding through passage of House Bill 1887.
- + Following roundtable discussions with 126 Southside and Peninsula business and community leaders concerning transit and regional mobility and economic competitiveness, launched Connect Hampton Roads® by TDCHR board resolution in June 2014. Completed initial outreach with 13,830 participants across all cities taking part in the Connect Hampton Roads survey. This represents the most public involvement in a transportation-related survey and multi-modal initiative ever in Hampton Roads.
- + Revised the GoPass365 program to reverse past revenue losses while growing ridership (902,680 trips across all modes this year), keeping program members and expanding with Tidewater Community College and Newport News Shipbuilding.
- + Completed the Naval Station Norfolk Transit Corridor Study and Virginia Beach Transit Extension Study DEIS.
- + Successfully supported special events like Harbor Fest and Holly Dazzle.
- + Developed and implemented “snow routes” plan to maintain a defined state of service in inclement weather. As with transit studies and bus stops noted above, this item reflects unprecedented levels in intergovernmental collaboration that bridges local and regional concerns.

- + Continue effective fleet and capital program management pursuing State of Good Repair objectives through a program of repowering and replacing the bus fleet.
- + Continue successful implementation and refinement of new paratransit service model to provide safe and high quality services while containing costs.
- + Complete key tasks on-schedule and on-budget to advance the Virginia Beach Transit Extension project, the DEIS for the Norfolk Transit Extension Study, and the Peninsula High Capacity Transit Corridor Study.
- + Work with municipal partners, community stakeholders, and policy makers to formulate and continue advancing the Connect Hampton Roads[®] program to deliver near- and long-term improvements in regional transit services supported by reliable funding.
- + Aggressively seek cost containment and new revenue opportunities.
- + Better communication with our customers through public outreach and community involvement.
- + Maintain and expand partnerships with other regional agencies and organizations across public, private and non-profit sectors.
- + Increase ridership across all modes of service.
- + Continue promoting safety and security excellence through agency-wide policies, procedures, training and outreach and proactive programs across all modes of service.
- + Conduct a seamless and effective transition from interim Wood Street location to the new Downtown Norfolk Transit Center, significantly improving customer experiences at the agency's busiest transit hub.
- + Support a diverse and successful workforce through effective hiring, training and professional development, and providing employees the tools and resources necessary to achieve our day-to-day mission.
- + Foster a culture of cleanliness related to our customer amenities with regularly scheduled maintenance and the engagement of businesses and communities through our Adopt-A-Stop program.
- + Provide enhanced tools and training in transit operations and support divisions to ensure the agency aligns with industry best practices in areas of technology infrastructure and operator safety.
- + Engage in planning and implementation efforts related to the July 2016 fare adjustment as approved by the Commission in December 2013.

BUDGET PHILOSOPHY

The budget is designed to:

- + Follow an integrated approach of planning, programming, budgeting and accounting.
- + Focus on the direct relationship between HRT's vision statement, mission statement, and the delivery of services as a means to ensure that resources are obtained and used effectively in the overall accomplishment of organizational objectives.
- + Encourage the making and coordination of short-range plans; and serve as a quantitative means of motivation to achieve plans within established budget targets

FISCAL YEAR

Hampton Roads Transit's budget is prepared on a fiscal year basis rather than on a calendar year basis. The Fiscal year begins July 1st and ends June 30th to synchronize our reporting period with our municipal partners and to make our budget process integrated and more harmonized with municipal budget cycles.

BASIS OF BUDGETING

Since HRT operates as an enterprise fund, the budget is prepared as a flexible budget and serves as an approved plan to facilitate budgetary control and operational evaluations. As an enterprise fund, HRT adopts a budget on an accrual basis – the same basis used to record actual results. Revenues are recognized when earned and expenses are recognized when incurred. Depreciation expense is not budgeted in the operating budget. Capital improvement outlays are budgeted in a Grant Funding budget separate from the operating budget. All departments and operations over which HRT exercises responsibility are included in the budget process. HRT's annual budget is a balanced budget, whereby, total estimated revenues always equal projected expenses.

ADOPTION PROCESS

The most crucial budgeting element is accomplished through the involvement of all departments in establishing objectives and determining the financial resources needed to achieve those objectives.

The Budget Call Packet is provided to all departments at the onset of the budget development process. It presents in detail the overall budgetary process and procedures that make up the process. The manual establishes the specific framework for guiding departments in preparing comprehensive and realistic budgets when evaluating and addressing financial needs within their organization unit for the upcoming fiscal year. The primary elements of the manual are:

- + Definition of the budgetary process, including the development and operational planning;
- + Identification of information to be used when developing revenue and expense projections;
- + Instructions, forms, and data necessary for completing the budget development process, including the identification of roles and delegation of responsibilities to individual departments;
- + A budget calendar that specifies the dates that data must be completed and submitted for review;
- + Administrative details as to how the budget is to be prepared and submitted.

In July, Service Planning provides a transit service plan for the next fiscal year including base level service, vehicle hours, vehicle miles, and peak vehicle requirements.

In August, the Budget department prepares revenue projections and meets with the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) to determine the budget direction and emphasis areas.

In October, a kick-off meeting is held to formally begin the budget process for the upcoming fiscal year. This meeting is hosted by the Budget department. At this time, the Budget Call Packet is distributed and reviewed. Economic forecasts, budget emphasis areas, and goals and objectives are discussed.

In December, the Budget and Service Planning departments meet with the staff of each local city government funding partner to discuss planning and resource needs for the upcoming fiscal year. HRT then translates the transportation service plan for the upcoming year into fiscal components and submits a "preliminary" budget request to each local city government funding partner.

In January, departmental budgets are prepared and submitted to the Budget department in three parts – a personnel services budget, an equipment budget, and a general operating budget. Line item budgets are developed by each department through the use of historical data, current year-to-date data, year-end projections, and other economic and inflationary data. Throughout this process, departments meet with appropriate budget sub committees while preparing budget submissions.

In February, the Budget department compiles budget requests and submits them to CFO. Departments then meet with CFO and CEO to discuss their budget requests.

In March, the Budget department adjusts the working budget document to conform to the agency's strategic vision and goals as determined during the CEO's final review and begins preparation of a proposed budget document based on notification of funding received from each component government.

In April, the budget is presented to the HRT Commission at both the regular meeting and at the budget work session.

In May, the budget is again presented at the regularly scheduled Commission meeting for review and adoption. Our budget is typically adopted by the Commission one month before the commencement of the new fiscal year.

AMENDMENT AND TRANSFER PROCESS

Upon final adoption of the budget by the Commission, the budget becomes the financial plan for the ensuing fiscal year and serves as the legal document that regulates both the expenses and obligation of funds by HRT.

BUDGET REVISIONS

A budget revision is a transfer of funds between or among line items that does not increase or decrease the total budget amount originally budgeted and adopted by the Commission. Departmental budgets may be revised by formal transfer action. Intradepartmental budget revisions between major categories e.g. personnel services, services, material and supplies, etc., may be revised with the approval of the CFO. Departmental budgets will not be revised to accommodate budget line item variances unless it is determined there has been a material program change that requires the reallocation of resources to fund the change(s). Transfers that are inter-departmental in nature must be approved by the CEO.

BUDGET AMENDMENTS

Budget amendments are increases or decreases to the total budget dollar amount originally adopted by the Commission. Budget amendments require Commission adoption and approval. The purpose of an amendment process is to reflect the level of revenues reasonably anticipated and to balance expenses to those anticipated revenues. Budget amendments resulting from unanticipated revenues, e.g., grants and contracts not originally budgeted during the regular budgeting process may be budgeted and used for the purpose intended upon approval by the Commission.

BUDGET DEVELOPMENT FOR PERSONNEL POSITIONS

During the budget development process, Divisions analyze personnel needs and submit any anticipated changes to both Budget and Human Resources. The table below is a summary of position counts over the past few fiscal years:

Position Counts by Division	Filled Positions FY13/14	Filled Positions FY14/15	Filled Positions FY15/16	% Δ Prior Year
Administration Divison	168	187	201	14
Operations Division				
Administration	115	120	124	4
Maintenance	131	158	155	(3)
Maintenance-Seasonal	6	6	6	-
Operators	472	512	491	(21)
Operators-Seasonal	54	66	66	-
Total Operations Division	778	862	842	(20)
TOTAL COUNT	946	1,049	1,043	(6)

REVISIONS TO AUTHORIZED PERSONNEL POSITION LEVELS

Additions to the authorized personnel position level originally included within the adopted budget must be formally approved by the CEO.

FY16 BUDGET DEVELOPMENT HIGHLIGHTS

- + Personnel Services sees a slight reduction due to revamping of our health insurance program from a traditional health insurance program to a health savings account (HSA).
- + HRT has implemented several programs to mitigate health insurance cost increases to include a wellness program and medical surveillance program.
- + Maintenance and contractual cost increase related to general upkeep of new and additional bus stop shelters throughout the region and maintaining facilities, waste collection and disposal fees.
- + Materials & Supplies decrease related to the diesel fuel cost reduction by \$0.48 per gallon from FY2015 to \$2.42.
- + Continued investments in safety and security initiatives to foster a safer and more secure transit system.
- + Purchased Transportation (Paratransit Services) costs are anticipated to decrease due to contractual renewal. However, eligible program participants are anticipated to increase based on current trends.

BUDGET CALENDAR MATRIX

RESPONSIBLE AREA	BUDGET DEPARTMENT	PRESIDENT/ CEO & CFO	DIVISION CHIEF OFFICER	SERVICE PLANNING	LOCAL FUNDING PARTNERS	TDCHR
July				Provide a transit service plan for the next fiscal Year including base level service, vehicle hours, vehicle miles, and peak vehicle requirements		
August	Discuss revenue & expense projections	Determine Budget direction & areas of emphasis				
October	Develop & send budget packets to each division Complies budget request & submits to CFO	Review compiled budget requests	Budget requests prepared & submitted to Division Chief Officer	October 1st Submit TSP to local funding partners October 1st Prepare & submit service hours to the Budget Dept. for FY2016, describing base level service, vehicle in service hours, vehicle miles, & peak vehicle miles	Receive proposed TSP from Service Planning	
November	Adjust the budget document to reflect results of CEO review	Merge Transportation Service Plan (TSP) with budgetary information.	Begin preparation of a proposed budget document	Meet with the Budget Officer & CFO to discuss budget request	November 15th - December 31st Service Planning continues development & refining of the TSP based on Local Funding Partners feedback	November 15th Advice HRT of desired revisions to the TSP
December						
December-February	Adjust budget request based on adopted TSP		Solicit local funding partner's Budget feedback & make appropriate modifications		Provide Budget feedback to the Budget Dept.	
January	Present Proposed Budget to the Executive Team					
February	Proposed Budget submitted to the Commission	Proposed Budget submitted to the Commission				Review Proposed Budget
March-April	Solicit local funding partner's feedback regarding anticipated contribution levels				Provide Budget Dept. with contribution level feedback	
May	Final Budget Presentation to Commission	Final Budget Presentation to Commission				Review & Adopt Final Budget
June	Development implementation plan for approved budget					

OBJECTIVE

The purpose of the Financial Summary is to:

- + Provide the public and external stakeholders a financial summary of how HRT utilizes public funds.
- + Present a detailed view into the delivery of multiple modes of transit services.
- + Provide a historical record of operating financial activity.

FINANCIAL POLICIES

The Commission's consolidated basic financial statements are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB). The Commission is structured as a single enterprise fund with revenues recognized when earned, not when received. Expenses are recognized when incurred, not when they are paid. Capital assets are capitalized and except land are depreciated over their useful lives. Certain amounts are restricted for debt service and, where applicable, for construction activities.

REVENUE

Revenue is recognized when services are provided. Operating grant subsidies and expense reimbursements are recognized in accordance with the grant document or reimbursement agreement. Generally, these agreements provide for reimbursement to the Commission for operating expenses incurred. Operating subsidies from the municipalities provide for reimbursement to the Commission based on services provided within the various jurisdictions.

EXPENSES

The Commission plans expenses to best support effective transportation by identifying priority services, establishing services levels, delivering efficient services, and ensuring fiscal stability producing long-term effectiveness.

All invoices are reviewed on multiple levels. Monthly variance reports which provide operational accountability are provided to department directors and the Senior Executive Team. HRT has an Internal Audit department which reports directly to the Commission and is an independent source of objective advice. Internal Audit provides assurances on HRT's governance, risk management and control processes to help the organization achieve its strategic operational and financial and compliance objectives. In addition, Internal Audit is a catalyst for improving effectiveness and efficiency by providing insight and recommendations based on analyses and assessment of data and business processes. Internal Audit also shares "best practices" and suggests ways for reducing costs and enhancing revenues.

PROCUREMENT

It is the policy of the Commission that all procurement transactions be conducted in a manner intended to maximize full and open competition. The Commission will only make awards to responsive offers from responsible offerors. A responsible offer is one that complies with all material requirements of the solicitation. A responsible offeror is one possessing the technical, physical, financial and ethical capacity to successfully perform a specific contract.

- + Micro-purchases are those purchases not exceeding \$3,000. Purchases below that threshold may be made without obtaining competitive quotations, but shall provide for competition whenever practicable. Award may be made if it is determined that the price is fair and reasonable, and that there are no significant differences in quality or price among available vendors. Typically this would involve items sold "off-the-shelf" to the general public or a specific market.
- + All procurement transactions totaling \$3,000 or higher will be conducted, to the greatest extent practicable, in a manner providing full and open competition, without providing an unfair competitive advantage to any potential vendor.
- + Bids in excess of \$100,000 are publicly solicited through a formal Invitation for Bids (IFB) with a fixed-price contract (lump sum or unit price) being awarded to the lowest-priced responsive bid from a responsible bidder.

No contract for goods and services other than professional services may be awarded without the advance written approval of the HRT Board of Commissioners if the aggregate or the sum of all phases is expected to exceed \$50,000.

It is the policy of HRT that disadvantaged business enterprises (DBEs), as defined in 49 C.F.R. Part 26, shall have an opportunity to participate in awards of its contracts and subcontracts. HRT shall take positive actions to ensure utilization of DBEs through its DBE Program.

DEBT

The primary goal of the Commission is to minimize the use of debt and to use debt financing prudently when it is utilized. The Commission may use both short and long-term debt for valid business reasons, including maintaining a temporary cash flow and covering emergency shortfalls and urgent unfunded capital improvements, provided the Board adopts the debt by resolution and conducts an analysis on the fiscal effect on the Agency's operations. The Commission will keep outstanding debt within the limits prescribed by state law and at levels consistent with its creditworthiness objectives and will maintain debt service coverage ratios consistent with best practices for local government debt issuance.

INVENTORIES

Parts inventories are stated at the lower of cost or market using the average cost method. The cost of fuel and oil inventories is determined using the first-in, first-out (FIFO) method. Inventories are used for operations and are not for resale.

CAPITAL ASSETS

Capital assets consist of property and equipment stated at cost and are depreciated using the straight-line method based on estimated useful lives of 3 to 40 years. When assets are disposed, the related costs and accumulated depreciation are removed from the respective accounts and any gain or loss on disposition is recognized currently. Substantially all property and equipment were acquired with grant proceeds. The method of, and use of proceeds from, disposition of property and equipment is restricted by the grant requirements.

ESTIMATES

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities for the reported period. Actual results could differ from those estimates and assumptions.

BUDGETS AND BUDGETARY ACCOUNTING

The Commission's annual budget for transit activities is a management tool that assists users in analyzing financial activity for its June 30, fiscal year. The Commission's primary funding sources are federal and state grants and local subsidies, which have periods that may or may not coincide with the Commission's fiscal year. These grants and subsidies are normally for a twelve-month period; however, they may be awarded for periods shorter or longer than twelve months.

Because of the Commission's dependency on federal, state and local budgetary decisions, revenue estimates are based on the best available information as to potential sources of funding. The Commission's annual budget differs from that of a local government due to the uncertain nature of grant awards from other entities.

The resultant annual budget is subject to constant change within the fiscal year due to:

- + Increases/decreases in actual grant awards from those estimated;
- + Unanticipated grant awards not included in the budget; and
- + Expected grant awards that fail to materialize.

The Commissioners formally approve the annual budget but greater emphasis is placed on complying with the grant budget, whose terms and conditions are on a grant-by-grant basis. These terms and conditions usually specify the period during which costs may be incurred and outline budget restrictions or allowances.

FINANCIAL SUMMARY CHART

	FY13/14 Actual	FY14/15 Budget	FY15/16 Budget	INC (Decr) Prior Yr	% Δ Prior Yr
Operating Revenue					
Passenger Fares	\$ 16,848,000	\$ 18,392,000	\$ 18,451,000	\$ 59,000	0.3%
Charters & Contracts	175,000	2,145,000	2,199,000	54,000	2.5%
Auxiliary	915,000	900,000	1,225,000	325,000	36.1%
Non-transportation	326,000	500,000	200,000	(300,000)	-60.0%
Total Operating Revenue	18,264,000	21,937,000	22,075,000	138,000	0.6%
Non Operating Revenue					
Local Funding	\$ 37,550,000	\$ 39,557,000	\$ 40,597,000	\$ 1,040,000	2.6%
State Funding	20,874,000	20,880,000	16,852,000	(4,028,000)	-19.3%
Federal Funding	16,484,000	17,543,000	17,041,000	(502,000)	-2.9%
TOTAL Non Operating Revenue	74,908,000	77,980,000	74,490,000	(3,490,000)	-4.5%
TOTAL Operating & Non Operating Revenue	\$ 93,172,000	\$ 99,917,000	\$ 96,565,000	\$ (3,352,000)	-3.4%
	FY13/14 Actual	FY14/15 Budget	FY15/16 Budget	INC (Decr) Prior Yr	% Δ Prior Yr
Operating Expenses					
Personnel Services	\$ 56,247,000	\$ 57,450,000	\$ 56,269,000	\$ (1,181,000)	-2.1%
Contracted Services	6,328,000	8,280,000	9,440,000	1,160,000	14.0%
Materials & Supplies	14,419,000	14,929,000	13,257,000	(1,672,000)	-11.2%
Utilities & Taxes	1,403,000	1,390,000	1,328,000	(62,000)	-4.5%
Casualty & Liability	4,867,000	6,367,000	5,174,000	(1,193,000)	-18.7%
Purchased Transportation	8,665,000	9,054,000	7,987,000	(1,067,000)	-11.8%
Fees, Licenses & Misc	1,002,000	2,447,000	3,110,000	663,000	27.1%
TOTAL Operating Expenses	\$ 92,931,000	\$ 99,917,000	\$ 96,565,000	\$ (3,352,000)	-3.4%

REVENUE SOURCES

Operating Revenue: 23% or \$22,075,000

Fare box: \$18,451,000

Revenues collected through the operation of Scheduled Service and Paratransit Services. This revenue is attributed to the city in which the fare is received.

Operating Assistance - ERC: \$2,199,000

Elizabeth River Crossing contributes contract revenues to support additional ferry and bus services

Advertising: \$1,225,000

Revenues collected for advertising on transit vehicles

Other-Non Transportation: \$200,000

Income earned through the sale of assets, interest, and van pool leases

Federal Assistance: 18% or \$17,041,000

Federal funding includes Preventative Maintenance PM, ADA subsidies, TDM and UPWP and other grant monies.

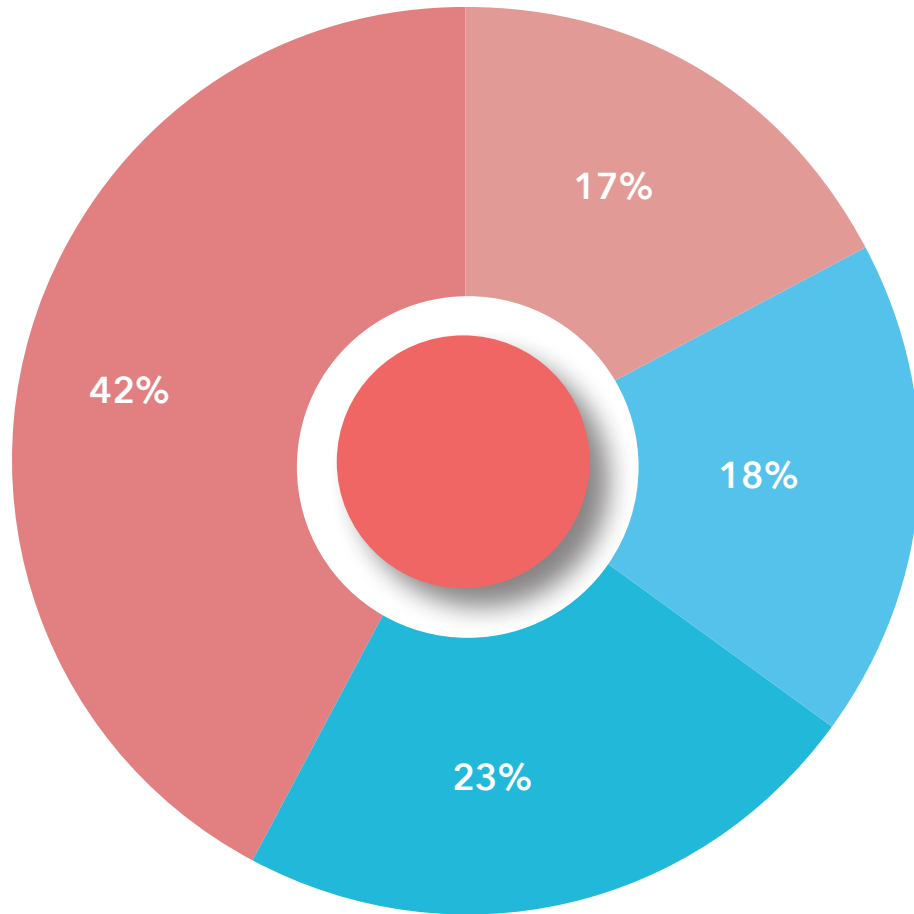
State Aid: 17% or \$16,852,000





Funding from state sources partially offsets the cost of providing public transportation. State funding was cut by \$4 million in fiscal year 2016 compared to prior year.

Local Share: 42% or \$40,597,000

This is the residual cost of operation after application of all of fare box revenues, state and federal assistance. Local share is principally allocated on the basis of service levels provided to municipal partners.

TOTAL: \$96,565,000



	Operating Revenue	\$ 22,075,000
	Local Funding	40,597,000
	State Funding	16,852,000
	Federal Funding	17,041,000
	TOTAL	\$ 96,565,000

SERVICES



- + Professional fees-legal, advertising, merchant, banking & training
- + Contract maintenance-technology maintenance plans, inspections, repair work
- + Contract services-security, custodial, currency collection, on-call engineering/facilities services



MATERIALS & SUPPLIES

- + Gasoline & diesel fuel, oil & lube
- + Tools
- + Office supplies
- + Materials & supplies for repair & servicing



UTILITIES

- + Electricity, natural gas
- + Propulsion power
- + Water, sewage
- + Telephone, cellular phone



PERSONNEL SERVICES

- + Salaries and wages
- + Fringe benefits



**PURCHASED
TRANSPORTATION**

- + Ferry boat contractor service
- + Paratransit contractor service



**OTHER MISCELLANEOUS
EXPENSES**

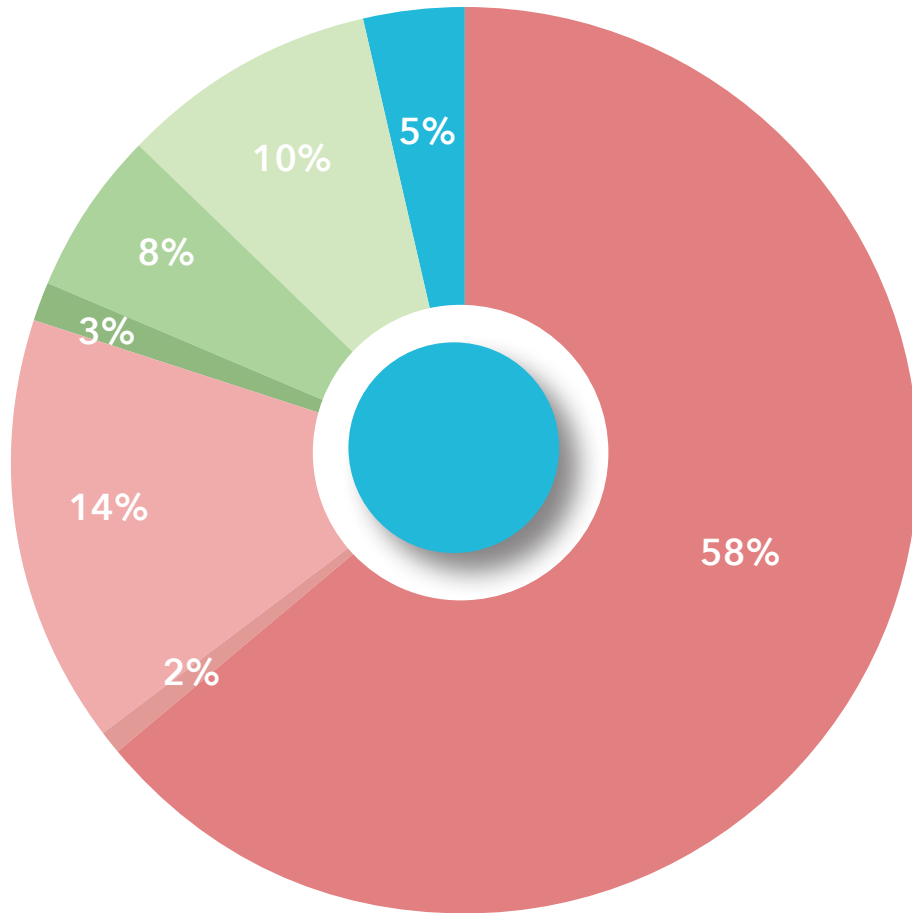
- + Travel-lodging, transportation expenses, per diem, commissioner's stipend
- + Advertising
- + Technology hardware and software
- + Education and training
- + Postage, freight, vehicle licensing and registration fees
- + Miscellaneous leases and rentals



**CASUALTY
& LIABILITY**

- + Physical damage recoveries
- + Liability insurance
- + Auto insurance
- + Workers compensation insurance

OPERATING EXPENSE BUDGET BY CATEGORY FISCAL YEAR 2016



Personal Services	\$ 56,269,000
Contracted Services	9,440,000
Materials & Supplies	13,257,000
Utilities & Taxes	1,328,000
Casualty & Liability	5,174,000
Purchased Transportation	7,987,000
Fees, Licenses & Misc	3,110,000
TOTAL	\$ 96,565,000

Approximately 40 percent of HRT's budgeted revenue comes from federal and state grant funding. HRT receives the following types of Federal funding: Formula (5307), Bus and Bus Facilities (5339), State of Good Repair (5337) Unified Planning Work Program (UPWP), Congestion Mitigation Air Quality (CMAQ), and Surface Transportation (STP) funding.

Federal formula funds are available to urbanized areas for transit capital and for transportation related planning. Eligible purposes include:

- + Planning, engineering design, and evaluation of transit projects and other technical transportation-related studies;
- + Capital investments in bus and bus-related activities such as replacement of buses, crime prevention and security equipment and construction of maintenance and passenger facilities;
- + Capital investments in new and existing fixed guideway systems including rolling stock, overhaul and rebuilding of vehicles, track, signals, communications, and computer hardware and software.

All Preventative Maintenance (PM) and some Americans with Disabilities Act (ADA) complementary paratransit service costs are considered capital costs.

Transportation legislation provides flexible funding opportunities to state and local governments allowing them the option of using some Federal Highway Administration (FHWA) funds for transit projects and vice versa. These funds can be transferred to Sections 5307. HRT receives the following flexible funds transferred from FHWA:

STP

provides the greatest flexibility in the use of funds. These funds may be used (as capital funding) for public transportation capital improvements, car and vanpool projects, fringe and corridor parking facilities, bicycle and pedestrian facilities, and intercity or intracity bus terminals and bus facilities. As funding for planning, these funds can be used for surface transportation planning activities, wetland mitigation, transit research and development, and environmental analysis. Other eligible projects under STP include transit safety improvements and most transportation control measures.

CMAQ

has the objective of improving the Nation's air quality and managing traffic congestion. CMAQ projects and programs are often innovative solutions to common mobility problems and are driven by the Clean Air Act mandates to attain national ambient air quality standards. Eligible activities under CMAQ include transit system capital expansion and improvements that are projected to realize an increase in ridership; travel demand management strategies and shared ride services; pedestrian and bicycle facilities and promotional activities that encourage bicycle commuting.

It is through the use of flexible funds that the region is able to fund the Transportation Demand Management (TDM) program run by HRT.

HRT also applies for funding under discretionary grant programs. The agency has been awarded funding under discretionary grant programs such as the Passenger Ferry Grant Program. A discretionary grant program has established requirements and criteria specific to the program. Awards for a discretionary grant program are determined through a competitive process.

GRANT FUNDING TABLE

Public Funding for Operating Budget: Detail of Federal, State, and Local	FY13/14 Actual	FY14/15 Budget	FY15/16 Budget	Incr(Decr) Prior Year	% Prior Year
Federal Funding					
Federal Section 5307 - ADA	\$ 1,804,000	\$ 1,804,000	\$ 1,804,000	\$ -	0.0%
Federal Section 5307 - Reimbursement (Staff Grant Efforts)	562,000	1,700,000	719,000	(981,000)	-57.7%
Federal Section 5307 - Preventative Maintenance (PM)	13,517,000	13,289,000	13,768,000	479,000	3.6%
Traffic Demand Management (TDM)	449,000	500,000	500,000	-	0.0%
Unified Planning Work Program (UPWP)	152,000	250,000	250,000	-	0.0%
TOTAL Federal Funding	16,484,000	17,543,000	17,041,000	(502,000)	-2.9%
State & Local Funding					
State Funding	20,874,000	20,880,000	16,852,000	(4,028,000)	-19.3%
Local Funding	37,550,000	39,557,000	40,597,000	1,040,000	2.6%
TOTAL State & Local Funding	58,424,000	60,437,000	57,449,000	(2,988,000)	-4.9%
TOTAL Public Funding - Operating	\$ 74,908,000	\$ 77,980,000	\$ 74,490,000	\$ (3,490,000)	-4.5%

DEBT OVERVIEW

On June 1, 2006, the Commission entered into a financing arrangement with the Virginia Resources Authority (VRA), whereby VRA provided \$12,770,000 of proceeds from a bond issuance to the Commission for the purchase of buses. Annual debt service began October 1, 2006, and the debt matures October 1, 2017. The debt requires the Commission to pay interest at variable rates ranging from 3.5838% to 4.2416%. Interest is payable semiannually each April 1st and October 1st. Principal payments are due on October 1st of each year.

On June 1, 2007, the Commission entered into a second financing arrangement with the VRA, whereby VRA provided \$4,975,000 of proceeds from a bond issuance to the Commission for the purchase of additional buses. Annual debt service began October 1, 2008, and the debt matures October 1, 2017. The debt requires the Commission to pay interest at variable rates ranging from 4.10% to 4.595%. Interest is payable semiannually each April 1st and October 1st. Principal payments are due on October 1st of each year.

During the term of the financing, title to the buses will remain with the Commission. To secure its obligations, VRA created a security interest in all of the property and equipment purchased with the proceeds. The Commission also agreed to maintain the equipment free of any liens, pledges and/or encumbrances of any kind.

Debt Service Is as Follows:

Fiscal Year Ending June 30,	PRINCIPAL	INTEREST
2015	\$ 1,780,000	\$ 284,176
2016	1,860,000	205,642
2017	3,970,000	154,321
	\$ 7,610,000	\$ 644,139

At June 30, 2014, the commission owed \$7,610,000 on these bonds, with \$1,780,000 of principal payments made in fiscal year 2015.

Hampton Roads Transit has no dedicated revenue source. Funding for service is provided with federal, state and local funding provided by member jurisdictions, and passenger revenues. Local funding is provided based on the Cost Allocation Agreement where each city establishes how much service will be provided within its borders based on how much it is willing to pay for those services after all federal, state, and farebox revenues are applied.

The Cost Allocation Agreement was adopted in 1999 with the merger of Pentran and Tidewater Regional Transit. The purpose of the agreement is to meet the local government funding needs of the participating cities on an equitable basis within the limits of available resources.

Each year, as part of the budgeting process, the Commission will propose a public Transportation Service Program (TSP) for the region. The TSP will contain a description of the service such as route name, hours of service to be provided, estimated cost, estimated revenue and estimated local share of the cost of service.

Each participating city will have final determination on the type, amount and location of public transportation service provided within its borders. After each city has approved funding of its portion of the TSP, the Commission will approve and publish the TSP as the Transportation Service Plan of Hampton Roads.

Advanced Capital Contributions (ACC) result from local government contributions received in excess of the local government share on capital grants. The matching percentage of local funds changes on an annual basis. The dollar amounts of capital purchases can vary significantly on an annual basis. In order to reduce fluctuations in budgeting local share, the participating city's contribution of capital funds is a percentage of the Commission's depreciation expense pro-rated to each city on the basis of its percentage of total transportation services received expressed as In Service Hours. The percentage applied to depreciation is reviewed each year and included as part of the TSP approved by the Commission. This formula applies to capital purchases and depreciation of assets which support transportation services which apply to all participating cities. Capital purchases which apply to single transportation services such as pedestrian ferry or light rail are locally funded by the participating cities receiving benefit from the transportation services on a proportional basis agreed to by the participating cities.

At the urging of its municipal partners, HRT has minimized local share in every manner possible without compromising service to our customers.

LOCAL CONTRIBUTION - SYSTEM BUDGET SUMMARY FY15/16

	Bus	Rail	Ferry	Paratransit	Crossroads	TOTAL
FY 15/16 Service Hours	685,424	30,122	6,224	185,432	57,249	964,451
Operation Cost per Hour	\$ 88.63	\$ 339.03	\$ 221.88	\$ 71.10	\$ 89.21	\$ 93.97
Service Cost	\$ 60,746,437	\$ 10,212,326	\$ 1,380,875	\$ 13,183,836	\$ 5,107,344	\$ 90,630,818
Farebox Revenue	\$ 14,280,766	\$ 1,619,104	\$ 590,453	\$ 810,631	\$ 1,341,395	\$ 18,642,349
Farebox Recovery %	23.5%	15.9%	42.8%	6.1%	26.3%	20.6%
State Operating Assistance	\$ 11,218,188	\$ 1,885,957	\$ 255,013	\$ 2,434,719	\$ 779,486	\$ 16,573,363
State Operating Assistance %	18.5%	18.5%	18.5%	18.5%	15.3%	18.3%
Federal Operating Assistance	\$ 9,442,269	\$ 729,940	\$ 294,792	\$ 3,377,896	\$ 1,818,802	\$ 15,663,699
Federal Operating Assistance %	15.5%	7.1%	21.3%	25.6%	35.6%	17.3%
Local Service Cost	\$ 25,805,214	\$ 5,977,325	\$ 240,617	\$ 6,560,590	\$ 1,167,661	\$ 39,751,407
Local Service Cost %	42.5%	58.5%	17.4%	49.8%	22.9%	43.9%
				Commission Expense	\$	1,067,592
				Advance Capital Contribution	\$	1,555,000
				Crossroads Local Service Cost	\$	(1,167,661)
				TOTAL Local Service Cost	\$	41,206,338

TRANSPORTATION SERVICE PLAN BY CITY - CHESAPEAKE

Service	Service Hours	Total Expense	Farebox Revenue	Farebox Recover	Federal & State Aid	Local Funding	Local Funding %
06 Downtown Norfolk/South Norfolk/Robert Hall Blvd.	4,983	\$ 441,623	\$ 103,404	23%	\$ 149,759	\$ 188,460	43%
12 South Norfolk/TCC-Virginia Beach	1,848	\$ 163,781	\$ 39,554	24%	\$ 55,540	\$ 68,687	42%
13 Downtown Norfolk/Robert Hall Blvd./TCC-Ches.	5,982	\$ 530,161	\$ 200,739	38%	\$ 179,783	\$ 149,639	28%
14 Chesapeake	7,830	\$ 693,942	\$ 104,958	15%	\$ 235,323	\$ 353,661	51%
15 Naval Station Norfolk/Robert Hall Blvd.	5,548	\$ 491,697	\$ 123,551	25%	\$ 166,740	\$ 201,406	41%
44 Midtown	1,366	\$ 121,063	\$ 30,420	25%	\$ 41,054	\$ 49,589	41%
57 Robert Hall Blvd./Camelot	4,962	\$ 439,762	\$ 84,841	19%	\$ 149,128	\$ 205,793	47%
58 South Norfolk/Bainbridge Blvd.	4,442	\$ 393,677	\$ 95,114	24%	\$ 133,500	\$ 165,062	42%
Transit Total	36,961	\$ 3,275,706	\$ 782,581	24%	\$ 1,110,828	\$ 1,382,296	42%
Disabled	20,658	\$ 1,468,742	\$ 90,306	6%	\$ 647,553	\$ 730,883	50%
Chesapeake Total	57,619	\$ 4,744,448	\$ 872,887	18%	\$ 1,758,381	\$ 2,113,179	45%

Commission Expense \$ 177,932
 Advanced Capital Contribution \$ 99,698

Chesapeake TOTAL \$ 2,390,809

TRANSPORTATION SERVICE PLAN BY CITY - NORFOLK

Service	Service Hours	Total Expense	Farebox Revenue	Farebox Recover	Federal & State Aid	Local Funding	Local Funding
01 Downtown Norfolk/Pembroke East	29,703	\$ 2,632,459	\$ 774,712	29%	\$ 882,696	\$ 975,051	37%
02 Naval Station Norfolk/Hampton Blvd.	19,837	\$ 1,758,074	\$ 291,248	17%	\$ 586,183	\$ 880,644	50%
03 Downtown Norfolk/Naval Station	29,221	\$ 2,589,741	\$ 771,253	30%	\$ 878,210	\$ 940,278	36%
04 Norfolk General Hospital/ODU/Downtown Norfolk	6,336	\$ 561,534	\$ 67,841	12%	\$ 190,423	\$ 303,271	54%
05 Wards Corner/Willoughby	3,677	\$ 325,878	\$ 81,168	25%	\$ 110,509	\$ 134,201	41%
06 Downtown Norfolk/South Norfolk/Robert Hall Blvd.	7,225	\$ 640,323	\$ 149,924	23%	\$ 217,141	\$ 273,258	43%
08 Downtown Norfolk/Little Creek Amphib. Base	17,144	\$ 1,519,404	\$ 397,040	26%	\$ 515,247	\$ 607,118	40%
09 Downtown Norfolk/Chesterfield	17,157	\$ 1,520,557	\$ 272,008	18%	\$ 515,638	\$ 732,911	48%
11 Downtown Norfolk/Colonial Place	4,268	\$ 378,243	\$ 55,397	15%	\$ 128,267	\$ 194,580	51%
12 South Norfolk/TCC-Virginia Beach	648	\$ 57,411	\$ 13,865	24%	\$ 19,469	\$ 24,078	42%
13 Downtown Norfolk/Robert Hall Blvd./TCC-Ches.	6,664	\$ 590,604	\$ 223,620	38%	\$ 200,280	\$ 166,703	28%
15 Naval Station Norfolk/Robert Hall Blvd.	24,446	\$ 2,166,552	\$ 544,382	25%	\$ 724,702	\$ 897,467	41%
18 Downtown Norfolk/Ballentine Blvd.	5,524	\$ 489,570	\$ 53,452	11%	\$ 166,019	\$ 270,099	55%
20 Downtown Norfolk/VA Beach Oceanfront	27,151	\$ 2,406,285	\$ 632,227	26%	\$ 765,998	\$ 1,008,060	42%
21 Little Creek Rd	27,212	\$ 2,411,691	\$ 584,701	24%	\$ 817,831	\$ 1,009,159	42%
23 Medical Tower/Military Circle/JANAF	28,448	\$ 2,521,233	\$ 418,406	17%	\$ 854,978	\$ 1,247,849	50%
44 Midtown	922	\$ 81,731	\$ 11,396	14%	\$ 27,716	\$ 42,619	52%
45 Portsmouth Blvd.	8,304	\$ 735,950	\$ 177,532	24%	\$ 249,569	\$ 308,849	42%
25 Newtown Rd	3,236	\$ 286,749	\$ 38,171	13%	\$ 97,240	\$ 151,339	53%
Special Services Bus	295	\$ 26,145	\$ -	0%	\$ 8,866	\$ 17,279	66%
Transit Total	267,417	\$ 23,700,134	\$ 5,558,342	24%	\$ 7,956,980	\$ 10,184,813	43%
801 Light Rail	29,917	\$ 10,142,825	\$ 1,619,104	16%	\$ 2,598,197	\$ 5,925,524	58%
Special Services Rail	205	\$ 69,501	\$ -	0%	\$ 17,700	\$ 51,801	75%
Light Rail Total	30,122	\$ 10,212,326	\$ 1,619,104	16%	\$ 2,615,897	\$ 5,977,325	59%
Elizabeth River Ferry	3,012	\$ 668,250	\$ 295,227	44%	\$ 266,068	\$ 106,956	16%
Special Services Ferry	100	\$ 22,188	\$ -	0%	\$ 8,834	\$ 13,354	60%
Ferry Total	3,112	\$ 690,438	\$ 295,227	43%	\$ 274,902	\$ 120,309	17%
Disabled	46,512	\$ 3,306,908	\$ 204,327	6%	\$ 1,457,981	\$ 1,644,600	50%
Norfolk Total	347,163	\$ 37,909,806	\$ 7,676,999	20%	\$ 12,305,760	\$ 17,927,047	47%

Commission Expense \$ 177,932
 Advanced Capital Contribution \$ 600,697

Norfolk Total \$ 18,705,676

TRANSPORTATION SERVICE PLAN BY CITY - PORTSMOUTH

Service	Service Hours	Total Expense	Farebox Revenue	Farebox Recover	Federal & State Aid	Local Funding	Local Funding %
41 Downtown Portsmouth/Cradock	7,866	\$ 697,132	\$ 131,141	19%	\$ 221,405	\$ 344,586	49%
43 County Street/ Bart Street	3,632	\$ 321,890	\$ 36,495	11%	\$ 104,156	\$ 181,238	56%
44 Norfolk General Hospital/Midtown Portsmouth	4,795	\$ 424,995	\$ 59,256	14%	\$ 137,620	\$ 228,118	54%
45 Downtown Norfolk/Portsmouth	12,938	\$ 1,146,604	\$ 276,593	24%	\$ 351,826	\$ 518,184	45%
47 Downtown Portsmouth/Churchland	10,128	\$ 897,562	\$ 208,462	23%	\$ 276,373	\$ 412,727	46%
50 Academy Park/Victory Crossing	3,920	\$ 347,457	\$ 81,865	24%	\$ 112,827	\$ 152,766	44%
57 Robert Hall Blvd./Camelot	2,786	\$ 246,902	\$ 47,632	19%	\$ 80,027	\$ 119,243	48%
Transit Total	46,065	\$ 4,082,541	\$ 841,444	21%	\$ 1,284,235	\$ 1,956,862	48%
Elizabeth River Ferry	3,112	\$ 690,438	\$ 295,227	43%	\$ 274,902	\$ 120,309	17%
Disabled	11,609	\$ 825,376	\$ 50,739	6%	\$ 363,900	\$ 410,737	50%
Portsmouth Total	60,786	\$ 5,598,355	\$ 1,187,410	21%	\$ 1,923,037	\$ 2,487,909	44%

Commission Expense \$ 177,932
 Advanced Capital Contribution \$ 105,177
Portsmouth TOTAL \$ 2,771,018

TRANSPORTATION SERVICE PLAN BY CITY - VIRGINIA BEACH

Service	Service Hours	Total Expense	Farebox Revenue	Farebox Recover	Federal & State Aid	Local Funding	Local Funding %
01 Downtown Norfolk/Pembroke East	6,793	\$ 602,037	\$ 177,176	29%	\$ 204,157	\$ 220,703	37%
12 South Norfolk/TCC-Virginia Beach	7,097	\$ 628,949	\$ 151,891	24%	\$ 213,284	\$ 263,774	42%
15 Naval Station Norfolk/Robert Hall Blvd.	2,152	\$ 190,700	\$ 47,917	25%	\$ 64,669	\$ 78,114	41%
20 Downtown Norfolk/VA Beach Oceanfront	28,121	\$ 2,492,252	\$ 654,821	26%	\$ 992,070	\$ 845,361	34%
22 Haygood	7,850	\$ 695,714	\$ 89,489	13%	\$ 235,924	\$ 370,301	53%
25 Newtown Road	7,767	\$ 688,378	\$ 91,636	13%	\$ 233,437	\$ 363,305	53%
26 International Pkwy./TCC Virginia Beach	5,184	\$ 459,437	\$ 72,881	16%	\$ 155,800	\$ 230,756	50%
27 Pleasure House Rd./Military Circle	6,969	\$ 617,597	\$ 125,122	20%	\$ 209,434	\$ 283,041	46%
29 Lynnhaven	9,050	\$ 802,065	\$ 116,883	15%	\$ 311,989	\$ 373,193	47%
33 General Booth	10,659	\$ 944,632	\$ 153,588	16%	\$ 360,335	\$ 430,709	46%
36 Holland	8,814	\$ 781,150	\$ 218,637	28%	\$ 264,897	\$ 297,616	38%
Transit Total	100,455	\$ 8,902,911	\$ 1,900,042	21%	\$ 3,245,996	\$ 3,756,873	42%
Wave & Enhancements							
30 Atlantic Ave (seasonal)	14,499	\$ 1,285,006	\$ 397,702	31%	\$ 435,760	\$ 451,544	35%
31 Museum Exp (seasonal)	2,970	\$ 263,241	\$ 106,160	40%	\$ 89,268	\$ 67,813	26%
32 Shoppers Express (seasonal)	2,365	\$ 209,627	\$ 37,331	18%	\$ 71,087	\$ 101,209	48%
30 Seasonal Enhancements	2,245	\$ 198,965	\$ -	0%	\$ 67,471	\$ 131,494	66%
Wave & Enhancements Total	22,080	\$ 1,956,840	\$ 541,193	28%	\$ 663,586	\$ 752,061	38%
Disabled	39,689	\$ 2,821,807	\$ 173,153	6%	\$ 1,244,105	\$ 1,404,549	50%
VA Beach Total	162,224	\$ 13,681,558	\$ 2,614,388	19%	\$ 5,153,688	\$ 5,913,483	43%
					Commission Expense	\$ 177,932	
					Advanced Capital Contribution	\$ 280,696	
					Virginia Beach TOTAL	\$ 6,372,110	

TRANSPORTATION SERVICE PLAN BY CITY - HAMPTON

Service	Service Hours	Total Expense	Farebox Revenue	Farebox Recover	Federal & State Aid	Local Funding	Local Funding %
101 Kecoughtan	5,986	\$ 530,550	\$ 177,700	34%	\$ 179,915	\$ 172,935	33%
102 Colisuem	4,792	\$ 424,696	\$ 62,198	15%	\$ 144,019	\$ 218,479	51%
103 Shell Rd.	9,870	\$ 874,739	\$ 189,505	22%	\$ 296,634	\$ 388,600	44%
105 Briarfield	3,008	\$ 266,587	\$ 71,168	27%	\$ 90,403	\$ 105,017	39%
109 Pembroke	4,281	\$ 379,408	\$ 86,160	23%	\$ 128,661	\$ 164,586	43%
110 Thomas Nelson	10,994	\$ 974,354	\$ 213,993	22%	\$ 330,414	\$ 429,947	44%
111 Denbigh	1,852	\$ 164,135	\$ 35,568	22%	\$ 55,660	\$ 72,907	44%
114 Weaver Rd.	16,264	\$ 1,441,414	\$ 336,994	23%	\$ 488,799	\$ 615,620	43%
115 Fox Hill	6,215	\$ 550,813	\$ 149,318	27%	\$ 186,787	\$ 214,708	39%
117 Phoebus	2,348	\$ 208,094	\$ 62,390	30%	\$ 70,567	\$ 75,137	36%
118 Magruder	11,020	\$ 976,659	\$ 245,979	25%	\$ 331,196	\$ 399,484	41%
120 Mallory	3,488	\$ 309,114	\$ 70,074	23%	\$ 104,824	\$ 134,216	43%
400 Shipyard Express	376	\$ 33,316	\$ 2,807	8%	\$ 11,298	\$ 19,212	58%
Transit Total	80,494	\$ 7,133,879	\$ 1,703,853	24%	\$ 2,419,178	\$ 3,010,849	42%
Disabled	29,850	\$2,122,274	\$ 129,438	6%	\$ 935,688	\$ 1,057,147	50%
Hampton Total	110,344	\$ 9,256,153	\$ 1,833,291	20%	\$ 3,354,866	\$ 4,067,996	44%

Commission Expense \$ 177,932
 Advanced Capital Contribution \$ 190,929
Hampton TOTAL \$ 4,436,857

TRANSPORTATION SERVICE PLAN BY CITY - NEWPORT NEWS

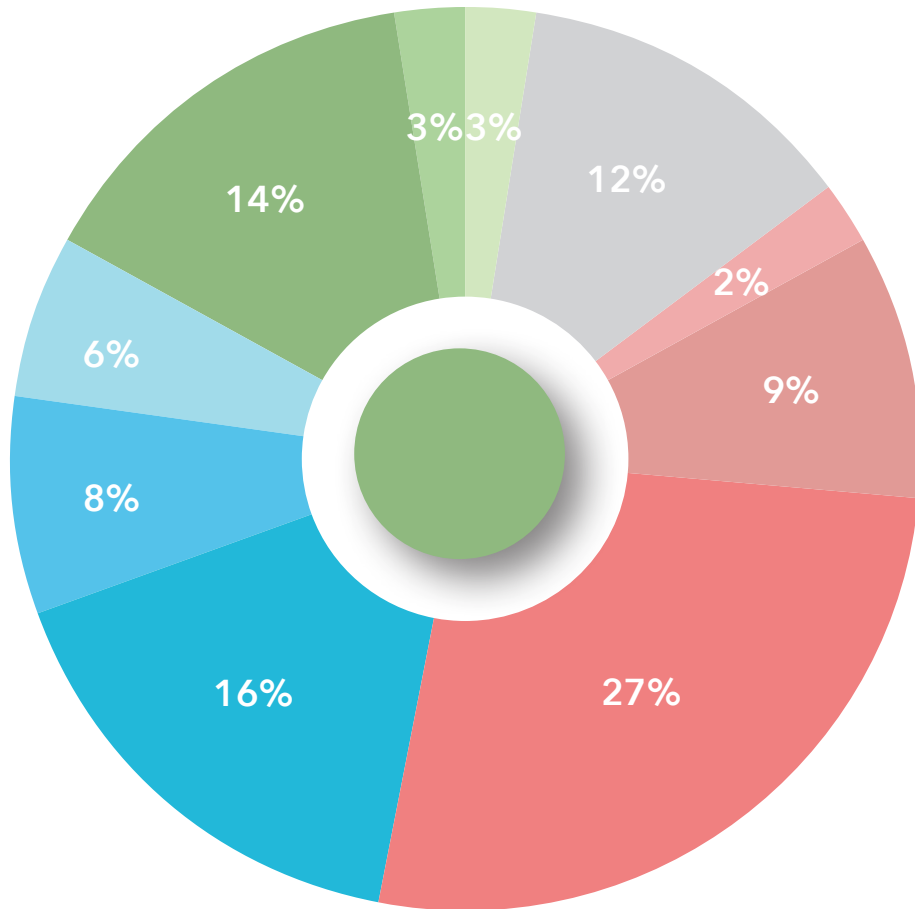
Service	Service Hours	Total Expense	Farebox Revenue	Farebox Recover	Federal & State Aid	Local Funding	Local Funding %
101 Kecoughtan	5,204	\$ 461,197	\$ 154,471	33%	\$ 156,397	\$ 150,329	33%
103 Shell Rd.	7,585	\$ 672,231	\$ 145,632	22%	\$ 227,961	\$ 298,638	44%
104 Marshall	16,901	\$ 1,497,828	\$ 306,947	20%	\$ 507,930	\$ 682,950	46%
105 Briarfield	9,044	\$ 801,541	\$ 213,977	27%	\$ 271,811	\$ 315,752	39%
106 Warwick	20,062	\$ 1,778,026	\$ 549,275	32%	\$ 603,171	\$ 625,580	34%
107 Warwick	17,802	\$ 1,577,743	\$ 437,718	28%	\$ 535,478	\$ 604,547	38%
108 Denbigh Fringe	5,920	\$ 524,666	\$ 165,504	32%	\$ 191,193	\$ 167,969	32%
111 Denbigh	9,026	\$ 799,938	\$ 173,344	22%	\$ 271,268	\$ 355,327	44%
112 Jefferson	22,099	\$ 1,958,521	\$ 564,362	29%	\$ 664,156	\$ 730,003	37%
114 Weaver Rd.	3,564	\$ 315,896	\$ 73,854	23%	\$ 107,124	\$ 134,918	43%
116 Mall Hall	6,049	\$ 536,099	\$ 105,500	20%	\$ 181,797	\$ 248,802	46%
119 Oyster Point	3,091	\$ 273,943	\$ 20,710	8%	\$ 92,897	\$ 160,336	59%
121 Newport News Shuttle	897	\$ 79,464	\$ 11,425	14%	\$ 26,947	\$ 41,091	52%
400 Shipyard Express	2,578	\$ 228,494	\$ 1,875	1%	\$ 77,485	\$ 149,134	65%
NN Seasonal Enhancements	434	\$ 38,464	\$ -	0%	\$ 13,043	\$ 25,420	66%
064 Smithfield	1,697	\$ 150,374	\$ 28,717	19%	\$ 50,993	\$ 70,663	47%
Transit Total	131,952	\$ 11,694,425	\$ 2,953,311	25%	\$ 3,979,653	\$ 4,761,460	41%
Disabled	37,114	\$ 2,638,729	\$ 162,668	6%	\$ 1,163,388	\$ 1,312,673	50%
Newport News Total	169,066	\$ 14,333,154	\$ 3,115,979	22%	\$ 5,143,042	\$ 6,074,133	42%

Commission Expense \$ 177,932
 Advanced Capital Contribution \$ 277,803
Newport News TOTAL \$ 6,529,869

REVENUE HOUR COMPARISON FY14/15 vs. FY15/16

Transit Service Hours by City	FY14/15	FY15/16	Incr(Decr)	% Change
Chesapeake	59,483	57,619	(1,864)	-3.1%
Norfolk	352,532	347,163	(5,369)	-1.5%
Portsmouth	63,093	60,786	(2,308)	-3.7%
VA Beach	164,368	162,224	(2,145)	-1.3%
Hampton	111,897	110,344	(1,553)	-1.4%
Newport News	163,114	160,552	(2,562)	-1.6%
Crossroads	57,108	57,249	141	0.2%
TOTAL	971,596	955,937	(15,659)	-1.6%

Transit Services by Mode	FY14/15	FY15/16	Incr(Decr)	% Change
Bus	740,704	733,907	(6,797)	-0.9%
Light Rail	30,013	30,122	109	0.4%
Ferry	6,780	6,476	(304)	-4.5%
Paratransit	194,099	185,432	(8,667)	-4.5%
TOTAL	971,596	955,937	(15,659)	-1.6%



■ Commission	\$ 979,652
■ Engineering & Facilities	4,577,198
■ Executive	771,222
■ Finance	3,533,449
■ Human Resources	10,004,099
■ Legal & Risk	6,083,813
■ Planning	2,868,427
■ Safety & Security	2,244,830
■ Technology	5,331,476
■ Marketing & Communications	893,937
Grand Total	\$ 37,288,104

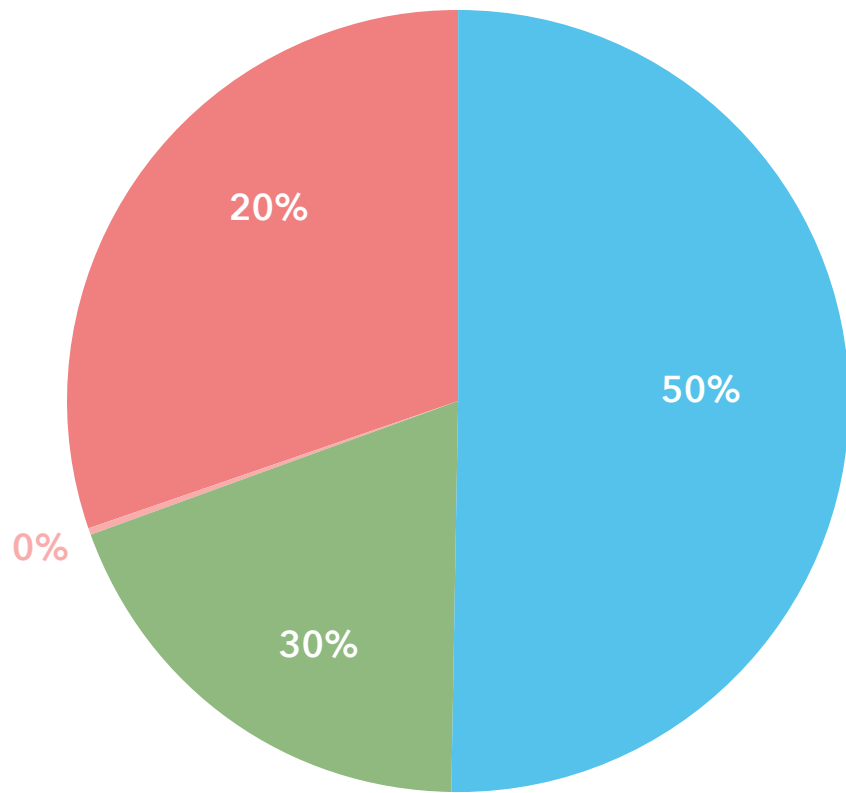
COMMISSION

The purpose of the Commission is to provide reliable and efficient transportation and facilities to the Hampton Roads Community. The Commission's governing body consists of 13 members. Each of the six component governments appoint one member of its governing body or the City Manager, who will serve at the pleasure of his or her respective component government. The Governor will appoint one citizen Commissioner with voting privileges from each City served by the Transportation District. The appointees will serve at the Governor's pleasure. The Chairperson of the Commonwealth Transportation Board, or a designee, will be a member, ex officio with voting privileges. Oversight responsibility is exercised by all of the participating localities through their designated representatives (Commissioners).

The primary function of Commission staff is to direct agency leadership to achieve the goals and objectives of the Commission and provide administrative and clerical support to the Commission. Commission staff includes the President and Chief Executive Officer, the Commission Secretary, and the Vice President for Finance/Commission Treasurer.

The Commission budget is comprised of salaries, travel, meeting and consultant expenses for the Commission.

FY15/16 BUDGET



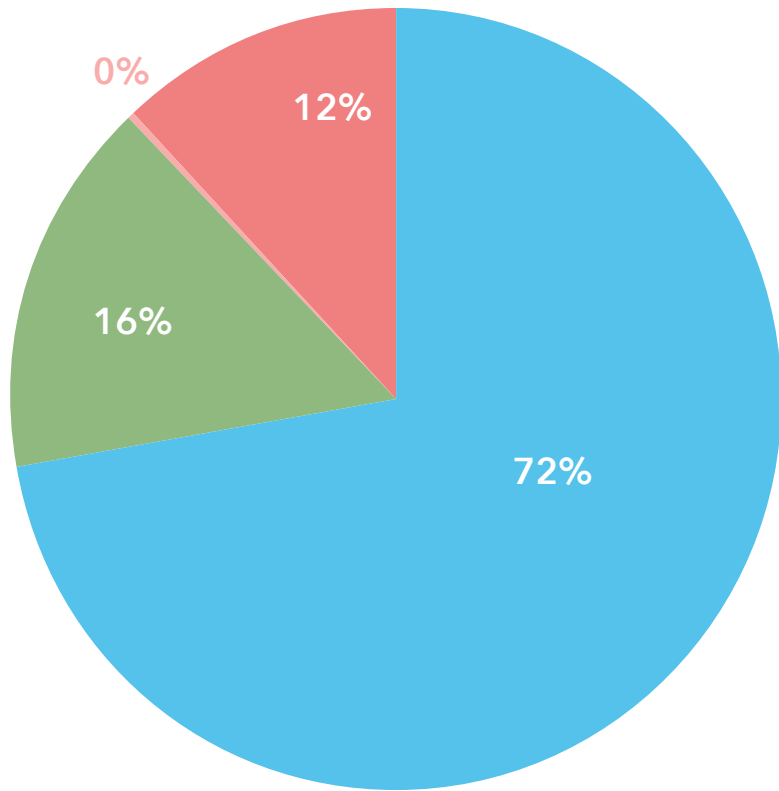
	FY13/14 ACTUAL	FY14/15 BUDGET	FY15/16 BUDGET
Personnel Services	\$ 465,760	\$ 567,873	\$ 494,412
Contracted Services	169,396	157,900	186,500
Materials & Supplies	926	3,000	1,500
Casualty & Liability	1,790	1,500	1,500
Fees, Licenses & Misc	129,467	247,247	295,740
Grand TOTAL	\$ 767,339	\$ 977,520	\$ 979,652

The Executive Department is responsible for oversight of all functional areas within Hampton Roads Transit. This includes leadership and unity of effort to achieve the vision and mission of the agency. This work is guided by an unwavering commitment to HRT's core values. Staff members of the Executive Department include the President and CEO, Executive Assistant/Commission Secretary, Assistant to the President and CEO for Organizational Advancement, and the Records Management team led by the Records Management Officer.

Under policy guidance of the Commission, and adhering to federal and state laws and regulations, the Executive Department focuses on effectively and efficiently achieving goals, projects, and programs of the agency. This includes tracking key performance indicators and promoting continuous improvement throughout the organization. The Executive Department and Hampton Roads Transit is committed to data-driven performance management. To this end, the agency tracks, maintains and improves overall efficiency and effectiveness by aligning resources to achieve strategic goals and objectives.

Through Records Management, the Executive Department also serves as chief steward of public information at HRT. This includes maintenance of all policies, agreements, transactions, and official correspondence of Hampton Roads Transit. Through Government Relations, the Executive Department facilitates the development and implementation of the legislative and policy agenda of the Commission. This includes monitoring, evaluating and influencing public policy developments and legislation related to HRT activities. These activities have a significant impact of the role of public transportation in Hampton Roads, including funding and policy outcomes through Congress and state, regional and local governments.

FY15/16 BUDGET



	FY13/14 ACTUAL	FY14/15 BUDGET	FY15/16 BUDGET
Personnel Services	\$ 714,463	\$ 642,653	\$ 557,184
Contracted Services	5,041	4,900	120,197
Materials & Supplies	1,535	4,750	3,350
Fees, Licenses & Misc	56,509	76,139	90,491
Grand TOTAL	\$ 777,548	\$ 728,442	\$ 771,222

The Human Resources Division is responsible for all aspects involving the employment, retention and development of our employees. HRT has over 1000 employees who maintain our fleet, operate our buses and light rail and maintain support services to the organization. Human Resources staff plays an integral role in providing quality customer services to our employees and to our management team while promoting a safe working environment that values a work / life balance.

Departments

Compensation & Benefits

Provide competitive market wages to our employees coupled with a rich benefit package. Supply oversight, analysis and approval of all compensation. Responsible for all benefits administration and oversight of those contracts. Support employee wellness through annual, no-cost Health Fairs, Health Screenings, and incentives for preventive screenings and tests that are provided to all employees in an effort for employees to focus on their own health. Assist employees in all benefit related matters, including Family & Medical Leave and Employee Assistance Services. Charged with development and implementation of the performance management process and development of employee policies and procedures. Provide consultation to managers regarding employment law, employee performance issues, grievances and discipline to ensure compliance with work rules, the collective bargaining agreement and state and federal laws. Functional lead and subject matter expert for the HRIS system including access and security for the system. Provide HR analytical services to improve business processes.

Recruitment

Recruitment has a significant role in the agency in the hiring of highly qualified employees. In 2014, this department hired over 300 employees. Responsible for hiring all hourly union employees for bus and rail transportation and maintenance as well as our administrative positions. Facilitate the recruitment of highly qualified candidates through implementation of a robust pre-employment process whereas candidates must go through interviewing and various assessments for many of our positions. Safety and transparency is a critical component of this department; each candidate goes through an extensive background evaluation to ensure that candidates are fully qualified and credentialed.

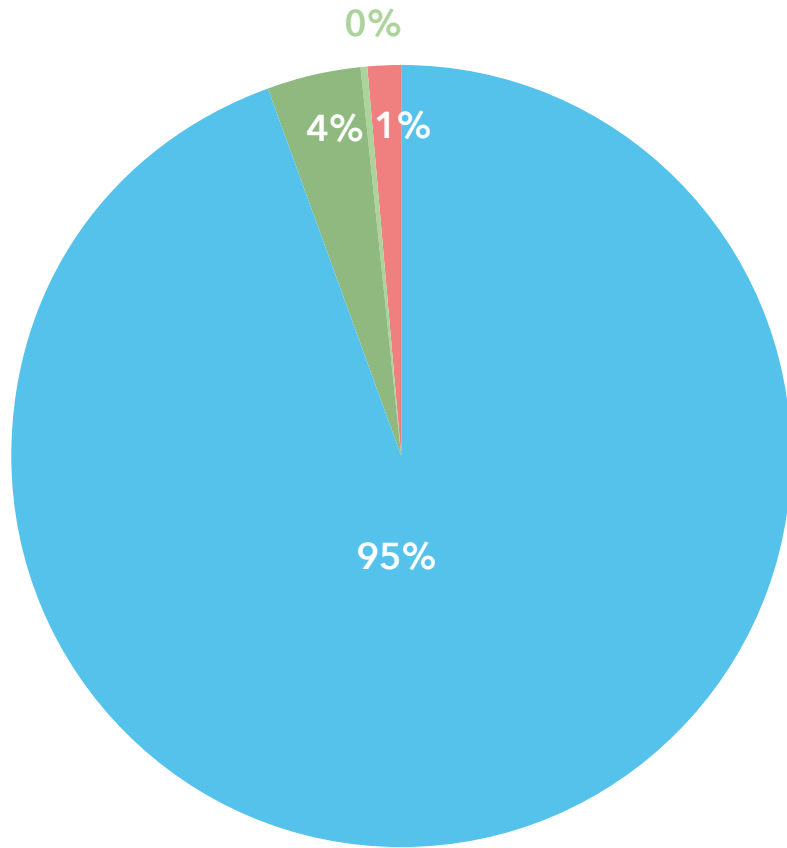
Compliance

Responsible for overall compliance of key areas including: the Drug and Alcohol Program, EEO investigations, Federal & State compliance and records management. Administer the FTA mandated Drug & Alcohol Program for all HRT employees and ensure that all contractors are in compliance by reviewing policies, auditing testing rates and records keeping of HRT vendors. Responds to all EEO complaints and enforces EEO compliance. Handle and coordinate all employees' records. Maintain and monitor all employee DOT certifications and DMV license expirations to ensure that employees are fully credentialed and in compliance with State and Federal regulations and HRT policy.

INITIATIVES

1. Develop HR Metrics for benchmarking purposes
2. Continue to develop the structure and process of the classification and compensation system
3. Continue to reduce the number of days to fill a position
4. Track employee mandated training

FY15/16 BUDGET



	FY13/14 ACTUAL	FY14/15 BUDGET	FY15/16 BUDGET
Personnel Services	\$ 9,724,402	\$ 11,123,424	\$ 9,459,458
Contracted Services	203,891	391,633	394,856
Materials & Supplies	6,407	15,000	14,000
Fees, Licenses & Misc	104,089	103,123	135,785
Grand TOTAL	\$ 10,038,789	\$ 11,633,180	\$ 10,004,099

The Legal Department is comprised of a Sr. Staff Attorney who is responsible for providing legal advice and services to the President & C.E.O., Senior Executive Team, its departments, as well as the Board of Commissioners upon request.

The Risk Management Department is overseen by the Sr. Staff Attorney who oversees internal staff and the Third Party Administrator, PMA Companies, for all workers compensation, personal injury, and property damage claims. The division purchases all insurance for the Agency, sets insurance requirements for vendor contracts and ensures compliance.

DEPARTMENTS

Legal Department

Provides legal advice and guidance, including but not limited to contracts, leasing, procurement, labor/employment/EEOC/Arbitration, business development, and other corporate areas. Handles civil litigation defense, up to and including trial. Monitors external counsel and protects the Agency's assets. Drafts all legal related correspondence, forms, and various agreements.

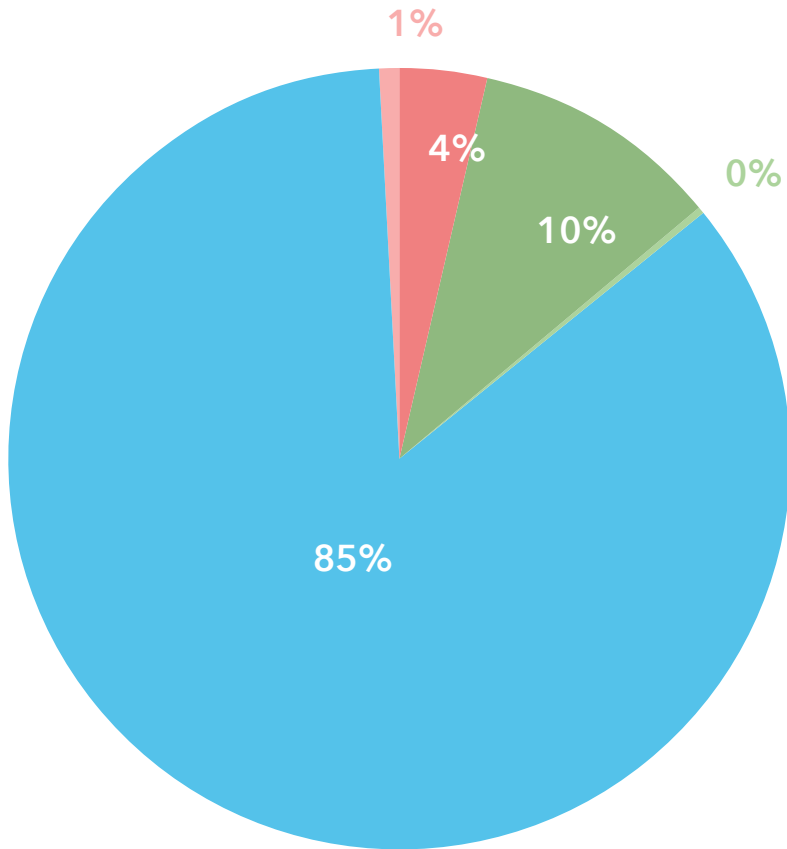
Risk Management

Performs all claims intake, including Workers' Compensation, personal injury, and property damage claims. Facilitates investigative information to the Third Party Administrator, PMA Companies. Conducts internal training related to Policy adherence and claims trending. Downloads all media related to accidents, incidents, and injuries. Assists with placement in the Workers' Compensation Light Duty Program.

INITIATIVES

1. Maintain external legal cost reduction as new Agency benchmark
2. Maintain Workers' Compensation Reform Program claims cost and reduction as new Agency benchmark
3. Continue analysis of accident/injury data to assess trends, training, and proactive measures providing recommendations to Operations and Safety, as well as conduct training

FY15/16 BUDGET



	FY13/14 ACTUAL	FY14/15 BUDGET	FY15/16 BUDGET
Personnel Services	\$ 241,3400	\$ 246,131	\$ 221,013
Contracted Services	453,750	690,500	637,500
Materials & Supplies	4,254	15,000	5,000
Casualty & Liability	4,865,751	6,365,500	5,172,800
Fees, Licenses & Misc	32,843	48,300	47,500
Grand TOTAL	\$ 5,597,938	\$ 7,365,431	\$ 6,083,813

The Finance division of HRT is responsible for developing sound strategic goals and objectives, assessing and monitoring HRT's financial and administrative performance, safeguarding agency's assets, and ensuring the effective utilization of its financial resources. The mission of the Finance division is to ensure HRT's overall financial stability, independence and viability by implementing industry best practices, developing sustainable long-term financial strategies, and ensuring compliance with rules related to procurement and financial practices.

DEPARTMENTS

Accounting

Provide accurate and timely financial accounting and reporting services, including accounts payable, accounts receivable, capital assets and payroll. Responsible for the post-award financial management and fiscal reporting functions for all Hampton Roads Transit grant awards. Analyze and preparation of monthly financial reports and Comprehensive Annual Financial Report for Senior Executive Team and Commission's review.

Procurement

Responsible for acquiring supplies and professional and construction services in accordance with Virginia law and FTA regulations. Provide support to the Disadvantaged Business Enterprise effort and to help identify opportunities for cost-savings.

Revenue Services

Collects, deposits, and accounts for all fare box revenue, is responsible for fare media purchases, and maintains control over fare media inventory.

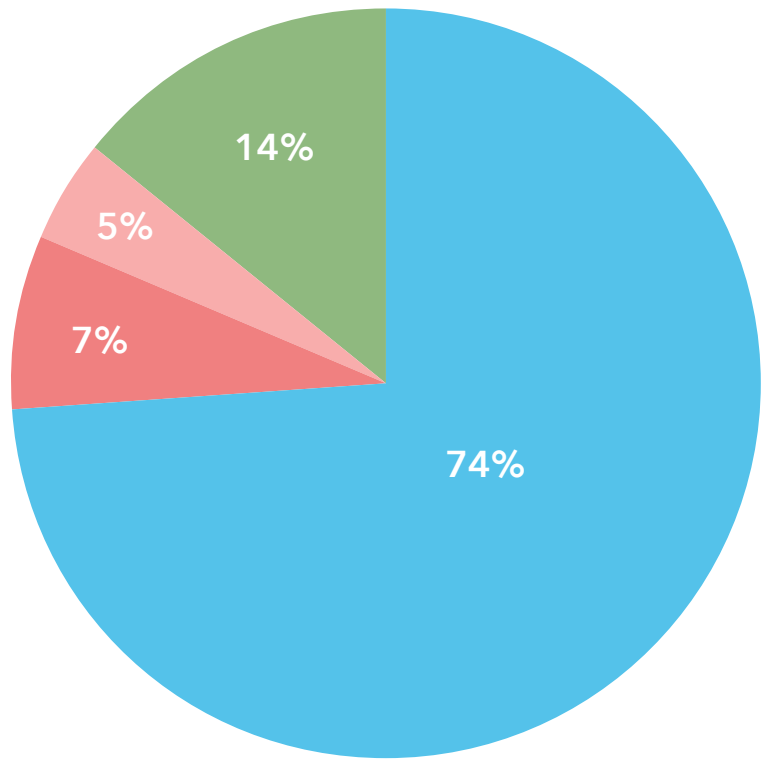
Budget & Financial Analysis

Responsible for the preparation and submission of the annual operating budget that supports the agency's goals and objectives. Provide analysis for key decision makers regarding the operating budget. Establish budgetary guidelines, communicate policies, procedures and best business practices to HRT units and monitor compliance with HRT, federal and state policies.

INITIATIVES

1. Revision to the Cost Allocation Agreement in order to establish a better framework of accountability and provide capacity for improved regional transit services
2. Continual review and revision of departmental policy and procedures and business practices ensuring both are kept on one accord
3. Develop a "Financial Road map" that encompasses a six-, ten-, and twenty-year financial plan

FY15/16 BUDGET



	FY13/14 ACTUAL	FY14/15 BUDGET	FY15/16 BUDGET
Personnel Services	\$ 2,209,603	\$ 2,792,745	\$ 2,616,164
Contracted Services	238,430	230,500	262,580
Materials & Supplies	108,051	176,600	161,600
Fees, Licenses & Misc	49,986	37,801.00	493,105
Grand TOTAL	\$ 2,606,070	\$ 3,237,646	\$ 3,533,449

The Engineering and Facilities division (E&F) is managed by the Chief Engineering and Facilities Officer, and encompasses the following functions: Facilities Maintenance and Asset Management, Office of Project Management, Environmental Compliance and Sustainability, Construction and Engineering.

FACILITIES MAINTENANCE AND ASSET MANAGEMENT

Responsible for maintaining:

- + 28 facilities including all related fixed assets
- + 350,000 square feet of building space
- + 70 acres of land across
- + 3 million square feet of pavement
- + 4 bus/vehicle maintenance and administration facilities
- + 3 transportation and ticketing facilities
- + 2 bus and three light rail park-n-ride locations
- + 2 light rail facilities (vehicle maintenance and storage)
- + 2,700 transit stop locations with over 350 passenger amenities

E&F provides day to day operational support to all HRT departments, major systems and routine equipment maintenance (e.g. HVAC and lighting controls), surplus property management, and the general upkeep of HRT properties (utilities, furniture, buildings and grounds). The division also manages all contracts supporting HRT facilities, such as shelter cleaning and trash removal, custodial services, landscaping, general environmental services, and solid waste collection and disposal.

OFFICE OF PROJECT MANAGEMENT (OPM)

Supported by E&F and is responsible for the oversight of all HRT projects. OPM is also responsible for the selection and management of project designers (i.e. architects and engineers) and contractors (i.e. General Contractors and trade contractors), as well as any outside consultants. Some examples of OPM projects include construction of a new Southside Operations Complex, design and construction of both the Hampton Facility Renovation and the Downtown Norfolk Transit Center.

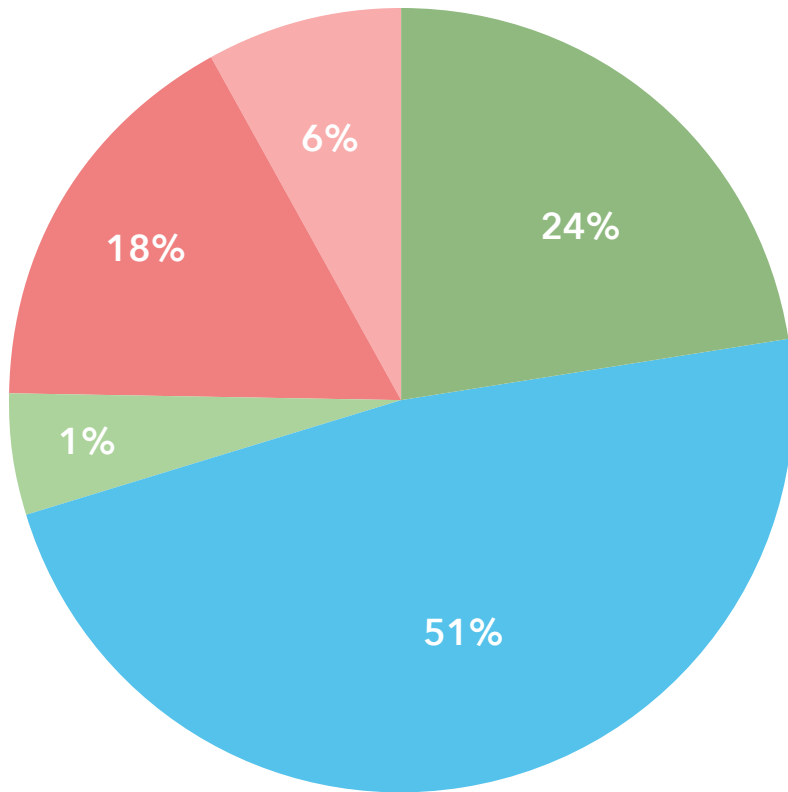
ENVIRONMENTAL COMPLIANCE AND SUSTAINABILITY

Includes the development, implementation, and continuous improvement of HRT's Environmental Management and Sustainability (EMS) Program. EMS works with all HRT employees and departments to communicate and coordinate EMS procedures and sustainability initiatives such as pollution prevention and recycling that are created to minimize environmental impacts and the use of energy and resources in HRT's operations. EMS is also responsible for facilitating HRT's Environmental Policy and ensuring HRT's compliance with all federal, state, and local environmental laws and regulations.

Initiatives

1. Implement passenger portal cleanliness plan to include improved Adopt-A-Spot program
2. Begin Construction of Hampton Facility Renovation Project
3. Implement Facility Asset Management System
4. Complete the Southside Shelter & Sign Installation

FY15/16 BUDGET



	FY13/14 ACTUAL	FY14/15 BUDGET	FY15/16 BUDGET
Personnel Services	\$ 1,195,666	\$ 1,117,151	\$ 1,111,948
Contracted Services	1,961,585	2,015,349	2,349,000
Materials & Supplies	210,186	156,048	252,750
Utilities & Taxes	772,877	830,000	825,000
Fees, Licenses & Misc	36,288	48,300	38,500
Grand TOTAL	\$ 4,176,602	\$ 4,166,848	\$ 4,577,198

The Marketing and Communications division is responsible for promoting an accurate and positive image of HRT within the organization and to the general public. It works across a range of disciplines to share information about the agency's policies and practices using traditional and web-based platforms to reach people at work, at home and on the go. The Marketing and Communications departments work hand in hand to refine and improve the agency's brand while supporting HRT departments with initiatives and programming through public outreach, planning and communication development.

MARKETING

Develops and executes marketing and advertising campaigns to teach the public about transit and introduce customers to new or evolving services. Creates, designs and implements media campaigns promoting alternative transportation options through congested regional transportation corridors. Working with the Communications department, improves the overall perception of the agency to the general public as well as our internal audience by maintaining a high level of public outreach to help promote and ensure the public's understanding and dissemination of information.

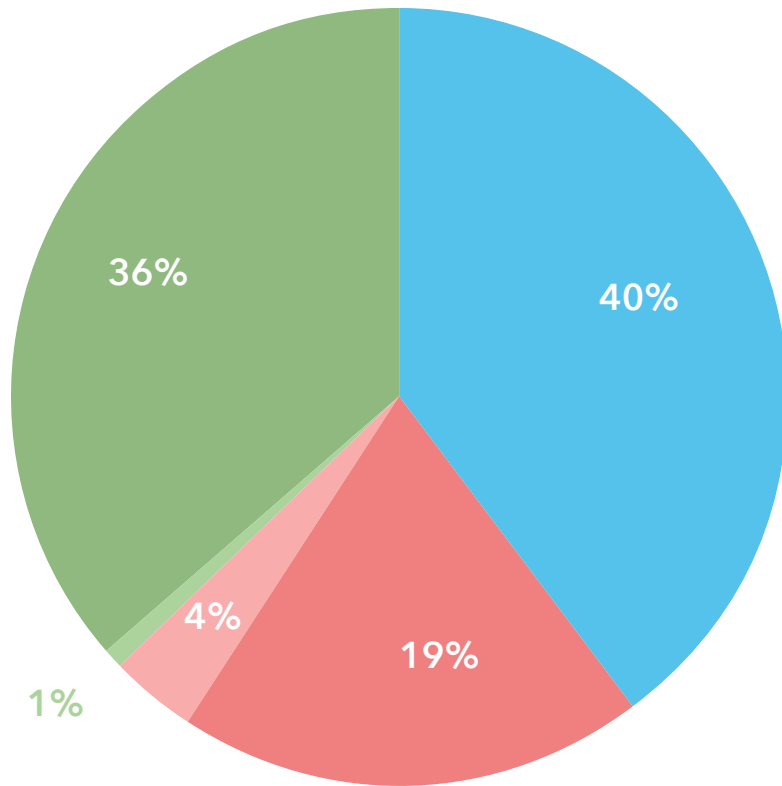
COMMUNICATIONS

Facilitates information sharing among departments and coordinates public and private events, including formal public hearings, public outreach, while also providing content for the agency's two websites, Gohrt.com and Insite, the agency's intranet, and the agency's electronic bulletin board. In conjunction with the Marketing department, maintains public outreach campaigns that will engage the public, our customers, and promote the Agency as a whole.

INITIATIVES

1. Execute its Internal and Strategic Marketing and Communications Plans
2. Develop matrix for measurement of campaigns
3. Develop, improve and expand social media outlets to increase brand awareness, service information and Agency information
4. Build awareness for Connect Hampton Roads®

FY15/16 BUDGET



	FY13/14 ACTUAL	FY14/15 BUDGET	FY15/16 BUDGET
Personnel Services	\$ 206,773	\$ 539,595	\$ 355,922
Contracted Services	86,066	192,500	173,900
Materials & Supplies	5,744	18,500	32,000
Utilities & Taxes	-	-	6,900
Fees, Licenses & Misc	79,136	291,400	325,215
Grand TOTAL	\$ 377,719	\$ 1,041,995	\$ 893,937

The Planning and Development division's functional responsibility is to direct and support the successful development and implementation of short and long-range service and system plans and programs for public transportation services and facilities. This is accomplished through the planning and development of HRT's Six Year Capital Improvement Program (CIP) and Transit Development Plan (TDP) as well as the development of the bus routes, schedules, and the annual Transportation Service Plans for member cities in accordance with the Cost Allocation Agreement. Division staff is in constant communication and interfaces daily with other HRT departments regarding project development including facility needs assessments and improvements, transportation project initiatives, transportation improvements, operations support & transportation enhancements, and major capital equipment / professional services procurement.

DEPARTMENTS

Service Planning and Scheduling

Provides service planning and scheduling for all bus and trolley services, as well as strategic planning and quality assurance. Develops new routes and schedules and modifies and redesigns existing routes and schedules to improve the efficiency and effectiveness of HRT's service structure. Manages the route planning process including bus stop locations, identification of locations for passenger shelters and coordination with local governments and businesses. Maintains the agency database for bus stops and passenger shelters. Examines ridership counts, on time performance data and conducts ride checks to ensure that services are being provided properly. Coordinates long range planning for future routes and services. Conducts data collection, not only for the National Transit Database, but also the Planning and Scheduling staff when data is required for scheduling improvements and passenger loads.

BUSINESS DEVELOPMENT

This department's functional areas are divided among the following responsibility areas:

Fare Media and Advertising Sales

Responsible for working to increase the sale of fare media through business partnerships with area businesses. Responsible for all internal and external bus and rail advertising, and have direct oversight over all sales aspects for HRT including sales advertising (station panels, exterior and interior bus advertisements, and interior Light Rail advertising, train wraps, train articulation vinyl applications, bus wraps), the GoPass 365 program and fare media sales with the intent of growing the business profits year after year.

Traffic Demand Management Program (TDM or TRAFFIX)

Provides transit alternatives to customers who are not immediately served by existing transit services, yet wish to take advantage of the economic benefits of transit. Provides vans, carpools, and telework options for commuters. Additional TDM Programs include NuRide and Telework!Va which develop employer transportation alternatives programs/services, annual work program and long range plans. Works closely with the Department of Rail and Public Transit, VDOT, the military, and various local governments to administer programs associated with the development of public transportation alternatives. It develops "Park and Rides" when and where appropriate, negotiates with businesses regarding bus routes that may affect traffic in and around that business (such as malls), and assist with the creation of parking lots for vehicles to park as they wait for transit opportunities (carpool, bus, train, vanpools, etc.).

Customer Relations

Provides high quality customer service via the contact center and the transit centers. The contact center is the central point in which all customer contacts are managed via the telephone, email and web. The Interactive Voice Response (IVR) system provides scheduled route information to callers and handles approximately 40,000 calls per month. Route assistance, trip planning and service status are the top customer inquiries. Information is gathered from the customer and entered into a formal database called the Customer Assistance System. HRT customers are encouraged to provide feedback; every concern is evaluated and validated. The information entered into the database is readily utilized and drives company decisions that incorporate customer centric change. Ongoing data-mining from the database is conducted in order to measure the customer's perceptions as it relates to the company's Key Performance Indicators (KPI's). For example, customer concerns are compiled in a report form and distributed to all departments for review. Another example is the operator report which allows the Operations Management team to view trending concerns regarding operator behaviors.

Grants Administration and DBE Compliance

Responsible for all pre- and post-award grant administration, including the submission of grant applications, amendments, revision, and closeouts. Has a shared responsibility for the development of the capital budget. Responsible for the preparation of requests for federal, state, and local funding, as well as managing the Disadvantaged Businesses Enterprise (DBE) Program. The purpose of the DBE program is to ensure a level playing field and foster equal opportunity for firms owned and operated by disadvantaged individual on USDOT-assisted contracts and procurements.

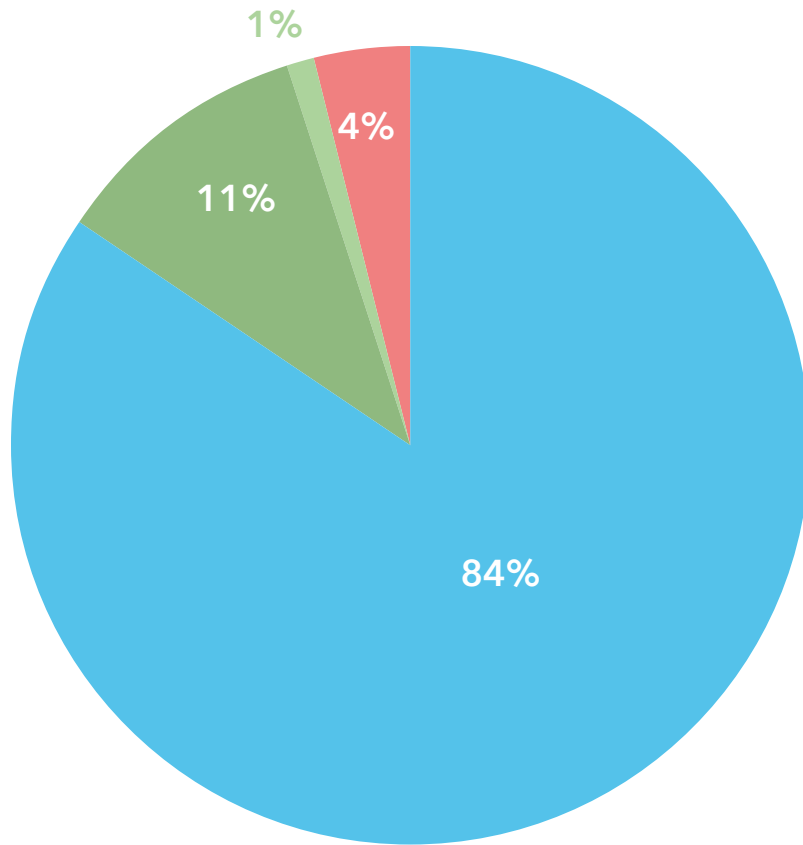
Long Range Planning & Transit Development

Facilitates the planning and management of fixed guideway studies, major capital investment planning as well as transit-oriented development projects. Supports the preparation of requests for federal, state and local funding and manages the planning and environmental assessment for new rail, bus, ferry, and intermodal transportation. Explores long-term solutions to further heighten and connect customers with their work places and communities – especially places in planning as areas of future high density growth by municipal governments - where bus service may not exist or may not be adequate to serve future needs. Responsible for the development of the six year Capital Improvement Plan in coordination with the Senior Executive Team to be reviewed, approved, and adopted annually by the Commission. Develops and implements the HRT Title VI program; reviews and addresses all formal Title VI complaints; completes Title VI analyses; and reviews Agency compliance with the Title VI program.

INITIATIVES

1. Initiate PE/FEIS Virginia Beach Transit Extension to the Virginia Beach Town Center, and obtaining the environmental Record of Decision.
2. Continue Naval Station Norfolk Transit Extension Study alternatives consideration and begin preparation of a Draft EIS.
3. Initiate Peninsula Corridor Study
4. Relocation of Wood Street Transfer Center to the new Norfolk Downtown Transit Center in October
5. Increase institutional and business participation in the GoPass 365 program
6. Exceed FY15 sales targets by 15% in FY15/16

FY15/16 BUDGET



	FY13/14 ACTUAL	FY14/15 BUDGET	FY15/16 BUDGET
Personnel Services	\$ 3,057,861	\$ 2,539,781	\$ 2,423,754
Contracted Services	188,754	118,290	306,750
Materials & Supplies	20,267	26,650	30,200
Fees, Licenses & Misc	108,671	90,627	107,723
Grand TOTAL	\$ 3,375,553	\$ 2,775,348	\$ 2,868,427

The Safety and Security division is led by the Chief Safety and Security Officer who is responsible for assisting the Operations departments in maintaining a safe and secure environment for employees and customers. Division leadership provides guidance in identifying and evaluating hazards and vulnerabilities, then minimizing the hazardous conditions and/or vulnerabilities to their lowest achievable level. Safety and Security's mission is to operate and maintain a safe, secure, reliable and effective transit system that enhances mobility, improves the quality of life, and stimulates economic development in Hampton Roads.

DEPARTMENTS

Safety

The goal of the Safety department is to achieve the highest practical level of safety for all HRT modes of transit, in an effort to protect passengers, employees, revenues, and property. HRT has implemented a proactive, Agency-wide safety program plan supported by the Federal Transit Administration. In conjunction with federal and local authorities, develop guidelines and best practices to provide a safe transit system within Hampton Roads.

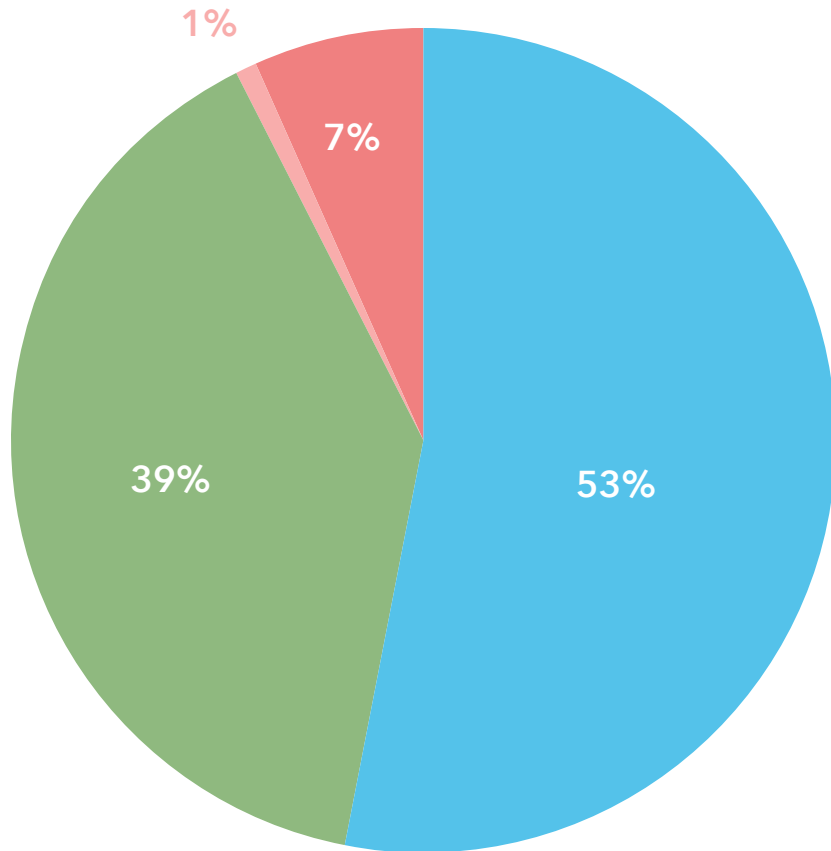
Security

Manages security services for our facilities, including our transportation and transfer centers, as well as vehicles. Security card access, surveillance camera systems, and key and lock systems for all of our facilities are also overseen by the Security department. Staff works with police departments throughout the Hampton Roads area. Focuses on customer service, yet maintains compliance to laws and ordinances.

INITIATIVES

1. Coordinate with IT to implement computer-based training infrastructure networked to allow employees to train from any CPU or HRT Kiosk
2. Amend bus operator training to include required annual instruction for fire extinguishers
3. Enhance safety and security training for all new employees; training will be performed prior to the employee being exposed to any hazards or threats at the workplace.
4. Improve the reliability of security systems including cameras and card access
5. Continue to develop the Emergency Management Program, which will include training exercises in partnership with local Police departments, the Department of Homeland Security, and Universities in close proximity to HRT and throughout the Hampton Roads region
6. Increase security presence on both bus and rail revenue vehicles which will directly support the fare increase and allow patrons to see a stronger security presence with a goal of decreasing security related events

FY15/16 BUDGET



	FY13/14 ACTUAL	FY14/15 BUDGET	FY15/16 BUDGET
Personnel Services	\$ 1,310,256	\$ 1,281,458	\$ 1,195,845
Contracted Services	650,780	836,000	884,800
Materials & Supplies	2,414	90,000	17,500
Fees, Licenses & Misc	13,350	88,000	146,685
Grand TOTAL	\$ 1,976,800	\$ 2,295,458	\$ 2,244,830

The Technology Division serves all HRT Business Units through a series of services that include Technology Project Management, Computer Systems Integration, Hardware Maintenance & Support, Desktop & Helpdesk Support, Network Services Provision, Technology Training & Coordination, Information Technology (IT) Contract Management, Web and Database Support, Information Technology Security and General Technology Assistance and Support. The Technology Division creates an environment enabling HRT employees to quickly access vital information, using efficient and cost-effective technology hardware and software. The division provides leadership as an active partner in the Agency's technology initiatives including staff engagement, systems implementation, telecommunications and data-sharing. Our services also include Enterprise services such as email and calendaring, application software support, and technology project planning and management. We support the Agency in strategic planning and technical direction for integration of new and emerging technologies. Our goal is to deliver best-in-IT service management to ensure our customers realize the most from their investments in information technology. The Technology Division assists all HRT Business Units in responding to the information technology challenges and needs of the transit public by enabling HRT employees to quickly access information and utilize that information to make informed decisions. We are dedicated to providing quality service through teamwork, partnerships, and the development of both team and individual strengths and communication.

DEPARTMENTS

Support Services

Responsible for the management and administration of the entire Technology Division and for all Technology Project Management and Support Services.

Network Services

The Network Services department aims to provide a reliable, high speed, secure and accessible network, suitable to support the business of the Agency. Network Services provides wired and wireless connections between networked devices (such as workstations) and agency networks, providing internet access and Agency IT systems, services and applications. Network Service staff assist with knowledgeable technical support to help manage relationships between HRT and external suppliers such as equipment supply houses and system maintenance vendors. Staff define network services to seamlessly integrate new software, systems or other technologies into HRT networks. Responsible for managing data centers, technology closets and network physical infrastructure including servers, routers, switches, firewalls, UPS's and other networking architecture. Staff provides reliable, high speed, secure, and accessible network services to sustain Agency business needs.

Application Services

Responsible for managing the IT Services portfolio which consists of projects that have been approved by the Technology Department and Executive Management. Also responsible for identifying, prioritizing, authorizing, managing, and controlling information technology projects, programs, and other related work, to achieve specific strategic agency objectives. Manages all Enterprise Applications including systems responsible for dispatching, scheduling, automated vehicle location, automatic passenger counting, and associated data feeds.

Desktop Support/Telecommunications

Responsible for supporting all agency workstations, laptops, and Agency-procured cellular phones, multi-function devices for printing, faxing, scanning and copying, working hard to ensure all staff can work effectively. Ensures key desktop software and hardware are properly maintained, up-to-date, available and secure. Provides helpdesk support to end-users, and the support work related to desktops and laptops including provision, setup, maintenance and repair of Agency desktop/laptop computers. Design, operate, and maintain telecommunication services for all HRT facilities. Services include consulting support to advise Agency Departments about optimal use of telecommunication services, and to assist Agency Departments in ordering new technology services, configuring changes, or moving existing service.

Web/Database Support Services

Responsible for all of the Agency's websites and databases ensuring that they are properly created, maintained and administered. Databases are protected and monitored by implementing backup and recovery policies and procedures, providing a secure database environment, and monitoring database performance. Database instances are maintained online and ensured to be available, with focus on relationships between database, server, disk space, and operating system environment. Web Support Services Team support and maintain content and design for HRT's external website (www.gohrt.com) and the internal website (intranet). The Team also assists departments in maintaining content on their web pages as required.

PeopleSoft Technical Services

Responsible for providing technical support, primarily for users of PeopleSoft systems. Specialize in application-level PeopleSoft technical services and management of the PeopleSoft support process. Technical support is provided for both PeopleSoft Human Resources and PeopleSoft Financials applications.

IT Security Services

Responsible for ensuring network and information system security. Ensure that everyone who uses computer or network services understands how to keep their computer, data, and other electronic devices secure. Establish a standard, integrated approach to ensure the Agency becomes secure and compliant.

INITIATIVES

The push for new technology has become a key component in making our entire transit system ready for the challenges of the next century. Access to good and accurate information that allows for better, real time planning will allow customers to make connections between different modes and transit systems. The Technology Department is ready to support a multitude of initiatives over the next five years that directly align with supporting the agency in its mission to serve the community through high quality, safe, efficient and sustainable regional transportation services.

1. **Ensuring Technology Continuation of Operations** – A primary objective of the Technology Division is to create a comprehensive Technology Continuation of Operations program to include:

Business Continuity – Ensuring HRT becomes an agency that quickly recovers in the event of a disaster is a top priority. A business continuity plan that includes regular testing will be put in place. Identification of recovery requirements at the agency-level from availability risk assessments and business impact analyses of mission-critical processes, IT services and suppliers will be created.

Virtualization – The Technology Division successfully consolidated servers and databases over a 2 year period in FY2013 and FY2014. FY2015 and FY2016 objectives include the expansion of applications into the virtual infrastructure to allow for quicker retrieval of application data and availability and Increasing backup efficiency and capacity of the agency.

Disaster Recovery – Virtual servers can be encapsulated and saved on a failover site allowing recovery to take place in drastically shorter amounts of time than with a physical server. Getting to hardware independence dramatically reduces the chance for data loss. A robust plan must be developed that incorporates changes based on cloud computing philosophies and collaboration with other institutions.

2. **Modernization of Technology Systems** – Several of the agency's enterprise systems have reached end of life. A modernization plan has been created to ensure the agency's systems are technologically up to date to ensure delivery of data to users.
 - Enterprise Transit Asset Management Project - A comprehensive Asset Management Plan and a planned implementation of new technology to address new MAP-21 State of Good Repair and performance metrics requirements,
 - Real-Time Customer Information – The incorporation of real-time customer information to better serve immediate informational needs of our customers is planned for FY2016. Hardware and software that is at end of life is planned to be upgraded to allow for the access of the real time data necessary to create customer-facing apps and a mobile-friendly web site to share real time schedule and route information.
 - Financials System Implementation – A new Financials system is planned to assist staff in critical budgeting, procurement and accounting needs. As assessment and planning for this system implementation begins, serious consideration is being given to whether to upgrade the system “as-is” or to perform a complete re-implementation with a move towards modified business processes that are based on best practices.
 - Fare Technology Assessment - Analysis and implementation of new fare technology to leverage existing on-board and off-board fare equipment is being performed. Incorporation of new emerging fare technologies with the hopes of reducing costs and overhead associated experienced with the current architecture is the objective.
 - On-Board Wi-Fi for Buses and Trains – Phase 1 of the upgrade of on-board wi-fi on commuter buses and light rail trains is in process and slated to fully launch in January 2015. A broader plan to incorporate the rest of the fleet is in the works.
 - Upgrade of the Agency's Website – The plan is to design www.gohrt.com to load faster and to increase session time and page views. Upgrade plans include featuring a responsive design to create a mobile site that goes beyond text-heavy formats to feature more images, videos and slideshows in better resolutions. With the incorporation of real time information, the website becomes the featured venue for customers to access bus information with new and emerging technology.
3. **Creation of Overall Reporting and BI Plan** – To support well-informed decision-making, we are working with internal business units to develop a centralized reporting system that extracts data from the transit enterprise application systems. The goal is to have users to be able to review basic “dashboards” and ultimately, customize their own reports. The division will lead the development and implementation of an overall reporting and business intelligence plan for the agency. The Technology Division will work with staff to develop the skills and/or relationships to take on the initiative of helping the agency define its reporting needs and providing the tools necessary to meet those needs.
4. **Implementation of a formal Technology Project Management Office (TPMO) and project portfolio management for all technology projects** – Technology Project portfolio management will allow for improved prioritization on institutional projects and resource utilization and is a logical extension to the work of Technology Division. The TPMO will provide trained experts to lead successful technology projects identified by the agency.
5. **Implementation of Agency-wide collaboration tools** – The implementation of a common collaboration tool will improve security, reduce costs, enhance services and allow for better internal and external engagement between stakeholders.

6. **Workforce Mobilization** – Is an all-encompassing approach to enabling and securing HRT staff in the use of mobile devices including laptops, smartphones and tablets. The mobilization initiative includes:

Cellular Phone Program Restructure – An annual detailed analysis and review of HRT-procured cellular phones and mobile devices to ensure staff appropriations are properly managed.

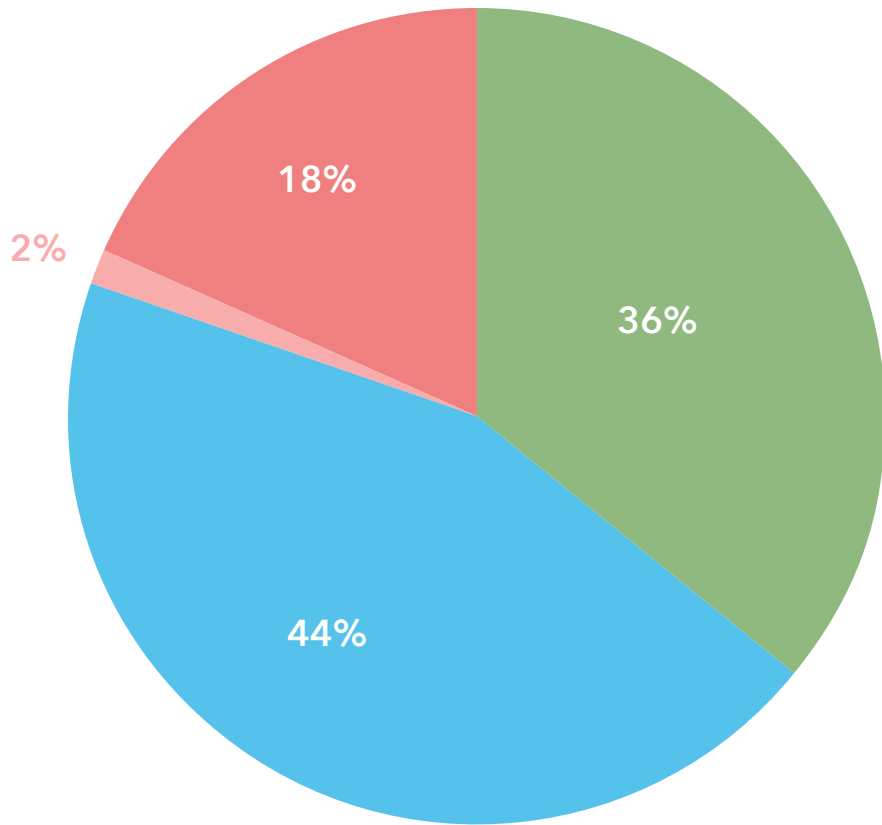
Mobility Device Management Implementation – In FY 2015, a new mobile device management program and software was implemented in an effort to protect and secure the network from devices that may cause harm.

Mobile Desktop Assessment – Complete review and upgrade of all desktop/workstations in the agency and enable highly mobile staff the ability to streamline their desktops into a docked laptop configuration.

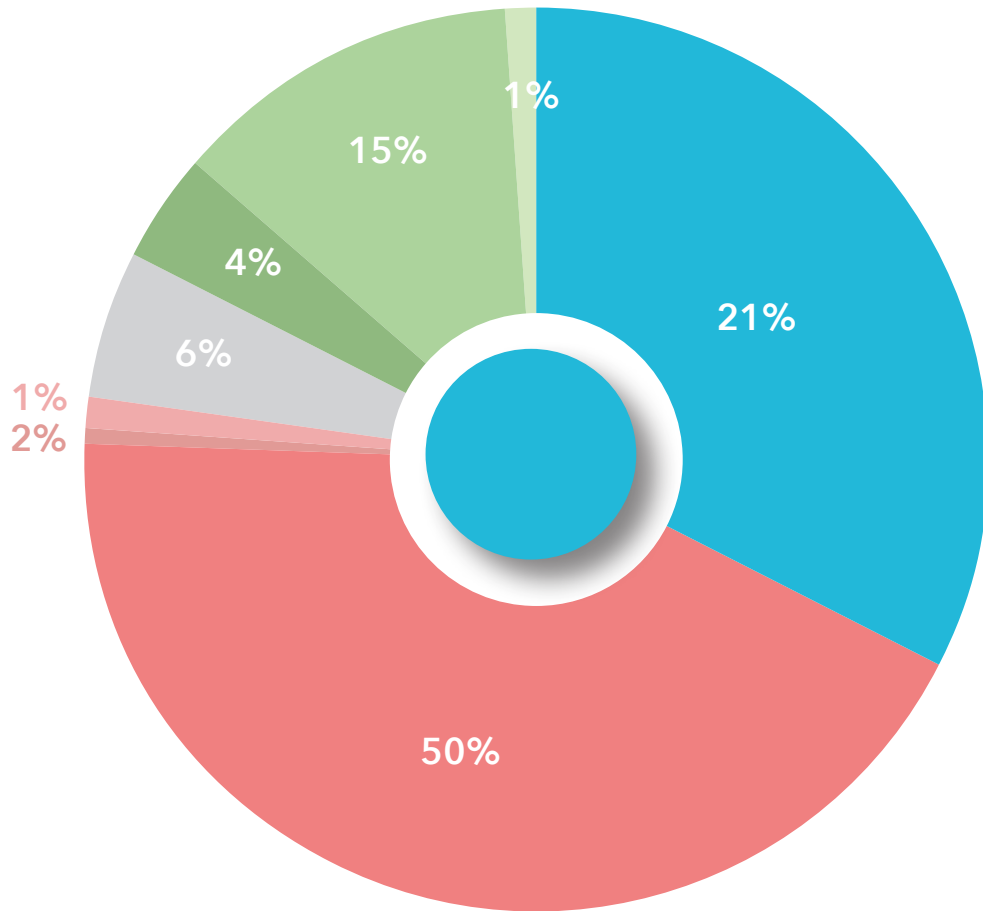
Agency Wi-Fi Implementation – In FY 2015, all facilities had wireless access points installed to allow staff in locations such as the operator lounges and administrative offices seamless wi-fi access to allow staff with mobile devices secured access to be able to work anywhere.

7. **Implementation of Agency-wide VoIP** – VOIP can save money and provide features that are not available with traditional phone setup.
8. **Improved Operational Process** – Better desktop control allows for a quicker response time to user issues and faster desktop deployment.
9. **Implementation of a cost** – effective audio and video conferencing solution – to reduce costs associated with staff travel between facilities, the Technology Division is in the beginning stages of assessing the best audio and video systems for the agency.
10. Lead a process to develop a technology education center to provide technology training - Technology utilization often suffers due to a lack of training. With technology available in so many areas and supported by so many business units, it is necessary to organize efforts to reduce redundancy and maximize technology expenditures.

FY15/16 BUDGET



	FY13/14 ACTUAL	FY14/15 BUDGET	FY15/16 BUDGET
Personnel Services	\$ 1,588,549	\$ 1,824,048	\$ 1,923,929
Contracted Services	1,496,697	1,887,770	2,363,997
Materials & Supplies	7,317	3,500	3,800
Utilities & Taxes	259,767	114,579	76,000
Fees, Licenses & Misc	148,601	594,190	963,750
Grand TOTAL	\$ 3,500,931	\$ 4,424,087	\$ 5,331,476



■ Bus Maintenance Services	\$ 12,539,117
■ Bus Transportation Services	29,843,635
■ Ferry Services	345,853
■ Ferry Transportation Services	933,255
■ LRT Maintenance Services	3,667,113
■ LRT Transportation Services	2,662,494
■ Paratransit Services	8,668,560
■ Van Pool & Support Services	616,630
Grand Total	\$ 59,276,657

Hampton Roads Transit provided over 15 million bus trips in FY15 to citizens in Chesapeake, Hampton, Norfolk, Newport News, Portsmouth and Virginia Beach. The Bus Transportation Services division consists of more than 400 bus operators (during seasonal service) and about 35 supervisors and dispatchers. Collectively, this group works to provide reliable, clean, safe and efficient daily bus service to our customers.

There are three bus service locations

1. Southside – Provides bus service to the cities of Chesapeake, Norfolk, Portsmouth and Virginia Beach. It is the largest of the three facilities with 32 fixed routes;
2. Northside – Operates 21 fixed routes and provides bus service to Hampton and Newport News. It also operates four work trips in Newport News and Hampton;
3. Virginia Beach – Operates seasonal Oceanfront routes 30, 31 and 32 – collectively known as the VB Wave – from April through September.

Each operating center contains administrative staff and full time coach operators. The majority of administrative staff members are first line supervisors and dispatchers.

The Bus Transportation Services division also operates seven Metro Area Express (MAX) routes. MAX service is provided daily to commuters throughout the region and has a limited number of stops.

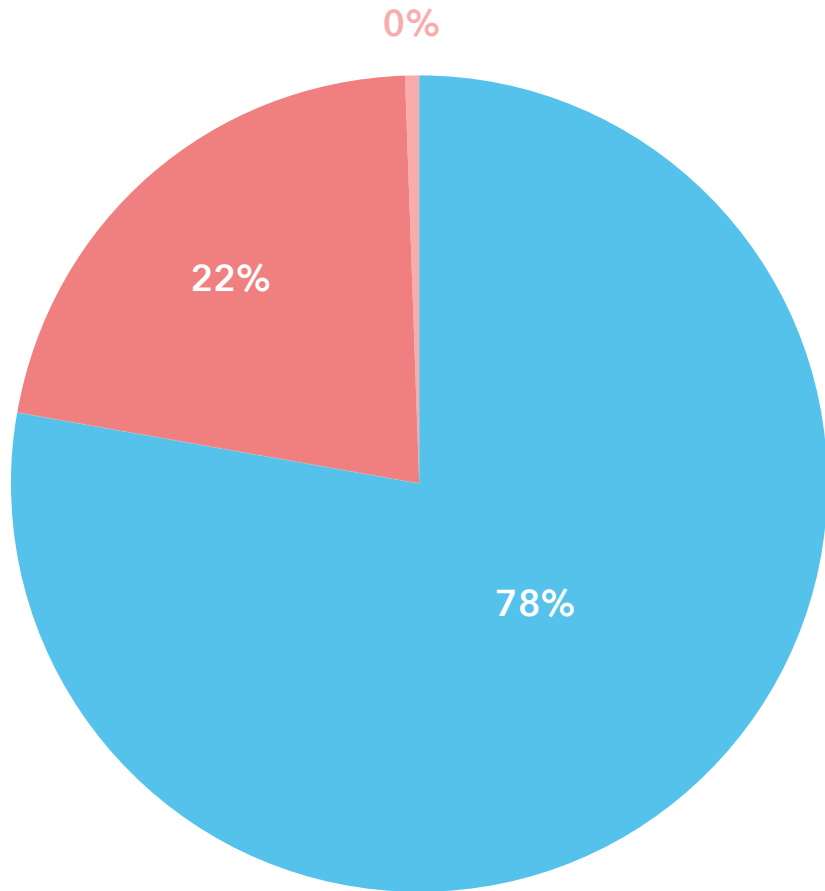
All in all, the division operates fixed route bus service on over 73 routes and provides HOV, express and commuter services. Operations meets with Scheduling and Planning on a monthly basis to address concerns and to provide feedback on certain routes.

The Training department is responsible for training all Bus Operators and Bus Supervisors on the operation of bus vehicles and operating rules and procedures. Supervisors and Operators also undergo a yearly refresher on existing and updated regulations and procedures. The department also trains new maintenance or agency personnel on the operation of Bus vehicles in order to secure Commercial Drivers Licenses (CDLs). Staff oversees a third party who performs testing for CDL licenses. In a typical year, the Training department instructs 100-150 operators in addition to the annual refresher courses for current Operators. Every year, this department participates in a Bus Rodeo where Operators are evaluated on categories such as uniform appearance, safety, customer service, inspections, and an operating course. Winners have the opportunity to represent Hampton Roads Transit at the International level and compete with other transit companies nationwide.

INITIATIVES

1. Maintain and improve 82% on time bus performance
2. Reduce the number of valid customer complaints
3. Reduce the number of preventable accidents

FY15/16 BUDGET



	FY13/14 ACTUAL	FY14/15 BUDGET	FY15/16 BUDGET
Personnel Services	\$ 23,989,602	\$ 22,959,587	\$ 23,231,590
Contracted Services	5,393	13,000	6,500
Materials & Supplies	7,820,638	7,899,550	6,465,631
Fees, Licenses & Misc	26,721	491,740	139,914
Grand TOTAL	\$ 31,842,354	\$ 31,363,877	\$ 29,843,635

The Bus Fleet Maintenance division is responsible for all vehicle maintenance services as well as management of all corporate inventory functions. The division consists of 22 supervisors and administrative professionals as well as over 100 mechanical and service support employees. The team strives to efficiently and adequately support the operational needs of Hampton Roads Transit's bus system. The fleet maintenance group is also responsible for the proper training of maintenance personnel.

There are three maintenance facilities; one in Norfolk, one in Hampton and one seasonally operated facility in Virginia Beach. The Norfolk facility houses the Southside bus maintenance and gasoline fleet maintenance activities. The Hampton facility houses the Northside bus maintenance operation. Virginia Beach is the seasonal maintenance base for the Virginia Beach Wave service. Administrative, vehicle mechanics, body shop, and various other fleet support personnel staff the maintenance facilities.

The Fleet Maintenance division is responsible for performing maintenance on all transit related vehicles. Maintenance work ranges from refueling and preventive maintenance and major and running repair programs. Preventive maintenance ensures service satisfaction for our customers and represents an efficient use of HRT assets through a state of good repair.

	NORFOLK	HAMPTON	VIRGINIA BEACH
Maintenance Employees	70	36	10
Buses	189	77	22
Hybrid Electric Buses	33	0	4
Mechanic to Vehicle Ratio	1:4	1:3.5	1:5.5
Average Age of Fleet (years)	9.4	11	10.2
Average Vehicle Lifetime Mileage	378,717	543,924	241,755
Annual Fleet Miles	5,721,135	3,591,321	367,017

The Rolling Stock department is charged with ensuring the agency has a sufficient number of clean, safe and serviceable buses available each day to meet the operational demands. This task is accomplished by a preventive maintenance program, nightly cleaning/fueling and from direct feedback received from the operators and customers as well as equipment manufacturer recommendations.

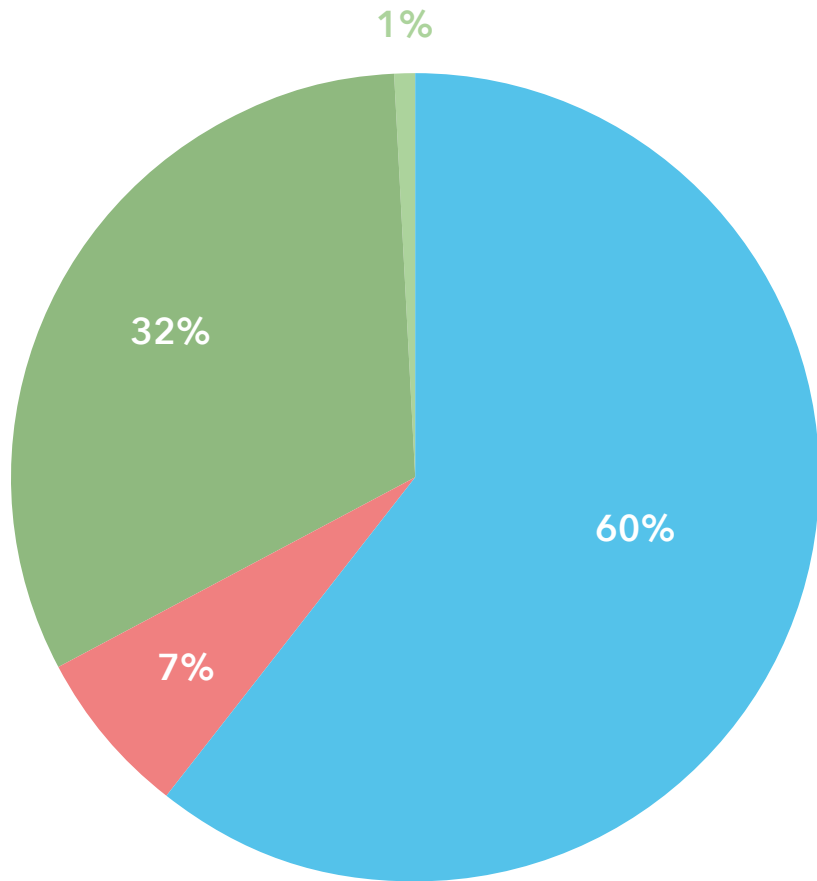
Hampton Roads Transit currently has on hand more than \$3.0 million worth of inventory for bus. Having parts on hand allows the agency to make repairs quickly and efficiently, which prevents a disruption in service. The Inventory Services department is comprised of 9 storeroom personnel that are responsible for the management and operation of two separate parts storage and distribution centers. The total value of vehicle part stock and various other commodities in for bus maintenance is \$3,170,511. With the introduction of an automated parts management system in 1999, staff is now able to maintain an appropriate level of spare parts and materials on hand to ensure continued fleet operation without stocking excess items. The storeroom personnel are also responsible for the management of all purchase requisitions, delivery schedules, and storage levels of petroleum products, oils, and lubricants. The total value of the fuel contract for 2016 is \$7,341,118.45. The mission of the department is to safeguard and manage the assets of the organization in such a manner as to ensure a high level of product and service quality without jeopardizing the financial stability of the system

The Fleet Support Services' mission is to provide a high level of quality technical support to ensure service reliability of critical safety, security and financial management systems throughout the service area. The team is comprised of one manager, one supervisor and nine technicians. The department provides maintenance and support for the 2-way mobile and portable radios, Advanced Communication System (ACS), fare collection, Wi-Fi on buses and digital security camera systems. Staff maintains 291 fare collection units, 6 isolation boxes, 37 Ticket Vending Machines (TVMs), 6 receivers, 36 bus Wi-Fi systems, 375 mobile radios, 161 portable radios, 9 base stations, 6 dispatcher consoles, 4 towers, 2 emergency call boxes and 280 mobile camera systems. Support Services team members are on-call 24 hours a day to respond to service needs.

INITIATIVES

1. Maintain fleet down list at or below 35 buses for Norfolk
2. Install brake indicator strobe lights fleet wide
3. Increase Mean Distance Between Failure (MDBF) incrementally to 10,000 miles
4. Review the current fare collection equipment and recommend more up to date equipment technology
5. Improve the building facility for the Hampton fleet support services shop
6. Continue to equip more non-revenue vehicles with the GPS tracking

FY15/16 BUDGET



	FY13/14 ACTUAL	FY14/15 BUDGET	FY15/16 BUDGET
Personnel Services	\$ 7,059,646	\$ 6,990,251	\$ 7,612,820
Contracted Services	501,661	687,800	819,347
Materials & Supplies	4,522,297	4,364,545	4,019,700
Fees, Licenses & Misc	63,903	79,690	87,250
Grand TOTAL	\$ 12,147,507	\$ 12,122,286	\$ 12,539,117

HRT's newest transportation mode is The Tide light rail service that extends 7.4 miles from the Eastern Virginia Medical Center complex east through downtown Norfolk to Newtown Road at the border of Virginia Beach. It is served by 11 stations and four park-and-ride lots. The Light Rail Transportation Services division is charged with providing customers with quality rail transportation service. The department consists of:

- + 25 light rail operators, responsible for providing safe and reliable service while maintaining on time performance at all times;
- + 12 controller/dispatchers, who provide professional support and assistance while serving our customers;
- + 1 Manager of Rail who is responsible for the daily operation and supervision of the rail transportation department; and
- + 1 Manager of Training, who is responsible for the development and implementation of all aspects of light rail operations.

The Rail Training department is responsible for training all Rail Operators and Rail Controllers on the operation of the rail vehicles and associated operating rules and procedures. Rail Controllers and Operators are refreshed each year on existing and updated rules and regulations. Training staff also instructs new rail maintenance personnel on the operation of the rail vehicle in the rail yard. Since The Tide operates only 9 vehicles, much less than the almost 300 buses, approximately 5-10 Rail Operators go through the training program each year.

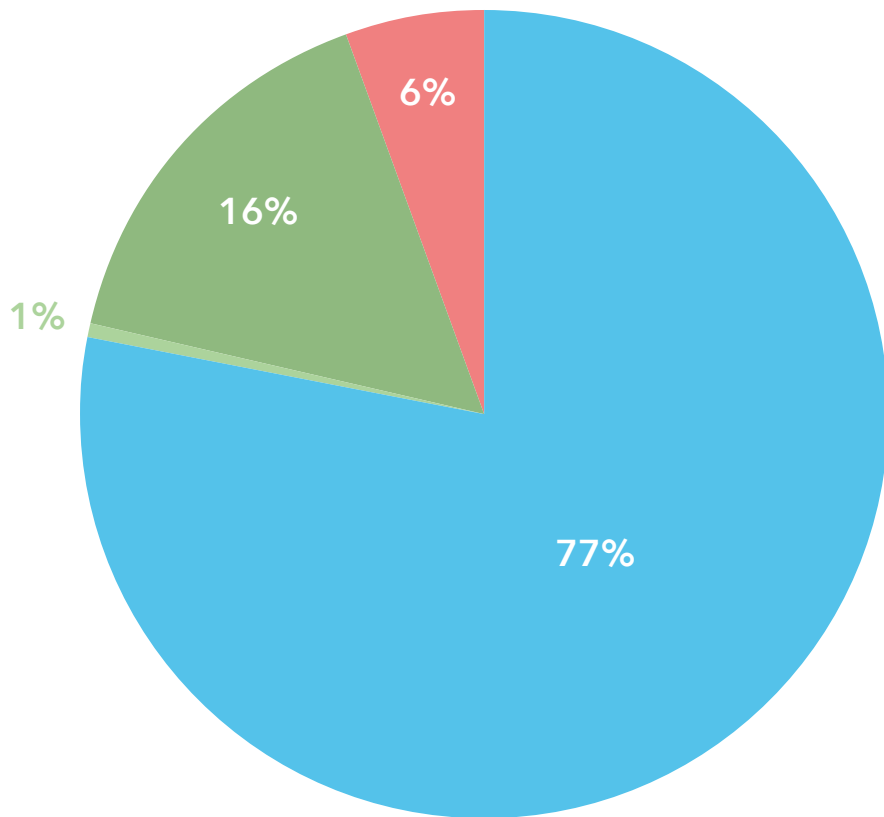
The department also offers training of Track Access, which is required training for anyone that will be accessing our alignment or Right of Way. The personnel consist of HRT Rail Systems employees, City Public Works, Police and Fire Department.

Every year, this department participates in a Rail Rodeo, similar to Bus Rodeo, where Operators are evaluated on categories such as uniform appearance, safety, customer service, inspections, and an operating course. Winners have the opportunity to represent Hampton Roads Transit at the International level and compete with other transit companies nationwide.

INITIATIVES

1. Maintain and improve 98% on-time rail performance
2. Reduce the number of rule violations
3. Reduce the number of overtime hours

FY15/16 BUDGET



	FY13/14 ACTUAL	FY14/15 BUDGET	FY15/16 BUDGET
Personnel Services	\$ 2,104,915	\$ 2,073,753	\$ 2,080,924
Contracted Services	-	3,185	-
Materials & Supplies	12,772	13,650	14,600
Utilities & Taxes	369,924	445,000	420,000
Fees, Licenses & Misc	118,683	159,761	146,970
Grand TOTAL	\$ 2,606,294	\$ 2,695,349	\$ 2,662,494

The Light Rail Vehicle (LRV) Maintenance department provides vehicle maintenance services and is staffed by three Managers, 12 Technicians, four Hostlers and two Storeroom Clerks. Maintenance work includes preventive and corrective maintenance. Preventive maintenance ensures reliable service for our customers and ensures efficient use of HRT assets. Corrective maintenance is emergent unscheduled repairs. Rail vehicle maintenance is charged with providing clean, safe and serviceable light rail vehicles each day to meet operational demands. This task is accomplished by a preventive maintenance program, nightly cleaning and servicing, and from direct feedback received from the operators on corrective maintenance needs. This group is also responsible for the proper training of incoming and existing maintenance personnel.

The Light Rail Inventory department is charged with ensuring the material needs for the department are met. This includes consumable supplies and spare parts for both the LRV maintenance and System maintenance divisions. Hampton Roads Transit currently has greater than \$6 million in spare parts inventory for light rail. Having parts on hand allows the agency to make repairs quickly and efficiently, which prevents a disruption in service. The mission of the Inventory department is to safeguard and manage the assets of the organization in such a manner as to ensure a high level of product and service quality without jeopardizing the financial stability of the system.

The Light Rail Systems department is responsible for all maintenance along the Light Rail Right of Way. System's is comprised of one Manager, three System's Supervisors, one Track Supervisor and eight System's Technicians.

The Light Rail Track department is responsible for all track maintenance. The department consists of one manager and four Track Maintenance personnel. The department is staffed 24 hrs a day, 7 days a week. LRT System's Maintenance and Light Rail Track department' first and foremost goal is to work safely and provide a safe and enjoyable riding experience for our customers. We accomplish this by meticulously performing our scheduled inspections and maintenance ensuring all the systems under our responsibility of work as designed.

The main areas or responsibility include the following:

Overhead Catenary System – responsible for 15 miles of overhead wire

Track Structures – upkeep of over 16 miles of mainline and yard tracks

Train Control Systems – maintain 24 signal locations in the downtown Norfolk area and nine gated crossings

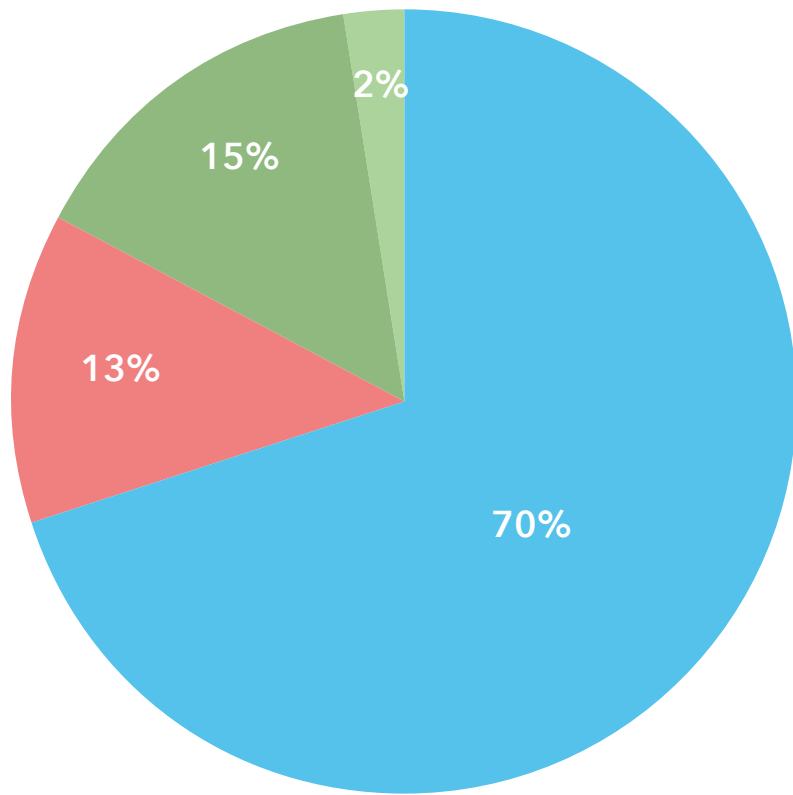
Traction Power – responsible for seven Track Power Substations

Traffic Sensors – provide support for 34 traffic sensors

INITIATIVES

1. Complete the installation of a Balanced Weight Section and OCS Section Insulators utilizing System's Personnel reducing the overall cost by not utilizing an outside contractor.
2. Reduce the cost of crossing repairs by correcting on-going issues with gate motors in house rather than having an outside activity repair the motors.
3. Prepare the automated maintenance management system and preventive maintenance program for the future expansion of Light Rail.

FY15/16 BUDGET



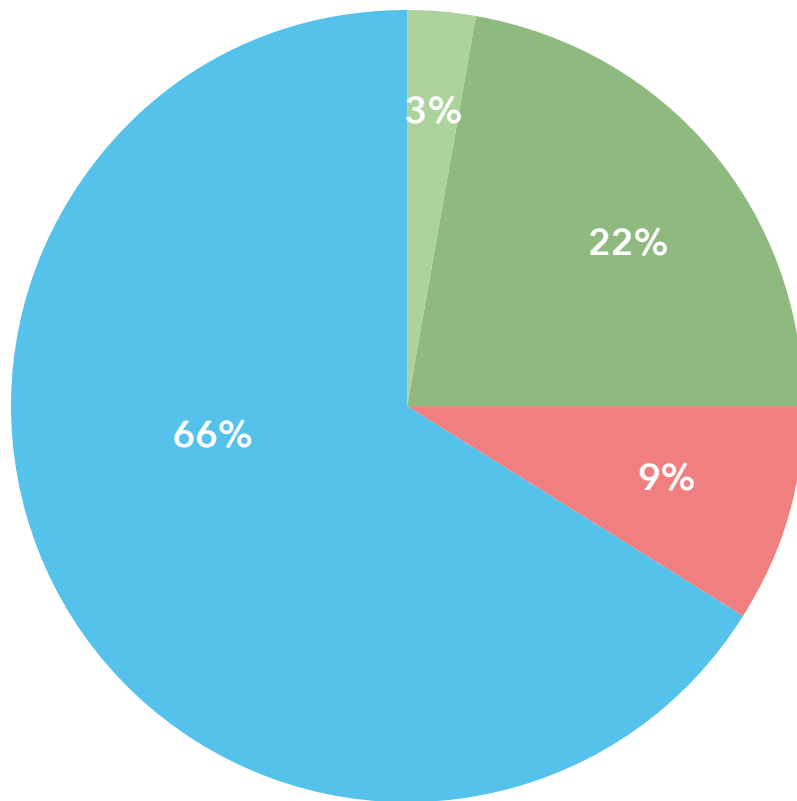
	FY13/14 ACTUAL	FY14/15 BUDGET	FY15/16 BUDGET
Personnel Services	\$ 2,370,246	\$ 2,305,096	\$ 2,567,093
Contracted Services	163,450	457,956	471,420
Materials & Supplies	87,942	581,455	541,375
Fees, Licenses & Misc	29,646	67,989	87,225
Grand TOTAL	\$ 2,651,284	\$ 3,412,496	\$ 3,667,113

Hampton Roads Transit presently contracts with Norfolk by Boat to provide ferryboat service on the Elizabeth River between Downtown Norfolk and Olde Town Portsmouth. The Agency also provides special event services to Harbor Park Stadium, home to Norfolk's Minor League Baseball team, The Tides. The fleet consists of three, HRT-owned T-class, 150-passenger ferries that operate with dual control twin diesel engines. The ferries offer historical charm including smoke stacks, a canvas roof, and a paddlewheel. They're fast, economical and offer a unique view of the river and the waterfront. Ferry service operates every 30 minutes with 15-minute service during the summer at peak times on weekends. Schedules are subject to change based on operating situations such as special events and weather but are often utilized by commuters and tourists wishing to escape miles of congested highways. Like all HRT transit vehicles, the ferry is wheelchair accessible and allows boarding passengers to walk on with their bicycles. The ferry service operates approximately 6,500 service hours annually.

INITIATIVES

1. Complete one 2016 Coast Guard dry-dock inspection
2. Complete design of new ferry boats and start production of such

FY15/16 BUDGET



	FY13/14 ACTUAL	FY14/15 BUDGET	FY15/16 BUDGET
Personnel Services	\$ 873	\$ 35,504	\$ 35,850
Contracted Services	65,725	385,000	285,000
Materials & Supplies	112,494	117,749	114,975
Purchased Transportation	766,824	291,400	843,280
Fees, Licenses & Misc	-	6,000	-
Grand TOTAL	\$ 945,916	\$ 1,309,853	\$ 1,279,108

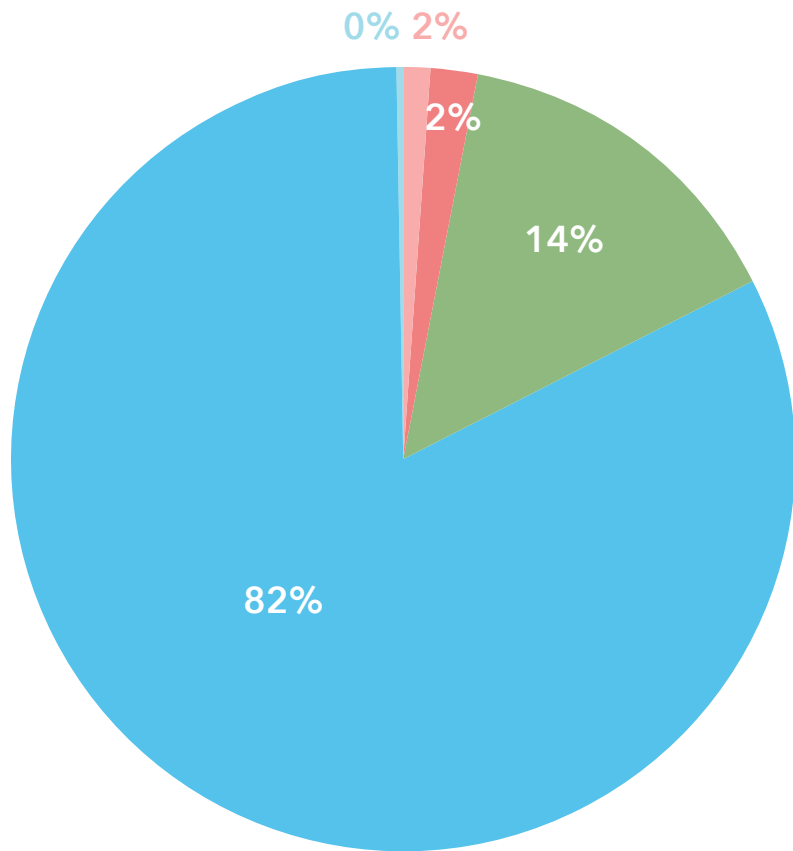
Paratransit service works side-by-side with our fixed route services in a “demand-response” capacity, meaning eligible customers call in advance for the service to be delivered. A fare is required for each ride. These services are federally mandated because of the American with Disabilities Act (ADA) of 1990. Persons with disabilities are entitled to the same public transit opportunities that everyone else uses and enjoys. Paratransit services operate the same days and hours as the regular service and are limited to the same areas as HRT’s fixed route bus service. The ADA requires that HRT provide an Origin to Destination service within $\frac{3}{4}$ miles of the nearest fixed route service. Hampton Roads Transit contracts to multiple service providers who handle all of the daily operations, scheduling, call center, and ticket sales for our Paratransit service. The Agency also contracts a provider to determine eligibility of new customers and recertification of current users. HRT’s Paratransit staff provides all oversight of daily operations and customer information and organizes the Para Transit Advisory Group.

The fleet dedicated to HRT’s Paratransit service is comprised of 76 Agency-owned lift-equipped cutaway passenger vans complemented by approximately 30 sedans which are provided by the service contractor.

INITIATIVES

1. Offer training to other agency providers explaining how to apply and use Paratransit services for their clients
2. Offer monthly information sessions for newly certified customers to explain how to use the Paratransit system
3. Improve on time performance from current standard of 93% to a standard of 95% and above
4. Online scheduling and checking on the status of trips for our customers

FY15/16 BUDGET



	FY13/14 ACTUAL	FY14/15 BUDGET	FY15/16 BUDGET
Personnel Services	\$ 9,439	\$ 146,639	\$ 120,346
Contracted Services	109,107	149,710	144,558
Materials & Supplies	1,255,358	1,072,134	1,256,753
Purchased Transportation	7,897,962	8,288,613	7,143,722
Fees, Licenses & Misc	3,732	16,693	3,180
Grand TOTAL	\$ 9,275,598	\$ 9,673,789	\$ 8,668,559

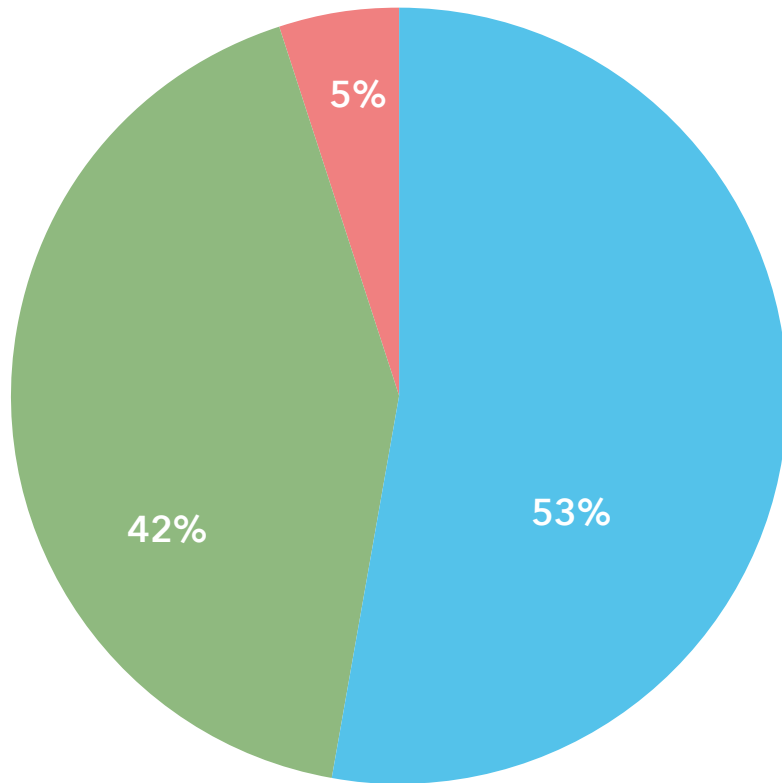
SUPPORT VEHICLE FLEET MAINTENANCE

Staff maintains a fleet of 100 non-revenue (or support) vehicles used by HRT employees for company business. The department performs all scheduled maintenance and repairs for the support vehicles. Responsible for tracking mileage and drivers and ensuring proper usage of fleet vehicles. The gasoline maintenance facility is located in Norfolk and is staffed with two gasoline mechanics. Annual mileage for the support fleet is approximately 893,207 miles.

VAN POOL FLEET MAINTENANCE

The vehicles previously assigned to our vanpool services are currently in the process of being reassigned to fulfill the requests and requirements of various HRT departments. 44 of the original vehicles associated with vanpool operations are slated for re-allocation, the remainder are scheduled to be sold at the next auction of HRT equipment. 85% of the original vanpool maintenance budget is to be re-allocated to the support fleet maintenance budget, following the transfer of those vehicles from vanpool service to fleet support service. Historically, vehicles having multiple drivers cost more to maintain than vehicles having one operator. The maintenance costs for these units are assumed to be consistent with the current cost for maintenance of support vehicles with similar histories. The cost of maintenance for vehicles reapportioned (from both paratransit and vanpool) is estimated at \$94,000. The remaining budget from department 5260 will be used to pay for the additional costs accrued by vehicle identity change and cost of auction for surplus vehicles. Savings, if any, may not be recognized until next fiscal year or at such time as the support fleet size stabilizes.

FY15/16 BUDGET



	FY13/14 ACTUAL	FY14/15 BUDGET	FY15/16 BUDGET
Personnel Services	\$	\$ 264,310	\$ 261,130
Contracted Services	28,933	58,000	33,000
Materials & Supplies	238,125	370,869	322,500
Fees, Licenses & Misc	5	-	-
Grand TOTAL	\$ 267,063	\$ 693,179	\$ 616,630

The stakes could not be higher. Cities and regions around the United States, just like Hampton Roads, are increasingly realizing they need to find ways to expand and improve their transit offerings in order to meet public demand and be economically competitive.

How do we effectively and efficiently connect people and places across Hampton Roads, providing them access to jobs, education, retail and recreational opportunities? How can we possibly break through old ways of thinking and doing business in order to identify and achieve what residents want from a better multimodal transportation system?

The answer might be Connect Hampton Roads.

What Is Connect Hampton Roads?

Connect Hampton Roads is an effort to shape a new plan for better regional mobility to support economic prosperity and quality of life for communities across Hampton Roads. We believe it will have the potential to transform how we connect people and places across the region, providing access to jobs, education, and other opportunities.

Connect Hampton Roads emerged in early 2014, following a series of meetings that were hosted at the Virginia Peninsula Chamber of Commerce and at Hampton Roads Transit offices on the Southside. Over 126 business, military, and community leaders from throughout Hampton Roads convened for a series of roundtable discussions concerning the importance of regional mobility and its impact on the region's economic vitality and quality of life. After further due diligence to explore what other cities and regions are doing to plan and implement better multimodal transportation options (for example, Charlotte, Tampa, Austin, Indianapolis, and Northern Virginia), Connect Hampton Roads was born. The governing board of Hampton Roads Transit formally kicked off Connect Hampton Roads by a resolution adopted on June 26, 2014.

Why Is This So Important?

Communities around the United States are investing in a diversity of transportation options to support their economic prosperity and quality of life. Like these places, Hampton Roads is competing nationally and even globally to attract and retain businesses, to support its workforce and families, to diversify its economy and meet changing multi-generational demands for commuting alternatives to driving and traffic congestion. This includes the so-called "millennial" generation, who will be the dominant segment of the workforce for the next fifty years and who are choosing to live and work in places with access to quality transit. It also includes older Americans, who are retiring in greater numbers and looking for new lifestyle options that include getting around without having to rely solely on driving.



The prosperity and quality of life of communities across our region – both now and for generations to come – is linked directly to the quality of our transportation system. This could include not only improved roads, bridges, and tunnels, but expanded light rail, ferries, new bike and pedestrian pathways, more reliable and convenient bus service with quality customer amenities, new park-and-ride options, and better passenger rail connections.

What Is The Timeline And Next Steps For Connect Hampton Roads?

The governing board of the Transportation District Commission of Hampton Roads formally kicked off Connect Hampton Roads by resolution on June 26, 2014.

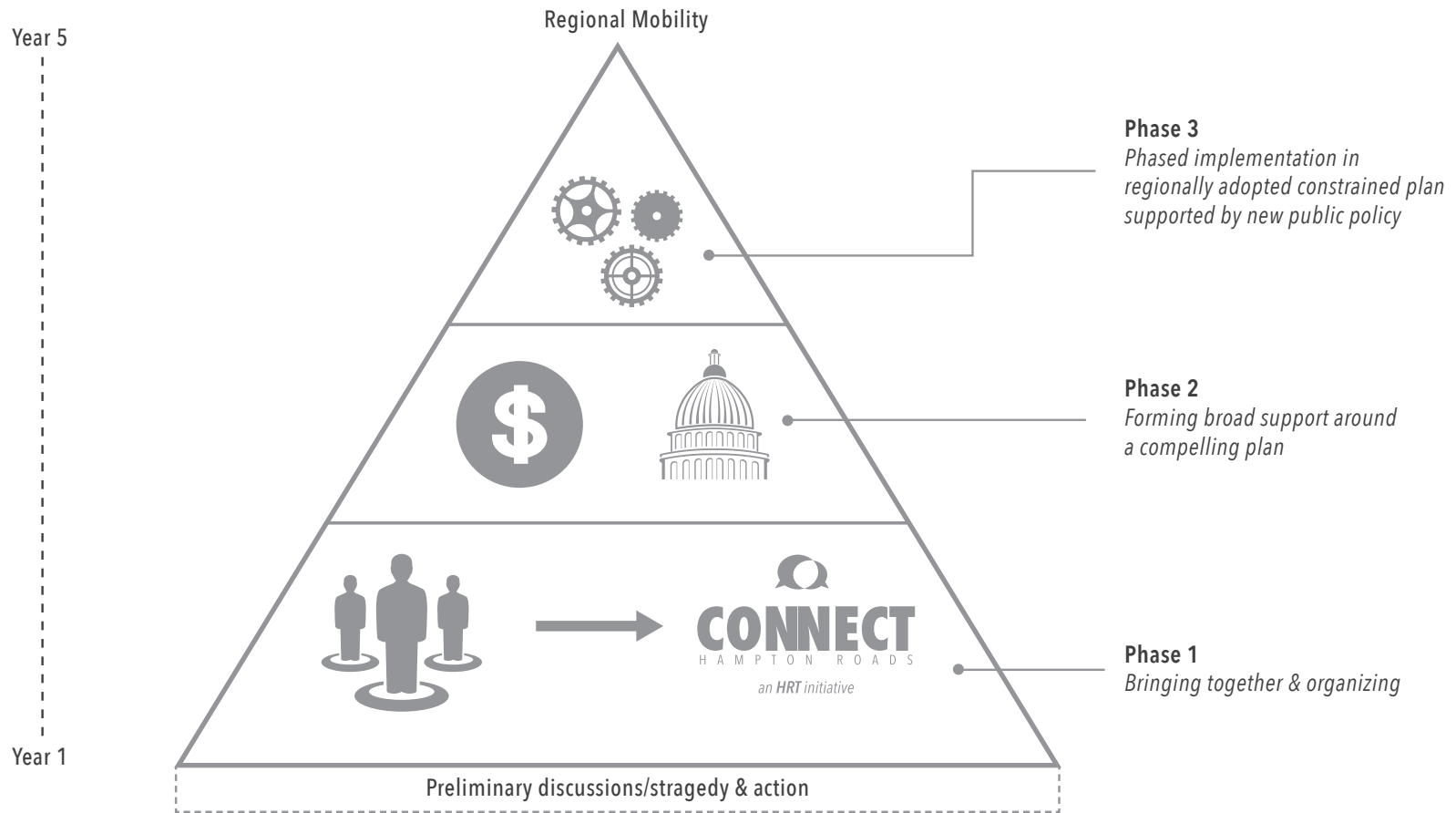
The first step to a brighter future for regional mobility has begun with getting an unprecedented level of public involvement in the process of developing the preliminary Connect Hampton Roads plan.

Through September 30, 2014, a survey was distributed throughout Hampton Roads as well being available online at www.ConnectHamptonRoads.com. Outreach occurred at more than 60 events from Suffolk to Williamsburg and every city in between. We've heard from current transit customers and citizens who seldom or never commute using public transportation. We've also engaged with key stakeholders among educational institutions, healthcare, military, business and community organizations. This comprehensive community involvement has resulted in more public input than has ever been received in any transportation-related survey in the history of Hampton Roads.

In November 2014, results of the initial Connect Hampton Roads survey was reported. Then, in close collaboration with local governments, the Hampton Roads Transportation Planning Organization, and other regional partners, we relied on public inputs and information from local and regional transportation planning processes to draft a preliminary program for new multimodal transportation solutions for the region. In short, a draft plan to Connect Hampton Roads.

These comprehensive efforts resulted in a preliminary plan. HRT reported out this preliminary blueprint for Connect Hampton Roads in early 2015.

From start to finish, we look forward to robust engagement with stakeholders across the region to take new, positive steps forward for better multimodal transportation connecting Hampton Roads communities. As reflected in the Commission's resolution on June 26, 2014, Hampton Roads Transit is committed to openness, public involvement, rigorous planning and financial analysis, and coordination with regional stakeholders in developing and implementing a bold new mobility agenda.



Background

HRT developed its first comprehensive CIP in 2012 and has committed to updating the six-year plan on an annual basis. The CIP was developed collaboratively with input from every department in the agency and capital projects were prioritized for funding based on an objective evaluation. This CIP is financially constrained by projected capital revenue over the next six-years but shows the full list of capital needs and their costs for future funding.

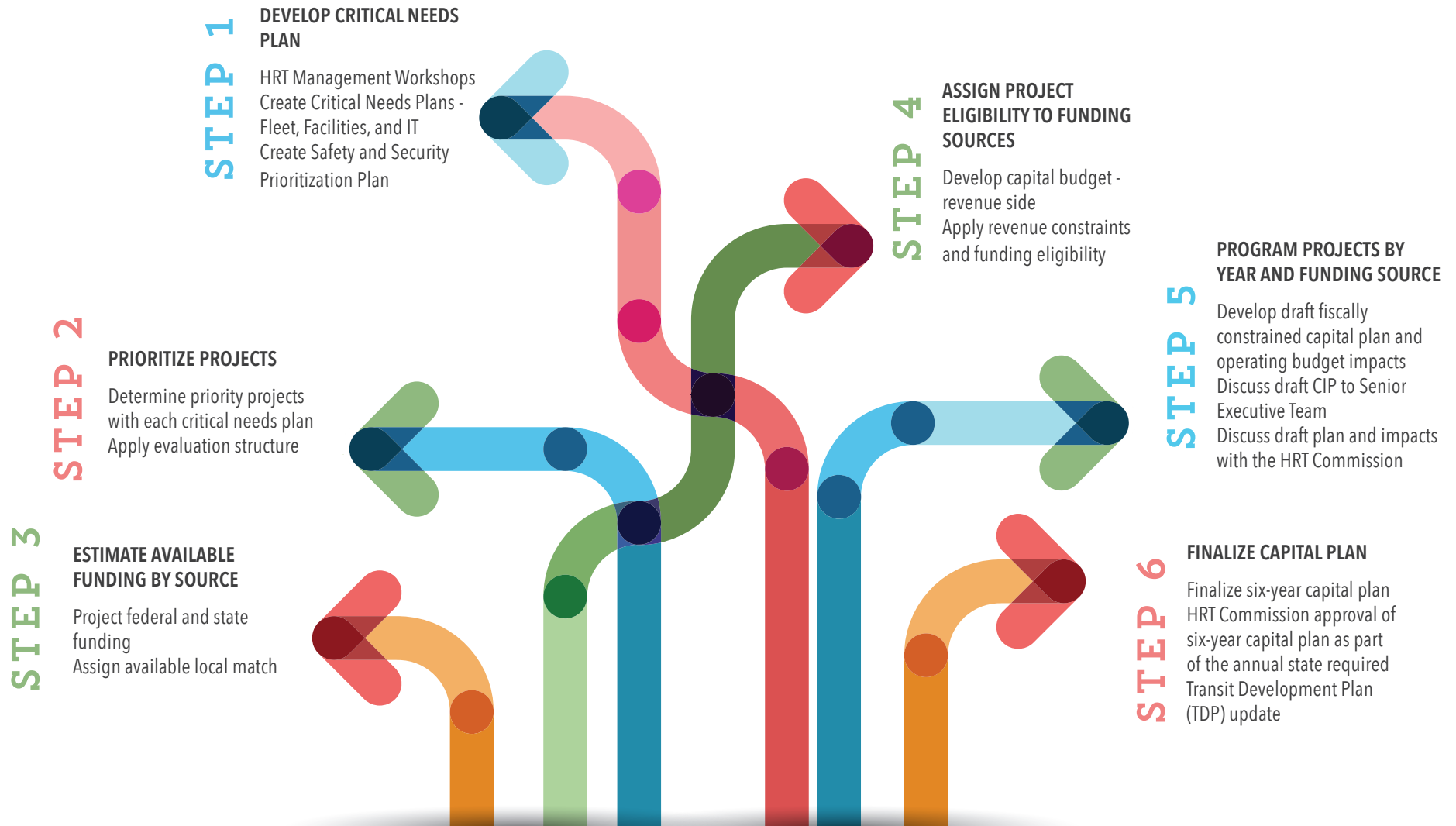
Last year's plan concluded by recognizing that HRT Faces a serious capital funding shortfall as well as an anticipated operating deficit. Declining capital revenue, the need to divert a large portion of federal funds to maintenance, and aging fleet and facilities have all compounded to contribute to this shortfall. HRT staff has worked over the last year to overcome these challenges and set a new direction for the agency. Over the last 12 months, the agency has adopted a policy of preserving a fixed amount of federal formula funds for capital. this policy has allowed HRT to take advantage of state funding and work to begin addressing its capital deficit.

Like last year, the CIP includes a complete list of capital needs, a priority rating for each need, and a constrained capital program for what can be funded based on anticipated revenues and funding eligibility. Last year's CIP presented two separate funding scenario's; as HRT has moved forward in adopting the New Direction plan, this year's CIP will only show one funding scenario.

Approach

HRT'S CIP was developed in a systematic way by employing a consultant to help HRT identify, prioritize, and develop costs for a wide variety of capital needs for the agency over the mid-range planning horizon. The CIP was developed following the main steps outlined in Figure 1.

FIGURE 1: PROCESS FOR DEVELOPING THE HRT CIP



KEY FINDINGS

While the CIP is a capital plan, the budget is inextricably linked to the operating budget; the more federal formula funds kept for capital needs, the less available for operations. Additionally, lower levels of capital formula funds kept for capital needs, the less available for operations. Additionally, lower levels of capital investments cause rising operating costs to maintain assets. In the course of developing this CIP, as with the previous Capital Improvement Plans developed by the agency over the past several years, it became apparent that HRT's anticipated revenues are not keeping pace with growing costs. There is not enough funding for the agency to meet its basic capital needs-even with assumptions about continued high levels of state capital grants. Similarly, the operating budget (which is discussed in greater detail in the agency's Transit Development Plan, or TDP) continues to maintain a balanced budget by using capital funds; even with this boost, the agency is projected to experience an operating shortfall beginning in fiscal year 2016.

It is critical to note that these shortfalls are not due to excessive cost; in fact, HRT's operating costs are 32% below the aggregate national hourly cost of providing transit service¹. The shortfalls are also not due to an unreasonable level of service; HRT ranks low compared to its peer agencies in terms of transit service provided per capita. Rather without a source of dedicated funding, HRT will continue to struggle to fully fund its capital needs and its daily operations.

DEVELOPING CAPITAL PROJECT NEEDS

The HRT Capital Improvement Plan (CIP) is based off of the results from last year’s CIP update. In July 2014 the CIP team met individually with project “owners” from all departments, along with HRT’s Senior Executive Team (SET) to determine what changes should be made to the annual CIP update. Based on these meetings the following actions were taken:

- + Projects were removed from the CIP either because they were completed, were a duplicate of another project, or because the set team determined they no longer represented a capital need;
- + New capital needs were added to the CIP;
- + Projects remained in the CIP but their scopes were modified;
- + Projects were split to accommodate upgrades and phasing schedules;
- + Projects remained unchanged from the previous year; and
- + Four Critical Needs Plans were created to focus on HRT fleet, facilities, information technology, and safety and security.

Overall there were 83 line-item projects initially submitted to the 2015 CIP. This list has been increased to 99 individual projects, an increase of 16 projects from last year’s CIP. The increase in the number of projects from last year’s plan is largely due to the decision to split certain projects for budgetary purposes: project components are separated out based on state and federal funding eligibility and/or phasing. For example, a project with a bus and light rail component would split since different funding sources apply to either mode.

Individual projects with closely related scopes are now grouped together into 63 Project Groups. These groups, shown in Table 2, formed the basis of this year’s prioritization efforts.

Table 2: Projects Included in the CIP (Unconstrained)

Project Group ID	Name	Description
BL1	Bus Lease Debt Servicing	Fund the active lease agreements on transit vehicles.
EF1	Renovation of 3400 Victory Boulevard	Renovate and upgrade aging Hampton facility
EF3	Newtown Road Park and Ride Maintenance	Repair damage from a collapsed pipe underneath the park and ride.
EF4	Norfolk Tide Facility Maintenance and Energy Efficiency Upgrades	Improve energy efficiency by implementing comprehensive improvements, including centralized network controls.
EF9	Parks Avenue Relocation	Relocate in Virginia Beach to better serve current needs, accommodate future growth and enable the city of Virginia Beach to redevelop the land.
EF15	Trash Receptacles with Big Belly Solar Compactors	Replace existing trash cans with solar powered Big Belly trash compactors.

CAPITAL IMPROVEMENT PLAN FISCAL YEARS 2015 - 2021 - Continued

Project Group ID	Name	Description
EF16	Sustainability and Environmental Compliance Initiatives	Maintain existing and create new sustainability initiatives for maximizing the useful life of capital investments, minimizing resource consumption, and managing agency wide environmental compliance to prevent penalties and fines.
EF17	Operators Restrooms Program	Install additional restrooms at key locations in the region.
EF24	ADA Accessibility Adjacent to Bus Stops	Fund ADA improvements at bus stops across the region.
EF30	Bus Stop Signage Update: Real-Time Flag	Purchase and installation of real-time information flags at each bus stop.
EF31	19th and Pacific Relocation	Construct a replacement transit center at the Virginia Beach Oceanfront.
EF33	Bus Shelter Expansion Program	Purchase the necessary shelter and passenger amenities at 200 locations.
EF34	Bus Stop Lighting Upgrades	Increase public safety and comfort by providing lighting at more bus stop locations across the system.
EF35	NSU Tide Station Second Elevator and Stairwell	Fund the construction of a second elevator and stairwell at the NSU Tide Station.
EF36	HRT Paving Program	Meet paving needs at its facilities, including transit centers, maintenance garages, and park & rides.
EF37	JANAF Transit Center Upgrades	Improve ADA accessibility and passenger amenities at the JANAF Transit Center.
EF38	System-wide Transit Center and Park & Ride upgrades	Program to improve transit centers and park & rides across the HRT service area.
EF39	Fueling Station Security Upgrades	Purchase a system that will increase security at the fueling station at the Southside MV Facility.
IT1	HASTUS Software Implementation	Purchase and upgrade HASTUS scheduling software.
IT2	Automatic Vehicle Locator's/ Automatic Passenger Counters	Replace AVL/APC units on buses

Project Group ID	Name	Description
IT3	Large Technology Infrastructure	Upgrade and remodel larger IT systems and facilities to handle current and future technology needs at the HRT Headquarters (HQ).
IT5	Technology Hardware, Mobile and Network Equipment	Purchase of technology hardware, mobile computing and network infrastructure equipment
IT7	Alternative Fare Technology	Research and implement alternative fare technologies.
IT8	IT Network Security	Implement upgrades and replacements of equipment and systems based on the 2011 FTA Financial Management Oversight IT Security review.
IT9	Real-Time Passenger Displays	Purchase real-time bus arrival signs to be located at key locations throughout the HRT system.
IT10	Revenue Systems Software	Purchase and upgrade of fare revenue reconciliation and cash management systems.
IT12	On board Wi-Fi	Install Wi-Fi on all bus and LRT routes.
IT13	Phone Monitoring System	Fund the construction of a second elevator and stairwell at the NSU Tide Station.
IT14	Technology Business Continuity	Meet paving needs at its facilities, including transit centers, maintenance garages, and park & rides.
IT15	Mobile Vault System	Improve ADA accessibility and passenger amenities at the JANAF Transit Center.
IT16	Financials Information Software	Program to improve transit centers and park & rides across the HRT service area.
IT17	PeopleSoft Human Capital Management System	Purchase a system that will increase security at the fueling station at the Southside MV Facility.
IT19	Real-Time Information Systems	Purchase and upgrade HASTUS scheduling software.
IT20	IVR Phone System	Replace AVL/APC units on buses
IT21	Ticket Vending Machines	Purchase of sixteen ticket vending machines (TVMs) for deployment across the HRT system
IT22	Asset Management Systems	Purchase and implement a computerized asset management system.

Project Group ID	Name	Description
IT23	Transportation Statistics Database	Purchase of a Transportation Statistic Database.
NRF1	Non-Revenue Fleet Renewal	Fund replacement of HRT's non-revenue fleet.
OP3	Ferry Dock Improvements	Expand existing Ferry docks to allow boarding and alighting at the same time. Bring dock structures to a state of good repair.
OP4	RCC Room Video and Microphone Monitoring	Install cameras and microphones to monitor activity at the Roanoke Control Center.
OP5	LRT Catenary System Upgrades	Install sectional insulators and an auto-tension system on the Tide Light Rail's overhead catenary.
OP9	Paratransit Operating Facility	Create a centralized facility to operate and administer paratransit services.
OP10	New Elizabeth River Ferry Boats	Purchase two new ferries.
OP11	Paratransit Vehicle Fleet Replacement and Expansion	Purchase new Paratransit vehicles over the new six years to better spread-out HRT's paratransit vehicles procurement needs.
OP15	Fare box Replacement	Purchase new fare boxes to replace outdated units.
OP19	Mobile Travel Training Vehicle	Retrofit a retired bus as a mobile travel training vehicle to teach paratransit dependent riders how to use the bus.
OP24	Tide Light Rail Double Track at EVMC	Construct a double-track terminus at Norfolk EVMC, which would assist in safety and in eliminating train delays.
OP27	Dispatch Trailer at 18th Street Garage	Procure dispatch trailer to be located at 18th Street Bus facility.
OP28	Bus Operator Driving Simulator	Procure a bus simulator to train drivers.
OP31	Light Rail Vehicle Paint Booth	Purchase and install a facility that meets all EPA requirements to perform paint and body work for the LRV fleet.
OP33	Transit Bus Fleet Renewal	Fund the replacement, end of life overhaul, and mid-life repowers for HRT's bus fleet.
OP34	LRV Bogie Rehab	Replacement LRV bogies.

Project Group ID	Name	Description
OP37	Bus Maintenance Training System	Development of custom maintenance training program, including course materials.
OP41	Fixed Guide-way SGR improvements	Fund maintenance on HRT's ferry and light rail assets to ensure they remain in a state of good repair.
PD2	Regional Fixed Guide-way SGR Improvements	Fund regional fixed guide-way studies, including for the Virginia Beach LRT extension.
PD5	Naval Station Norfolk Transit Studies DEIS	Fund a draft EIS for the Norfolk Naval Station
SS1	Improvements to HRT Security	Associated capital expenses in launching an HRT police department.
SS2	Video Recording Equipment for Bus and Rail	Replacement video surveillance system for HRT vehicles.
SS4	Mobile Camera Units for Transfer Centers	Purchase three mobile camera units to be located at transfer centers.
SS6	Emergency Drill Preparation	Consists of a mandatory emergency preparedness drill that meets USDOT requirements.
SS7	Wayside Advance Warning Device	Purchase portable wayside devise and associated equipment.
SS8	Embedded Lights	Purchase and installation of embedded roadway lights used to call attention to red traffic lights and approaching trains.
SS9	AED Defibrillator's	Purchase of 15 AED units, to be placed on each floor of the HRT administrative and operational facilities.

PROJECT COSTS

The total value of the projects included in this year's CIP update (the financially unconstrained value) is \$258 million (year of expenditure dollars).

HRT's capital cost represent only the un-programmed needs of a project at the start of Fiscal Year 2015. An un-programmed need represents the value of a project after existing formally-obligated grants (i.e. grants available for immediate use) are taken into account. In many instances there is additional obligated revenue being spent down on a project that is not reflected in the plan. For budgetary purposes, the plan does not make any distinction between the value already spent on a capital project and the value of its obligated grant revenue. If a grant was obligated by the start of the fiscal year it is considered expended in the CIP.

In reality, once funds have been obligated by the grantor, they may not be immediately spent by HRT for various reasons ranging from procurement lead time (the average bus takes 18 months to procure) to delays in assembling the necessary funding to complete a project. Certain projects have been included in the CIP and shown as zero cost because the project funds have been fully obligated but the project itself is not complete.

APPENDIX A - ACRONYMS

ACC	Advanced Capital Contributions
ADA	American with Disabilities Act
APC	Automatic Passenger Counter
APM	A.P. Moller-Maersk Group
APTA	American Public Transportation Association
AVL	Automatic Vehicle Location
CAD	Computer Aided Dispatch
CAFR	Comprehensive Annual Financial Report
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIP	Capital Improvement Program
CMAAQ	Continuous Mitigation Air Quality
CNG	Compressed Natural Gas
COA	Comprehensive Operational Analysis
CPI	Consumer Price Index
CPM	Capital Program Management
CPU	Computer Processing Unit
CRTC	Citizens Rapid Transit Corporation of Newport News (predecessor organization)
CSX	CSX Railway
DoD	Department of Defense
DRPT	Virginia Department of Rail and Public Transportation
E&F	Engineering & Facilities Division
EEO	Equal Employment Opportunity
EEOC	Equal Employment Opportunity Commission
EMS	Environmental Management and Sustainability
ERF	Elizabeth River Ferry
ERC	Elizabeth River Crossing
FHWA	Federal Highway Administration
FIFO	First-in, first-out
FTA	Federal Transit Administration

APPENDIX A - ACRONYMS - Continued

GASB	Government Accounting Standards Board
GFOA	Government Finance Officers Association
HOV	High Occupancy Vehicle
HR	Human Resources
HRBT	Hampton Roads Bridge Tunnel
HRIS	Human Resources Information System
HRPDC	Hampton Roads Planning District Commission
HRT	Hampton Roads Transit (trade name for TDCHR)
HVAC	Heating, Ventilation, and Air Conditioning
IT	Information Technology
IVR	Interactive Voice Response
JANAF	Joint Army Navy Air Force
KPI	Key Performance Indicator
LRT	Light Rail Transit
LRV	Light Rail Vehicle
MAX	Metro Area Express
MOS	Minimum Operable Segment
MSA	Metropolitan Statistical Area
NET	Norfolk Electric Transit
NSU	Norfolk State University
NTD	National Transit Database
OD	Origin-Destination
ODU	Old Dominion University
OPM	Office of Project Management
P&R	Park and Ride
PA	Public Address
PENTRAN	Peninsula Transit (predecessor organization)
PM	Preventive Maintenance
PMA	Pennsylvania Manufacturers' Association Casualty Insurance Company
PTDC	Peninsula Transportation District Commission (predecessor organization)

RCC	Roanoke Control Center
RSTP	Rapid Spanning Tree Protocol
SMT	Senior Management Team
SOV	Single Occupancy Vehicle
STP	Surface Transportation
STS	Special Transportation Service
TCC	Tidewater Community College
TDCHR	Transportation District Commission of Hampton Roads (full legal name of HRT)
TDM	Transportation Demand Management
TDP	Transportation Development Plan
TEU	Twenty-foot Equivalent Units
TMT	Tidewater Metro Transit (predecessor organization)
TRT	Tidewater Regional Transit (parent to HRT)
TSP	Transportation Service Plan
TTDC	Tidewater Transportation District Commission (predecessor organization)
TVM	Ticket Vending Machines
UPWP	Unified Planning Work Program
VB Wave	Virginia Beach Wave
VDOT	Virginia Department of Transportation
VDRPT	Virginia Department of Rail and Public Transportation
VEPCO	Virginia Electric and Power Company (now known as Virginia Power)
VMS	Visual Messaging System
VPA	Virginia Port Authority
VRA	Virginia Resources Authority
VTA	Virginia Transit Association
VTC	Virginia Transit Company of Norfolk (predecessor organization)
WAN	Wide Area Network
Wi-Fi	Wireless Fidelity
Y/E	Year-End

Accrual Basis of Accounting is a method of accounting that recognizes the financial effect of transactions, events, and inter-fund activities when they occur regardless of the timing of related cash flows.

Adopt-A-Bus is an advertising program selling space on transit vehicle exteriors.

Adopted Budget is the budget once approved by the Commission.

Americans with Disabilities Act was Passed by federal legislature in 1990, this Act provides comprehensive guidelines to protect disabled individuals against discrimination.

Budget Resolution is the official enactment of the Commission establishing authority for HRT to spend resources.

Bus is a mode of transit service (also called **motor bus**) characterized by roadway vehicles powered by diesel, gasoline, battery, or alternative fuel engines contained within the vehicle. Vehicles operate on streets and roadways in fixed-route or other regular service. Types of bus service include local service, where vehicles may stop every block or two along a route several miles long. Other types of bus service are **express service, limited-stop service, and bus rapid transit (BRT)**.

Capital Spending is the obligation of funds for the purchase of capital assets.

Casualty and Liability Expenses are the cost elements covering protection of the transit agency from loss through insurance programs, compensation of others for their losses due to acts for which the transit agency is liable, and recognition of the cost of a miscellaneous category of corporate losses.

Demand Service is a paratransit service where HRT responds to customer needs; different from Fixed Schedule service.

Earmarked Grant is a source of funding designated for specific projects / purposes.

Enterprise Fund is a proprietary fund type used to report an activity for which a fee is charged to external users for goods and services.

Equal Employment Opportunity is a program the agency utilizes to ensure that hiring is based on qualifications.

Fund Balance is a balance sheet category.

Assets - Liabilities = Fund Balance

Federal Transit Administration is the branch of the US Department of Transportation that administers federal transit programs

Ferry Boat is a transit mode comprising vessels carrying passengers and in some cases vehicles over a body of water, and that are generally steam or diesel-powered.

Formula Grant is a source of funding intended for multiple organizations based on some type of allocation

Fringe Benefits are the payments or accruals to others (insurance companies, governments, etc.) on behalf of an employee and payments and accruals direct to an employee arising from something other than a piece of work.

Full Time Equivalents are a unit for measuring personnel according to the percentage of hours worked based on a 40-hour week.

Fund Transfers are the accounting of transfers between separate funds.

Government Funds, Federal (also called **Federal Assistance**) is financial assistance from funds that are from the federal government at their original source that are used to assist in paying the operating or capital costs of providing transit service.

Government Funds, State (also called **State Assistance**) is financial assistance obtained from a state government(s) to assist with paying the operating and capital costs of providing transit services.

Government Funds, Local (also called **Local Assistance or Local Share**) is financial assistance from local governments (below the state level) to help cover the operating and capital costs of providing transit service. Some local funds are collected in local or regional areas by the state government acting as the collection agency but are considered local assistance because the decision to collect funds is made locally.

Grant Fund is a set of accounting records that tracks grant activity.

Grant Reimbursement is the application of funds to offset the cost of permitted / allowed disbursements.

Guideway (also called **Fixed Guideway**) is capital expense for right-of-way facilities for rail or the exclusive use of buses including the buildings and structures dedicated for the operation of transit vehicles including elevated and subway structures, tunnels, bridges, track and power systems for rail, and paved highway lanes dedicated to bus. Guideway does not include passenger stations and transfer facilities.

Income Auxiliary is revenue from sources aligned with transportation services such as advertising income.

Income Charter is revenue from special engagements and special transportation services.

Income Farebox is revenue collected in scheduled transit operations.

Income Non-Transportation is revenue not aligned with transportation services (i.e.; investment income, leases, sale of assets, etc.).

Indirect Cost is a cost necessary for the functioning of the organization as a whole but which cannot be directly assigned to one service.

Light Rail is a mode of transit service operating passenger rail cars singly (or in short, usually two-car or three-car, trains) on fixed rails in right-of-way that is often separated from other traffic for part or much of the way. Light rail vehicles are typically driven electrically with power being drawn from an overhead electric line via a trolley or a pantograph; driven by an operator on board the vehicle; and may have either high platform loading or low level boarding using steps.

MAP-21 (Moving Ahead for Progress in the 21st Century) is a law that was passed reauthorizing surface transportation programs through fiscal year 2014.

Materials and Supplies are the tangible products obtained from outside suppliers or manufactured internally. These materials and supplies include tires, fuel and lubricants. Freight, purchase discounts, cash discounts, sales and excise taxes (except on fuel and lubricants) are included in the cost of the material or supply.

Mission Statement is the statement provides long-term guidance to the agency's purpose and objectives. The mission statement is the basis of the agency's yearly objectives.

Mode is a system for carrying transit passengers described by specific right-of-way, technology, and operational features. Types of modes include bus, ferry, rail, and paratransit.

Other Miscellaneous Expenses is the sum of travel, leases and rentals, license and registration fees, miscellaneous expenses, and expense transfers.

Operating Budget is a total of all expenses (what it costs to run an organization).

Operating Expenses are expenses defined in support of directly providing service (transportation and maintenance).

Paratransit is a mode of transit service (also called **demand response**) characterized by the use of passenger automobiles, vans or small buses operating in response to calls from passengers or their agents to the transit operator, who then dispatches a vehicle to pick up the passengers and transport them to their destinations. The vehicles do not operate over a fixed route or on a fixed schedule. The vehicle may be dispatched to pick up several passengers at different pick-up points before taking them to their respective destinations and may even be interrupted en route to these destinations to pick up other passengers.

Passenger Fare Revenue is revenue earned from carrying passengers in regularly scheduled and paratransit service. Passenger fares include: the base fare; zone premiums; express service premiums; extra cost transfers; and quantity purchase discounts applicable to the passenger's ride. Passenger Fare Revenue is listed only for operating revenue sources.

Passenger Miles is the cumulative sum of the distances ridden by each passenger.

Personnel Services is the sum of "Salaries and Wages" and "Fringe Benefits."

Platform Time is the portion of a drivers pay allocated to driving vehicles.

Public Transportation (also called **transit, public transit, or mass transit**) is transportation by a conveyance that provides regular and continuing general or special transportation to the public, but not including school buses, charter or sightseeing service.

Purchased Transportation is transportation service provided to a public transit agency or governmental unit from a public or private transportation provider based on a written contract. Purchased transportation does not include franchising, licensing operation, management services, cooperative agreements or private conventional bus service.

Regional Bus Plan involves use of CAD and AVL technologies in pursuit of better customer service.

Revenue Hours are the hours a vehicle spends devoted to the pursuit of earning revenues.

Revenue Service is the operation of a transit vehicle during the period which passengers can board and ride on the vehicle. Revenue service includes the carriage of passengers who do not pay a cash fare for a specific trip as well as those who do pay a cash fare; the meaning of the phrase does not relate specifically to the collection of revenue.

Revenue Vehicle is a vehicle in the transit fleet that is available to operate in revenue service carrying passengers, including spares and vehicles temporarily out of service for routine maintenance and minor repairs. Revenue vehicles do not include service vehicles such as tow trucks, repair vehicles, or automobiles used to transport employees.

Route Deviation is a service provided along a designated route under a flexible schedule with designated stops, that also provides for door-to-door or stop pick-ups at a limited distance off the designated route.

Salaries and Wages are payments to employees for time actually worked.

Scheduled Service is the execution of fixed route service.

Section 5303 is administered by the FTA; section 5303 Metropolitan Planning funds provide assistance to local government for conducting transportation planning activities in urban areas with populations greater than 500,000. Section 5303 program helps develop transportation systems that embrace all modes of transportation and efficiently maximize the mobility of people and goods throughout urbanized areas. MPO's serve as applicants for Section 5303 program funding. Funding tasks must be identified in the locally adopted Planning Work Program, which identifies transportation tasks that need to be addressed. 5303 funds must be matched by state and local funds.

Section 5307 is a formula grant program for urbanized areas providing capital operating and planning assistance for mass transportation. Funds are apportioned to urbanized areas utilizing a formula based on population density, and other factors associated with transit and rider ship. 5307 funds must be matched by local and state funds. 5307 program provides funding for capital and planning at 80 percent of costs. These funds are used for purchase of vehicles, facility upgrades and purchases, equipment and software, capital leases, AVL/GPS system, light rail regional TDM planning, operating and CMAQ operating.

Section 5309 is for Fixed Guide way Modernization Apportionments. 5309 program provides funding for the establishment of new rail or bus way projects (new system), the improvement and maintenance of existing rail and other fixed guide way systems, and the upgrading of bus systems. Capital assistance grants made to states and local agencies are funded up to 80 percent of the net project cost, unless the grant recipient requests a lower federal grant percentage. HRT uses 5309 funds for regional bus plan, light rail, the north dock landing facility, and Virginia Beach Multi Modal Center.

Section 5310 is for Elderly & Persons with Disabilities Apportionment. Section 5310 makes funds available to meet the special transportation needs of elderly and persons with disabilities. These funds are apportioned to the states annually by a formula that is based on the number of eligible persons in each state. The program is administered through states and it is at the state level that funding decisions are made. Capital assistance is provided on an 80 percent federal 20 percent local matching basis except for vehicle related equipment needed to meet ADA and Clean Air Act Amendment requirements which is fundable on a 90 percent federal, 10 percent local matching basis.

Self Insurance Fund is a fund set aside for the purpose handling future casualty claims.

Service Level is the amount of hours and miles provided in order to serve the patrons.

Services include the labor and other work provided by outside organizations for fees and related expenses. Services include management service fees, advertising fees, professional and technical services, temporary help, contract maintenance services, custodial services and security services.

Transfer Center is a designated space at the intersection of routes that makes changing routes/modes more convenient.

Transit agency (also called **transit system**) is an entity (public or private) responsible for administering and managing transit activities and services. Transit agencies can directly operate transit service or contract out for all or part of the total transit service provided. When responsibility is with a public entity, it is a **public transit agency**. When more than one mode of service is operated, it is a **multimodal transit agency**.

Unlinked Passenger Trips is the number of times passengers board public transportation vehicles. Passengers are counted each time they board vehicles no matter how many vehicles they use to travel from their origin to their destination and regardless of whether they pay a fare, use a pass or transfer, ride for free, or pay in some other way. Also called boardings.

Utilities include the payments made to various utilities for utilization of their resources (e.g., electric, gas, water, telephone, etc.). Utilities include propulsion power purchased from an outside utility company and used for propelling electrically driven vehicles, and other utilities such as electrical power for purposes other than for electrically driven vehicles, water and sewer, gas, garbage collection, and telephone.

VanPool is ridesharing by prearrangement using vans or small buses providing round trip transportation between the participant's prearranged boarding points and a common and regular destination.

VB Wave is a service providing transit at the Virginia Beach oceanfront.

Vehicles Available for Maximum Service are vehicles that a transit agency has available to operate revenue service regardless of the legal relationship through which they are owned, leased, or otherwise controlled by the transit agency.

Vehicle Total Miles are all the miles a vehicle travels from the time it pulls out from its garage to go into revenue service to the time it pulls in from revenue service, including "deadhead" miles without passengers to the starting points of routes or returning to the garage. For conventional scheduled services, it includes both revenue miles and deadhead miles.

Vehicle Revenue Miles are the miles traveled when the vehicle is in revenue service (i.e., the time when a vehicle is available to the general public and there is an expectation of carrying passengers). Revenue service excludes charter service.

Vehicle Total Hours are the hours a vehicle travels from the time it pulls out from its garage to go into revenue service to the time it pulls in from revenue service, including "deadhead" miles without passengers to the starting points of routes or returning to the garage. For conventional scheduled services, it includes both revenue time and deadhead time.

Vehicle Revenue Hours are the hours traveled when the vehicle is in revenue service (i.e., the time when a vehicle is available to the general public and there is an expectation of carrying passengers). Revenue service excludes charter service.

Source (for some terms): <http://www.apta.com/resources/statistics/Pages/glossary.aspx>



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1850 EAST BRAMBLETON AVE., NORFOLK, VA 23504