

FISCAL YEAR 2019 BUDGET

Transportation District Commission of Hampton Roads | Hampton Roads, Virginia



William E. Harrell, President & Chief Executive Officer



VISION

Our vision is to be a valued regional partner that drives prosperity and makes life better for our community .

MISSION

Our mission is to connect Hampton Roads 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 every day.

WORKFORCE SUCCESS

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

Use 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 .

LETTER OF TRANSMITTAL

Dear Shareholders:

Enclosed is the fiscal year 2019 operating budget for the Transportation District Commission of Hampton Roads (TDCHR) operating under the trade name Hampton Roads Transit (HRT). This budget reflects \$18.1 million in operating revenues, \$80.8 million in non-operating revenues, and \$98.9 million in expenses. We trust you will find this document informative and useful.

HRT's mission is to connect Hampton Roads through high quality, safe, efficient, and sustainable transportation services. Public transportation is a vital public good. Providing this public good and achieving our mission are only possible through investments made by customers and taxpayers. We take this work seriously.

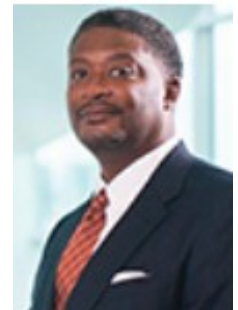
On a day-to-day basis, HRT's work is guided by our core values. These values include integrity - demonstrating honesty, transparency, fairness and accountability in everything we say and do; innovation - using creativity and initiative that shows good business judgement to improve the value of our services, sustainability, and efficient and effective operations; and financial health – ensuring good stewardship of resources so we may build strong and lasting relationships with our customers and funding partners who invest in making our services possible.

I am proud of the good work our team members do every day – from vehicle operators and mechanics, to customer service and planning professionals, and in every area in between. However, we have a lot of ground to make up if HRT is to evolve into the high quality regional transit provider the region truly needs. While we have not yet achieved everything we aspire to, I can tell you we are 100% committed to driving new solutions forward. HRT is on a relentless journey of continuous improvement.

There are many challenges before us. For example, statewide funding is at risk. We rely on this funding to purchase buses and make other essential investments. Meanwhile, local governments continue to rely exclusively on general funds, which make up about 44% of this year's operating budget, to fund the majority of our operations.

Ultimately, HRT needs higher levels of investment and new dedicated funding. Getting where we need to be, as a region, is going to require fresh commitment, a willingness for everyone to work together constructively, and persistence. I'm confident that, working together, we will get there. Through the remainder of this year and beyond, HRT looks forward to working closely with our partners to achieve transit operations we can all be proud of.

Respectfully,
William E. Harrell
President & Chief Executive Officer



TDCHR COMMISSIONERS & HRT STAFF

TDCHR Commissioners

Douglas W. Fuller, Chair.....	Chesapeake
Dr. Patricia Woodbury, Past Chair	Newport News
Charles “Brad” Hunter, Vice Chair.....	Portsmouth
Dr. Amelia Ross-Hammond.....	Virginia Beach
Aaron Rouse.....	Virginia Beach
Andria McClellan.....	Norfolk
Keith Parnell.....	Norfolk
Jimmy Gray.....	Hampton
Gaylene Kanoyton.....	Hampton
John Rowe	Portsmouth
Rick West.....	Chesapeake
Robert “Rob” Coleman.....	Newport News
Jennifer Mitchell.....	Commonwealth Transportation Board

HRT Executive Team

William E. Harrell.....	President & Chief Executive Officer
Conner Burns.....	Chief Financial Officer, Commission Treasurer
Luis Ramos.....	Commission Secretary
Margaret Denoncourt.....	Internal Auditor
Brian Smith.....	Chief of Staff
James Price.....	Chief Transit Operations Officer
Alesia Cain.....	Chief Information Officer/Chief Technology Officer
Derrick Snowden.....	Chief Safety and Security Officer
Raymond Amoruso.....	Chief Planning and Development Officer
Kimberly Ackerman.....	Chief Human Resources Officer
Sibyl Pappas.....	Chief Engineering and Facilities Officer
Gene Cavasos.....	Director of Marketing and Communications
David Burton, Williams Mullen.....	General Counsel
Robert Travers.....	Corporate Counsel

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ORGANIZATIONAL CHART

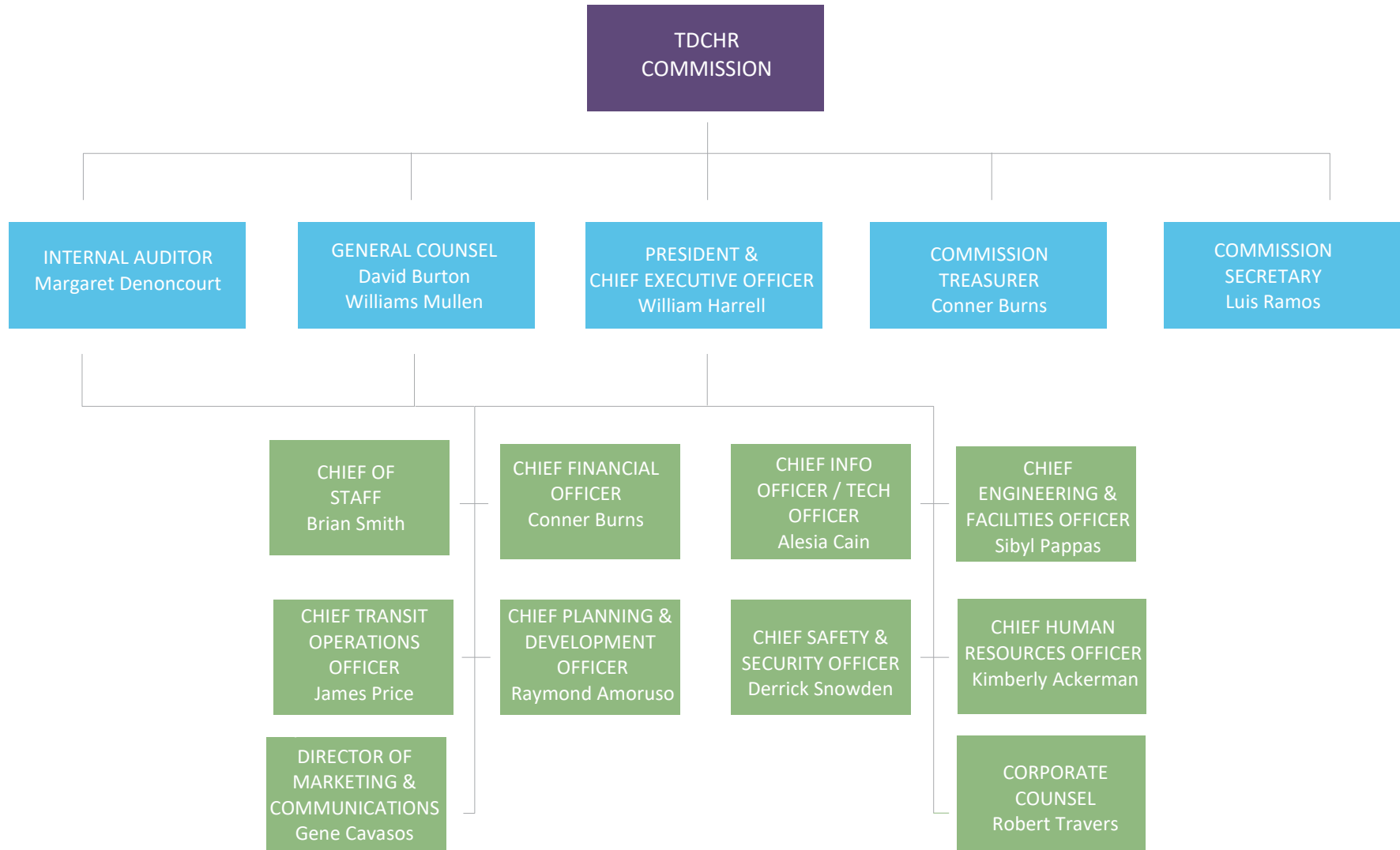


TABLE OF CONTENTS

SYSTEM OVERVIEW

History of Hampton Roads Transit.....	1-6
Service Area.....	7-8
Services Provided.....	9-10
Fare Structure.....	11

FINANCIAL SUMMARY

Financial Summary.....	12-14
Grant Funding.....	15-16
Debt Overview.....	17

BUDGET PROCESS

Budget Policies & Planning Process.....	18-21
Budgetary Summary Chart.....	22
Revenue Categories.....	23
Revenue Funding Sources.....	24
Expense Categories.....	25-26
Operating Expense by Category.....	27

TRANSPORTATION SERVICE PLAN

Local Contribution.....	28
Transportation Service Plan by City.....	29-35
Revenue Hour Comparison.....	36

TABLE OF CONTENTS

ADMINISTRATIVE DIVISION

Administration Division Budget Fiscal Year 2019.....	37
Commission.....	38
Engineering & Facilities.....	39
Executive.....	40
Finance.....	41
Human Resources.....	42
Legal.....	43
Marketing & Communications.....	44
Planning & Development.....	45
Safety & Security.....	46
Technology.....	47

OPERATIONS DIVISION

Operations Division Budget Fiscal Year 2019.....	48
Bus Maintenance Services.....	49
Bus Transportation Services.....	50
Rail Maintenance Services.....	51
Rail Transportation Services.....	52
Ferry Services.....	53
Paratransit Services.....	54
Support Vehicle Services.....	55

TRANSIT TRANSFORMATION PROJECT

Future of Transit and Regional Mobility.....	56
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APPENDIX

Glossary & Acronyms.....	57-62
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HISTORY OF HAMPTON ROADS TRANSIT

MASS TRANSIT IN HAMPTON ROADS

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 through the 1940's, buses gradually replaced streetcars. Today, ferries, light rail, vans, hybrid-electric buses and varying sizes of transit buses operate in Hampton Roads.

YEAR	PENINSULA	SOUTHSIDE
1889	First trolley car ran from Hampton to Old Point operated by the Hampton and Old Point Railway Company.	City Railway Company operated the first streetcars in the City of Norfolk who became one of the first cities to use the overhead street electric railway system, preceded by Richmond in 1887.
1896	Three separate companies joined and became the Newport News and Old Point Railway and Electric Company.	
1898-1900	A rival company, the Peninsula Railway Company formed and became Citizen's Railway Light and Power Company.	
1906		The Norfolk-Portsmouth Traction Company was formed and assumed operating control over the Norfolk and Portsmouth rail system.
1911		Virginia Railway and Power Company extended its operations from Richmond and took over the systems of the two cities.
1914	Newport News and Hampton Railway Gas & Electric Company formed, merging all earlier public transportation companies on the Lower Peninsula.	
1923	First buses arrived operated by the Citizen's Rapid Transit Corporation (CRTC) of Newport News.	
1924	Virginia Public Service Company purchased CRTC.	
1925		Virginia Electric and Power Company purchased 36 buses for its Norfolk operation.
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.	
1944	Virginia Public Service Company merged with Virginia Electric & Power Company (VEPCO).	Virginia Transit Company (VTC) took over transit operations in Norfolk.

HISTORY OF HAMPTON ROADS TRANSIT

YEAR	PENINSULA	SOUTHSIDE
1945	Citizen's Rapid Transit Company acquired VEPCO's transportation facilities.	
1946	Streetcar operations were completely discontinued and buses were substituted throughout Hampton and Newport News.	
1947-1948	The VTC inaugurated the modernization program by converting the Naval Base streetcar line to buses and the program was completed with the Ocean View Main Line being the last streetcar to operate in the City of Norfolk.	
1973	<p>On March 9th, the City of Norfolk purchased the transit operations of the Norfolk Division of the Virginia Transit Company for \$2.3 million. The United States Department of Transportation (USDOT) provided two-thirds of the funds needed for the purchase. It was renamed Tidewater Metro Transit (TMT).</p> <p>In May, the Tidewater Transportation District Commission (TTDC) was formed and began the process of acquiring the privately held transit companies on the Southside. The TTDC, operated under the trade name Tidewater Regional Transit (TRT).</p>	
1974	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.	
1975	PTDC acquired the operating assets of the Citizen's Rapid Transit Company for \$1.8 million with the assistance of a USDOT 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.	TRT began offering public transportation services in Portsmouth, Chesapeake and Suffolk.
1977	April 1 st marked the consolidation of Tidewater Regional Transit and Norfolk's Tidewater Metro Transit operation.	

HISTORY OF HAMPTON ROADS TRANSIT

YEAR	PENINSULA	SOUTHSIDE
1979		TRT began operating Handi-Ride (now known as Paratransit) service for person with disabilities.
1980	Paratransit service, formerly known as Handi-Ride, began serving persons with disabilities.	
1983		Ferry service between Norfolk and Portsmouth was restored with a 50-passenger diesel powered launch.
1985	The "Adopt-A-Bus" advertising sales program began and Peninsula Transit (Pentran) was the first transit system in the country to offer a whole bus to be painted over with advertising.	A 150-passenger steel hulled, diesel-powered paddlewheel ferryboat replaced the launch. The Virginia Beach Transit Company was consolidated with TRT and for the first time five cities were being served by TRT.
1988	On Victoria Blvd. in Hampton a new Administration, Operations and Maintenance facility was opened on the original site of the streetcar operations.	
1989	Pentran implemented a new route structure and marketing program called, "The New Pentran" with new, color-coded routes that provided extended services to new areas.	TRT implemented a new comprehensive route structure.
1991	Pentran began late evening service, operating until 12:00 midnight on most routes.	
1992		High Occupancy Vehicle (HOV)-2 lanes opened and express bus service to downtown Norfolk and the Norfolk Naval Base began.
1993		TRT converted a trolley from gas power to compressed natural gas.
1993-1998		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.
1994	Transportation Center in Downtown Hampton opened.	

HISTORY OF HAMPTON ROADS TRANSIT

YEAR	PENINSULA	SOUTHSIDE
1995	Transportation Center in Newport News opened and Sunday service was started on all routes.	
1996	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.	TRT converted one of its three ferries into natural gas power. In May, the TTDC approved a resolution to focus study on an alternative combining Light Rail Transit (LRT), enhanced bus service and other transportation demand management activities.
1997	TRT began the Preliminary Engineering/Environmental Impact Statement (EIS) phase of the Light Rail Transit study.	

HISTORY OF HAMPTON ROADS TRANSIT

MERGER AND 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 (opted out in December 2011) but growth within the remaining six cities drives the agency forward at a steady pace as the benefits of public transportation are being realized by citizens residing within Hampton Roads.

YEAR	TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS (TDCHR)
1999	On October 1st, TRT merged with Pentran and formed Hampton Roads Transit, servicing the cities of Norfolk, Virginia Beach, Chesapeake, Portsmouth, Hampton, Newport News, and Suffolk.
2007	In October 2007, Full Funding Grant Agreement signed with Federal Transit Administration (FTA) to construct the Tide Light Rail project. In December, Groundbreaking for the Tide Light Rail.
2008	The MAX (Metro Area Express) began service with eight routes linking all six Hampton Roads cities.
2009	Phase 1 of the construction of the 18th Street Complex began in October.
2011	Ribbon cutting of the completed 18th Street Complex in June. Virginia's first light rail line, the Tide, opened to the public in August. More than 30,000 people rode the Tide on the first day.
2013	Entered into the first public/private partnership for funding bus service with Elizabeth River Crossing (ERC) in April.
2014	Kick off for Connect Hampton Roads® on June 26th. In October, implemented the first fare increase since the merger in 1999.
2016	The Downtown Norfolk Transit Center opened on January 17th; In March, began work on Peninsula Corridor Study (18 month study) to look at high occupancy transit for Hampton and Newport News; In August, introduced pilot program for the Student Freedom Pass for youth age 17 and younger. Also, the Try Transit Pass program was started to have fare media available to introduce public transit to non-riders and large employers who could utilize the GoPass 365 program for employees; A non-binding referendum was held for Virginia Beach residents to see about extending The Tide to their city. After several years of study and the completion of the Draft Environmental Impact Statement (DEIS), the referendum failed on November 8th; TDCHR voted to make the Student Freedom Pass program permanent for youth age 17 and under on December 8th; In October, major renovations began for the Hampton facility located at Victoria Blvd.
2017	Celebrated the 15 Millionth Rider on the Elizabeth River Ferry (ERF), since service began in 1983, on January 11th. In March, began work on the 10-year Transit Development Plan (TDP) as required by the Virginia Department of Rail and Public Transportation (DRPT). Celebrated the 5th Anniversary of The Tide—"Five Years of Success" on August 19th.

HISTORY OF HAMPTON ROADS TRANSIT

YEAR	TRANSPORTATION DISTRICT COMMISSION OF HAMPTON ROADS (TDCHR)
2018	<p>Planning & Development led efforts to complete the Peninsula Corridor Study in collaboration with local partners, concluding with city council resolutions in support of Bus Rapid Transit (BRT) on two potential alignments (an alternative on Jefferson Ave. and an alternative on Mercury Blvd.) which may be advanced in the future. The environmental review phase will commence in September.</p> <p>Began phase 1 of mobile ticketing pilot program on the trolleys at the Virginia Beach (VB) Oceanfront.</p>

SERVICE AREA

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

According to the Weldon Cooper Center for Public Service (WCCPS), Hampton Roads' 2016 population was 1,727,366 up 1,589 (0.9%) from 2015.⁸ By the year 2040, the Hampton Roads Planning District Commission (HRPDC) estimates that the population will exceed 2.04 million.¹ Hampton Roads is currently the 37th largest metropolitan area in the country.⁹ 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

Total nonfarm employment for the Virginia Beach Metropolitan Statistical Area (MSA) stood at 796,000 in June 2018, up 0.5 percent over the year.¹⁰ Virginia's employment in May 2016 was 3,760,550³, up 0.5% from May 2015 employment of 3,682,450.² The unemployment rate has an inverse effect from employment. The unemployment rate in the Virginia Beach area has decreased from August 2017 to August 2018. The average unemployment rate for the MSA is at 3.4% as of August 2018, compared to 3.44% in August 2017.¹¹

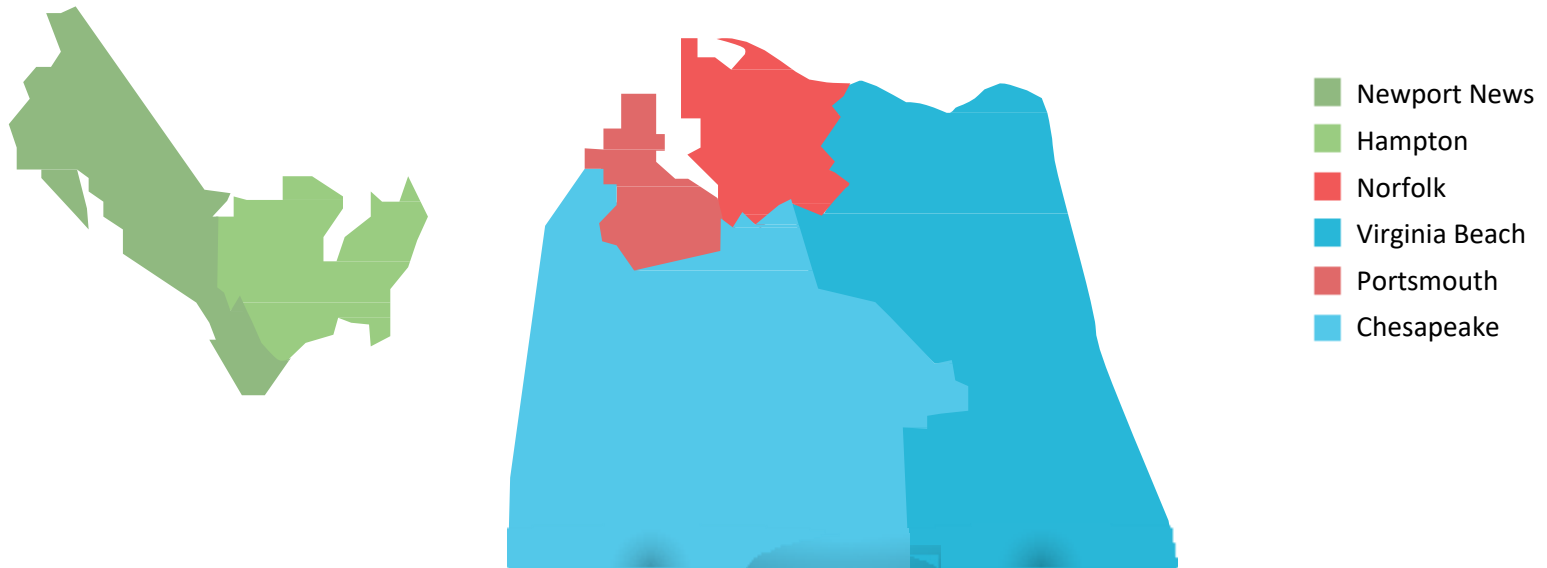
A strong military presence in the region helps stabilize unemployment rates. The U.S. military is a major employer in the Hampton Roads region, and so U.S. military spending is an important influence on the region's employment growth. Employment opportunities in Hampton Roads are predicted to grow with jobs in excess of 1.28 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. The May 2016 Hampton Roads annual mean wage was \$46,470², which continues to fall below the national of \$49,630.⁷ 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 large military presence in the region, with approximately 20 military facilities in the area.⁶ There is also a large presence of military veterans in the civilian workforce.

SERVICE AREA

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, 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. U.S. Bureau of Labor Statistics—“May 2015 Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates”
3. U.S. Bureau of Labor Statistics – “Occupational Employment Statistics – May 2016 State Occupational Employment and Wage Estimates”
4. U.S. Bureau of Labor Statistics – “Virginia Beach Area Economic Summary”
5. Wikipedia – “Hampton Roads”
6. U.S. Bureau of Labor Statistics – “Virginia Beach Area Employment-June 2016”
7. U.S. Bureau of Labor Statistics—“May 2016 National Occupational Employment and Wage Estimates”
8. Hampton Roads Planning District Commission —“2015 Population Estimates Show Increase in Hampton Roads Population”
9. Hampton Roads Planning District Commission—Hampton Roads Benchmarking Study
10. U.S. Bureau of Labor Statistics—Virginia Beach Employment—June 2018
11. U.S. Bureau of Labor Statistics—Virginia Beach Area Economic Summary

SERVICES PROVIDED

Last fiscal year, HRT provided more than 13.9 million trips. This equates to 45,400 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 to 21 hours a day, seven days a week. Our transportation fleet is comprised of Transit Buses, Light Rail, Passenger Ferry and Paratransit vans.

FAST FACTS



BUS

- + 242 diesel buses service all six TDCHR cities
- + 28 diesel-electric hybrid buses
- + All buses are equipped with bicycle racks, ramps, or wheelchair lifts to assist the elderly and those passengers with disabilities to board with ease
- + 70 routes
- + *Virginia Beach (VB) Wave*
 - 14 trolley style diesel buses
 - 3 29 ft. Opus diesel buses
 - An easy way to get around the Virginia Beach Oceanfront
 - Operates daily May – October
- + *Metro Area Express (MAX)*
 - 9 routes that provide express service within our service area
 - Ideal for commuters who want to avoid bus transfers
 - 4 designated routes traveling to/from Naval Station Norfolk
 - Free Wireless Fidelity (Wi-Fi)

SERVICES PROVIDED



LIGHT RAIL

- + 7.4 miles of track in the City of Norfolk
- + 9 light rail vehicles (LRV) powered by an overhead electrical system and driven by an on-board operator
- + Capacity of up to 160-180 passengers per vehicle
- + 18 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 8/29/2011



PASSENGER FERRY

- + Four 150-passenger ferries on the Elizabeth River operating between downtown Norfolk and downtown Portsmouth
- + Service to Harbor Park Baseball stadium during home Tides Games
- + Ferries run every 30 minutes, with 15-minute service during the weekends in the peak summer months and during special events
- + Four 150-passenger ferries on the Elizabeth River operating between downtown Norfolk and downtown Portsmouth
- + Two docks located in Portsmouth at High Street and North Landing; two docks located in Norfolk at the Waterside District and Harbor Park



PARATRANSIT

- + All HRT fixed route services are wheelchair accessible, however for eligible customers who cannot ride or access our fixed route bus services due to a disability, HRT provides origin-destination (OD) shared ride Paratransit services by appointment
- + This service operates in parallel with HRT fixed route services for passengers within $\frac{3}{4}$ of a mile of a fixed route line
- + These services are federally mandated by the Americans with Disabilities Act (ADA) of 1990

FARE STRUCTURE

FARE STRUCTURE JULY 1, 2018 - JUNE 30, 2019

Fares effective as of October 1, 2017	Bus, Ferry, Light Rail	MAX	VB Wave
Adult Single-Trip	\$2.00	\$4.00	\$2.00
Discounted Fare (DF)* Single-Trip	\$1.00	\$2.00	\$1.00
Children*	FREE	FREE	FREE
Certified Paratransit Users*	FREE	FREE	FREE
GoPass 1 Day	\$4.50	\$7.50	\$4.50
GoPass 1 Day (DF)	\$2.25	N/A	\$2.25
GoPass 1 Day Five Bundle	\$21.00	\$35.00	N/A
GoPass 1 Day Five Bundle (DF)	\$10.50	N/A	N/A
GoPass 3 Day Trolley	N/A	N/A	\$8.00
GoPass 3 Day Trolley (DF)	N/A	N/A	\$4.00
GoPass 7 Day	\$22.00	N/A	N/A
GoPass 30 Day	\$70.00	\$125.00	N/A
GoPass 30 Day (DF)	\$40.00	N/A	N/A

FINANCIAL SUMMARY

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.

FINANCIAL SUMMARY

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 responsive 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.
- + Public notice of solicitations for small purchases expected to exceed \$25,000 shall be posted on HRT’s website.
- + Procurements in excess of \$100,000 are publicly solicited through a formal solicitation process [Invitation for Bids (IFB), Request for Proposals (RFP), etc.]

No contract for goods and/or general 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 \$100,000; or, \$30,000 for professional services.

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.

FINANCIAL SUMMARY

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 & BUDGETARY ACCOUNTING

The Commission's annual budget for transit activities is a management tool that assists users in analyzing financial activity for its July 1 - 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.

GRANT FUNDING

Approximately 38% of HRT's budgeted revenue comes from federal and state grant funding. HRT receives the following types of Federal funding: Formula (5307), State of Good Repair (SGR) (5337), Unified Planning Work Program (UPWP), Transportation Demand Management (TDM), Congestion Mitigation and Air Quality Improvement (CMAQ) Program, and Regional Surface Transportation Program (RSTP) 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:

RSTP – 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 Program (STP) 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 TRAFFIX Transportation Demand Management 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 and the Buses and Bus Facilities Infrastructure Investment 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

	FY2017 Actual	FY2018 Budget	FY2019 Budget
Public Funding for Operating Budget			
Federal Funding			
Federal Section 5307 - ADA	\$ 1,730,500	\$ 1,762,600	\$ 1,860,500
Federal Section 5307 - Preventative Maintenance (PM)	\$ 12,588,200	\$ 10,750,800	\$ 11,575,200
Federal Section 5307 - Capital Cost of Contract (CCC)	\$ 951,700	\$ 999,300	\$ 1,172,300
Federal Section 5337 - Fixed Guideway (FG)	\$ 1,923,800	\$ 1,558,300	\$ 1,107,300
Transportation Demand Management (TDM)	\$ 366,200	\$ 475,000	\$ 458,600
Unified Planning Work Program (UPWP)	\$ 206,000	\$ 245,000	\$ 225,000
Grant Reimbursement	\$ 880,200	\$ 556,000	\$ 1,625,800
Total Federal Funding	\$ 18,646,600	\$ 16,347,000	\$ 18,024,700
State & Local Funding			
State Funding	\$ 20,849,600	\$ 20,036,200	\$ 19,507,900
Local Funding	\$ 40,756,200	\$ 44,256,600	\$ 43,288,900
Total State & Local Funding	\$ 61,605,800	\$ 64,292,800	\$ 62,796,800
Total Public Funding - Operating	\$ 80,252,400	\$ 80,639,800	\$ 80,821,500

DEBT OVERVIEW

NOTES PAYABLE

At June 30, 2017, the Commission owed \$17,000,000 against its \$17,000,000 revolving line of credit; the credit line is necessary due to the timing of government receivables.

LONG-TERM DEBT

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 and related equipment. 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 and related equipment. 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:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2018	<u>2,030,000</u>	<u>31,547</u>

At June 30, 2017, the Commission owed \$2,030,000 on these bonds, with \$2,030,000 of principal payments due in fiscal year 2018.

BUDGET POLICIES & PLANNING PROCESS

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; and
- + Administrative details as to how the budget is to be prepared and submitted.

BUDGET POLICIES & PLANNING PROCESS

BUDGET CALENDAR

July

- + Planning Department prepares a draft transit service plan for the next fiscal year including base level service, vehicle hours, vehicle miles, and peak vehicle requirements.

August

- + Budget Department prepares preliminary revenue and expense projections and meets with the CEO and CFO to determine budget direction and areas of emphasis.

September

- + Budget Department develops and sends Budget Packet to each Division for upcoming budget year with a return deadline of mid-October.

October

- + Budget Department compiles budget requests and submits them to the CFO;
- + Budget Director, CFO and CEO meet to review budget requests;
- + Planning Department submits proposed Transportation Service Plans (TSP's) to local funding partners by Oct. 1st; the Budget Department also receives a copy of the proposed TSP's.

November

- + Department Chiefs meet with the Budget Director and CFO to discuss their divisional budget requests;
- + Budget Department adjusts the budget to reflect results of CEO review/Chief meetings and begins preparation of the proposed budget document.
- + Planning Department meets with localities to discuss proposed route changes.

December

- + Budget Department compiles proposed budget; populates TSP's with proposed budget information.
- + Localities report to Planning Department any route change request scenarios; Planning forwards requests to Budget Department for use in TSP development.

January

- + Budget Department meets with localities on proposed budget.
- + Budget Director presents proposed budget to Senior Executive Team (SET).

BUDGET POLICIES & PLANNING PROCESS

BUDGET CALENDAR (cont.)

February

- + Budget Department presents proposed budget to Audit & Budget Committee and the Commission.
- + Planning Department receives final route change requests from local partners and forwards to Budget Department for inclusion in the final budget.

March - April

- + Budget Department finalizes the budget and begins preliminary work on the Budget Book.

May

- + Budget Department presents the final budget to the Commission for approval.

June

- + Budget Department develops implementation plan and loads the approved budget for the upcoming fiscal year by June 30th.

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.

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 POLICIES & PLANNING PROCESS

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.

BUDGET DEVELOPMENT FOR PERSONNEL POSITIONS

During the budget development process, Divisions analyze personnel needs and submit any anticipated changes to both the Budget Department and Human Resources.

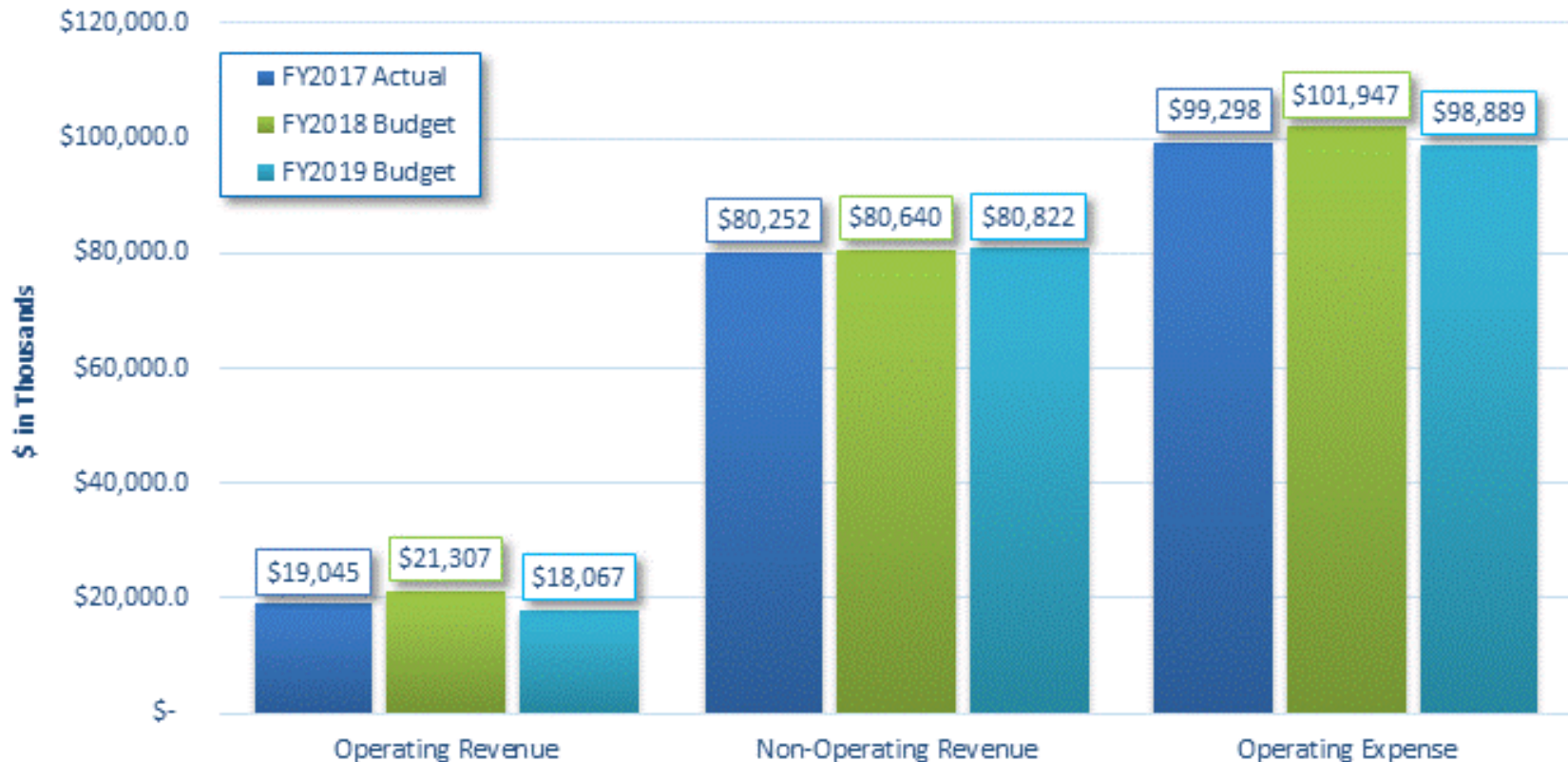
BUDGETARY SUMMARY CHART

FY19 BUDGET DEVELOPMENT HIGHLIGHTS

Due to declining ridership estimates and Locality budgetary restrictions, the FY2019 budget adopted by Commission was a full 3% below prior year.

Compared to prior year, FY19 personnel services decreased 1% due to a reduction in fringe benefit cost; contracted services decreased 7% for select task based services; materials & supplies decreased 13% based on estimated fuel cost and repair expenses; casualties & liabilities decreased 4% due to a projected rate reduction; purchased transportation cost increased 4% based on estimated demand response trips; miscellaneous expense decreased 18% due to reductions in travel and media advertisement costs.

	FY2017 Actual	FY2018 Budget	FY2019 Budget	\$ +/- Prior Year	% +/- Prior Year
Operating Revenue	\$ 19,045.3	\$ 21,307.2	\$ 18,067.1	\$ (3,240.1)	-15%
Non-Operating Revenue	80,252.4	80,639.8	80,821.5	181.7	0%
Total Revenue	\$ 99,297.7	\$ 101,947.0	\$ 98,888.6	\$ (3,058.4)	-3%
Operating Expense	\$ 99,297.7	\$ 101,947.0	\$ 98,888.6	\$ (3,058.4)	-3%



REVENUE CATEGORIES

FEDERAL FUNDING

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

STATE FUNDING

Funding from state sources partially offsets the cost of providing public transportation.

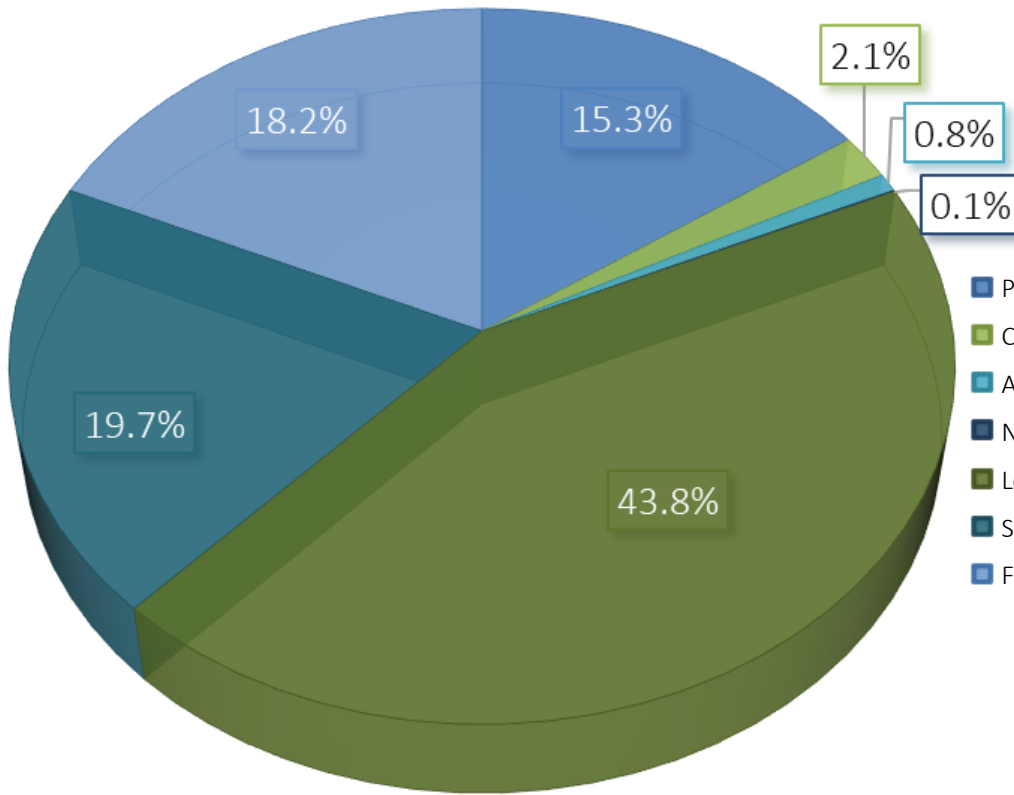
LOCAL FUNDING

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

OPERATING REVENUE

- + **Passenger Fares**: revenues collected through the operation of Fixed Route and Demand Response Services. This revenue is allocated to the city in which the fare is received.
- + **Charters & Contracts**: Elizabeth River Crossing (ERC) contributes contract revenues to support additional ferry and bus services.
- + **Auxiliary**: revenues collected for advertising on transit vehicles.
- + **Other Non-Transportation**: income earned through interest and the sale of assets.

REVENUE FUNDING SOURCES



	FY2017 Actual	FY2018 Budget	FY2019 Budget	% of Total
Passenger Fares	\$ 15,671,000	\$ 17,686,100	\$ 15,160,400	15.3%
Charters & Contracts	2,149,300	2,236,100	2,046,700	2.1%
Auxiliary	1,124,300	1,325,000	800,000	0.8%
Non-Transportation	100,700	60,000	60,000	0.1%
Local Funding	40,756,200	44,256,600	43,288,900	43.8%
State Funding	20,849,600	20,036,200	19,507,900	19.7%
Federal Funding	18,646,600	16,347,000	18,024,700	18.2%
	\$ 99,297,700	\$ 101,947,000	\$ 98,888,600	100.0%

EXPENSE CATEGORIES

SERVICES



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



MATERIALS & SUPPLIES

- + Gasoline & diesel fuel and oil & lubricants
- + Tools
- + Office supplies
- + Materials & supplies for repair and servicing



UTILITIES

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



PERSONNEL SERVICES

- + Salaries & wages
- + Fringe benefits

EXPENSE CATEGORIES



PURCHASED TRANSPORTATION

- + Ferry boat contractor service
- + Paratransit contractor service



OTHER MISCELLANEOUS EXPENSES

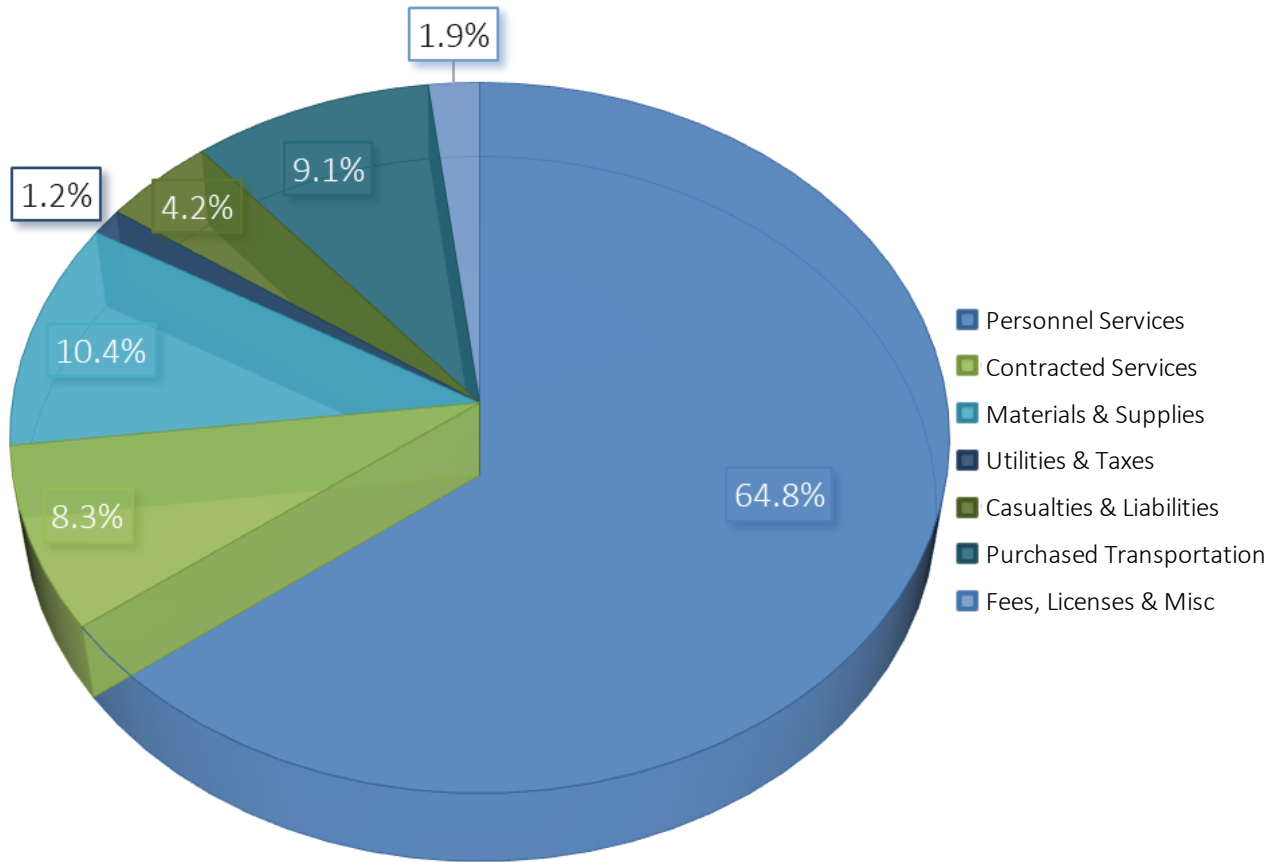
- + Travel: lodging, transportation expenses, per diem, and commissioners stipend
- + Advertising
- + Technology hardware & software
- + Education & training
- + Postage, freight and vehicle licensing & registration fees
- + Miscellaneous leases & rentals

CASUALTIES & LIABILITIES



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

OPERATING EXPENSE BY CATEGORY



	FY2017 Actual	FY2018 Budget	FY2019 Budget	% of Total
Personnel Services	\$ 63,517,400	\$ 64,686,900	\$ 64,055,800	64.8%
Contracted Services	8,252,600	8,852,500	8,212,100	8.3%
Materials & Supplies	11,151,000	11,824,900	10,287,100	10.4%
Utilities & Taxes	1,307,900	1,195,300	1,212,200	1.2%
Casualties & Liabilities	4,220,600	4,359,800	4,200,900	4.2%
Purchased Transportation	8,321,900	8,706,400	9,006,800	9.1%
Fees, Licenses & Misc	2,526,300	2,321,200	1,913,700	1.9%
	\$99,297,700	\$ 101,947,000	\$ 98,888,600	100.0%

LOCAL CONTRIBUTION

Hampton Roads Transit was created in 1999 through the merger agreement between Pentran and Tidewater Regional Transit. The Cost Allocation Agreement was adopted during the merger with the purpose of meeting the local government funding needs of the participating cities on an equitable basis within the limits of available resources. While the Cost Allocation Agreement succeeded in merging the assets of two transit systems servicing six cities, it has not been as successful in building a single regional transit network as seen in other metropolitan areas of similar size.

Hampton Roads Transit has no dedicated revenue source for capital and operating funds. Funding for service is provided with federal, state, and local subsidies 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.

Each year, as part of the budgeting process, the Commission will propose a public Transportation Service Plan (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 that 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.

Calculation of Service Cost Per Hour:

$$\frac{\text{Modal budget}}{\text{Modal service hours}} = \text{Modal cost per hour}$$

$$\frac{\text{Multi-modal budget}}{\text{Total service hours}} = \text{Multi-modal cost per hour}$$

$$\text{Modal cost/hour} + \text{Multi-modal cost/hour} = \text{Total service cost/hour}$$

TRANSPORTATION SERVICE PLAN FY2019 - LOCAL SUMMARY

Local TSP Summary ⁽¹⁾	Service Hours	Total Expense	Farebox Revenue	Farebox Recovery %	Federal & State Aid	Operating Assistance %	Local Funding	Local Funding %
BUS	676,974	\$ 59,269,030	\$ 10,991,191	19%	\$ 22,190,380	37%	\$ 26,087,459	44%
TROLLEY	23,178	\$ 2,029,220	\$ 409,741	20%	\$ 759,743	37%	\$ 859,736	42%
SPECIAL SERVICE	3,078	\$ 269,653	\$ -	0%	\$ 100,959	37%	\$ 168,694	63%
TOTAL BUS:	703,230	\$ 61,567,903	\$ 11,400,932	19%	\$ 23,051,082	37%	\$ 27,115,889	44%
LIGHT RAIL:	29,847	\$ 10,821,629	\$ 1,631,805	15%	\$ 2,445,334	23%	\$ 6,744,490	62%
TOTAL FERRY:	6,276	\$ 1,287,731	\$ 345,181	27%	\$ 480,270	37%	\$ 462,280	36%
TOTAL PARATRANSIT:	243,256	\$ 15,113,315	\$ 1,168,235	8%	\$ 6,141,338	41%	\$ 7,803,742	52%
Local Modal Total⁽²⁾	982,609	\$ 88,790,578	\$ 14,546,153	16%	\$ 32,118,024	36%	\$ 42,126,401	47%
						Commission Expense ⁽²⁾	\$ 1,162,506	
						Advanced Capital Contribution ⁽³⁾	\$ 2,000,000	
						Local Contribution Grand Total	\$ 45,288,907	

Notes:

- (1) Locality TSP tables are rounded to the nearest dollar; all other tables included herein were rounded to the nearest hundred.
- (2) Sum = \$43,288,907, the local contribution to the Operating budget
- (3) Advanced Capital Contribution (ACC) is the local contribution to the Capital Improvement Plan (CIP)

TRANSPORTATION SERVICE PLAN FY2019 - CHESAPEAKE

Route Name	Service Hours	Total Expense	Farebox Revenue	Farebox Recovery %	Federal & State Aid	Operating Assistance %	Local Funding	Local Funding %
Chesapeake Transit								
6 Downtown Norfolk/South Norfolk/Robert Hall Blvd.	4,672	\$ 409,004	\$ 84,266	21%	\$ 153,131	37%	\$ 171,607	42%
12 South Norfolk/TCC-Virginia Beach	2,001	\$ 175,163	\$ 30,337	17%	\$ 65,581	37%	\$ 79,245	45%
13 Downtown Norfolk/Robert Hall Blvd./TCC-Ches.	5,915	\$ 517,863	\$ 153,277	30%	\$ 193,889	37%	\$ 170,697	33%
14 Chesapeake	7,825	\$ 685,120	\$ 97,643	14%	\$ 256,510	37%	\$ 330,967	48%
15 Naval Station Norfolk/Robert Hall Blvd.	5,440	\$ 476,306	\$ 96,896	20%	\$ 178,329	37%	\$ 201,081	42%
44 Midtown	1,364	\$ 119,456	\$ 10,849	9%	\$ 44,725	37%	\$ 63,882	53%
55 Greenbrier Circulator	4,061	\$ 355,497	\$ 59,966	17%	\$ 133,098	37%	\$ 162,433	46%
57 Robert Hall Blvd./Camelot	5,092	\$ 445,828	\$ 63,468	14%	\$ 166,919	37%	\$ 215,441	48%
58 South Norfolk/Bainbridge Blvd.	4,655	\$ 407,516	\$ 44,395	11%	\$ 152,574	37%	\$ 210,547	52%
Transit Total	41,025	\$ 3,591,753	\$ 641,097	18%	\$ 1,344,756	37%	\$ 1,605,900	45%
Paratransit	22,140	\$ 1,375,544	\$ 105,836	8%	\$ 558,956	41%	\$ 710,752	52%
Chesapeake Modal Total	63,165	\$ 4,967,297	\$ 746,933	15%	\$ 1,903,712	38%	\$ 2,316,652	47%
						Commission Expense	\$ 193,751	
						Advanced Capital Contribution	\$ 128,566	
						Chesapeake Total	\$ 2,638,969	

TRANSPORTATION SERVICE PLAN FY2019 - NORFOLK

Route Name	Service Hours	Total Expense	Farebox Revenue	Farebox Recovery %	Federal & State Aid	Operating Assistance %	Local Funding	Local Funding %
Norfolk Transit								
1 Downtown Norfolk/Pembroke East	29,328	\$ 2,567,691	\$ 597,206	23%	\$ 961,342	37%	\$ 1,009,143	39%
2 Naval Station Norfolk/Hampton Blvd.	19,556	\$ 1,712,123	\$ 205,445	12%	\$ 641,020	37%	\$ 865,658	51%
3 Downtown Norfolk/Naval Station	28,318	\$ 2,479,210	\$ 552,050	22%	\$ 928,219	37%	\$ 998,941	40%
4 Norfolk General Hospital/ODU/Downtown Norfolk	6,156	\$ 538,917	\$ 91,392	17%	\$ 201,771	37%	\$ 245,754	46%
5 Wards Corner/Willoughby	3,618	\$ 316,769	\$ 65,788	21%	\$ 118,599	37%	\$ 132,382	42%
6 Downtown Norfolk/South Norfolk/Robert Hall Blvd	7,379	\$ 646,070	\$ 135,596	21%	\$ 241,889	37%	\$ 268,585	42%
8 Downtown Norfolk/Little Creek Amphib. Base	16,798	\$ 1,470,636	\$ 391,317	27%	\$ 550,607	37%	\$ 528,712	36%
9 Downtown Norfolk/Chesterfield	16,856	\$ 1,475,763	\$ 202,258	14%	\$ 552,527	37%	\$ 720,978	49%
11 Downtown Norfolk/Colonial Place	4,327	\$ 378,862	\$ 47,745	13%	\$ 141,846	37%	\$ 189,271	50%
12 South Norfolk/TCC-Virginia Beach	679	\$ 59,432	\$ 10,281	17%	\$ 22,252	37%	\$ 26,899	45%
13 Downtown Norfolk/Robert Hall Blvd./TCC-Ches.	6,573	\$ 575,490	\$ 170,563	30%	\$ 215,464	37%	\$ 189,463	33%
15 Naval Station Norfolk/Robert Hall Blvd.	24,433	\$ 2,139,091	\$ 433,039	20%	\$ 800,878	37%	\$ 905,174	42%
18 Downtown Norfolk/Ballentine Blvd.	5,266	\$ 461,020	\$ 52,573	11%	\$ 172,606	37%	\$ 235,841	51%
20 Downtown Norfolk/VA Beach Oceanfront	27,401	\$ 2,398,979	\$ 589,491	25%	\$ 898,180	37%	\$ 911,308	38%
21 Little Creek Rd	26,612	\$ 2,329,901	\$ 482,429	21%	\$ 872,317	37%	\$ 975,155	42%
23 Medical Tower/Military Circle/JANAF	28,371	\$ 2,483,916	\$ 352,524	14%	\$ 929,981	37%	\$ 1,201,411	48%
25 Newtown Rd	3,099	\$ 271,327	\$ 32,441	12%	\$ 101,585	37%	\$ 137,301	51%
44 Midtown	902	\$ 79,001	\$ 7,175	9%	\$ 29,578	37%	\$ 42,248	53%
45 Portsmouth Blvd.	8,213	\$ 719,024	\$ 156,874	22%	\$ 269,203	37%	\$ 292,947	41%
Special Services Bus	295	\$ 25,827	\$ -	0%	\$ 9,670	37%	\$ 16,157	63%
Transit Total	264,180	\$ 23,129,049	\$ 4,576,187	20%	\$ 8,659,534	37%	\$ 9,893,328	43%
801 Light Rail	29,642	\$ 10,747,302	\$ 1,631,805	15%	\$ 2,428,539	23%	\$ 6,686,958	62%
Special Services Rail	205	\$ 74,327	\$ -	0%	\$ 16,795	23%	\$ 57,532	77%
Light Rail Total	29,847	\$ 10,821,629	\$ 1,631,805	15%	\$ 2,445,334	23%	\$ 6,744,490	62%
Elizabeth River Ferry	2,987	\$ 612,837	\$ 169,670	28%	\$ 228,563	37%	\$ 214,604	35%
Special Services Ferry	100	\$ 20,520	\$ -	0%	\$ 7,653	37%	\$ 12,867	63%
Ferry Total	3,087	\$ 633,357	\$ 169,670	27%	\$ 236,216	37%	\$ 227,471	36%
Paratransit	68,030	\$ 4,226,658	\$ 325,108	8%	\$ 1,717,514	41%	\$ 2,184,036	52%
Norfolk Modal Total	365,144	\$ 38,810,693	\$ 6,702,770	17%	\$ 13,058,598	34%	\$ 19,049,325	49%
					Commission Expense	\$	193,751	
					Advanced Capital Contribution	\$	743,214	
					Norfolk Total	\$	19,986,290	

TRANSPORTATION SERVICE PLAN FY2019 - PORTSMOUTH

Route Name	Service Hours	Total Expense	Farebox Revenue	Farebox Recovery %	Federal & State Aid	Operating Assistance %	Local Funding	Local Funding %
Portsmouth Transit								
41 Downtown Portsmouth/Cradock	7,875	\$ 689,498	\$ 88,413	13%	\$ 258,149	37%	\$ 342,936	50%
43 County Street/ Bart Street	3,639	\$ 318,550	\$ 33,853	11%	\$ 119,265	37%	\$ 165,432	52%
44 Norfolk General Hospital/Midtown Portsmouth	4,749	\$ 415,757	\$ 37,759	9%	\$ 155,660	37%	\$ 222,338	53%
45 Downtown Norfolk/Portsmouth	12,798	\$ 1,120,468	\$ 244,475	22%	\$ 419,504	37%	\$ 456,489	41%
47 Downtown Portsmouth/Churchland	10,023	\$ 877,475	\$ 189,235	22%	\$ 328,528	37%	\$ 359,712	41%
50 Academy Park/Victory Crossing	4,532	\$ 396,776	\$ 48,444	12%	\$ 148,553	37%	\$ 199,779	50%
57 Robert Hall Blvd./Camelot	2,658	\$ 232,740	\$ 31,835	14%	\$ 87,138	37%	\$ 113,767	49%
Transit Total	46,274	\$ 4,051,264	\$ 674,014	17%	\$ 1,516,797	37%	\$ 1,860,453	46%
Elizabeth River Ferry	3,089	\$ 633,854	\$ 175,511	28%	\$ 236,401	37%	\$ 221,942	35%
Special Services Ferry	100	\$ 20,520	\$ -	0%	\$ 7,653	37%	\$ 12,867	63%
Ferry Total	3,189	\$ 654,374	\$ 175,511	27%	\$ 244,054	37%	\$ 234,809	36%
Paratransit	15,081	\$ 936,996	\$ 72,091	8%	\$ 380,751	41%	\$ 484,154	52%
Portsmouth Modal Total	64,544	\$ 5,642,634	\$ 921,616	16%	\$ 2,141,602	38%	\$ 2,579,416	46%
							Commission Expense	\$ 193,751
							Advanced Capital Contribution	\$ 131,373
							Portsmouth Total	\$ 2,904,540

TRANSPORTATION SERVICE PLAN FY2019 - VIRGINIA BEACH

Route Name	Service Hours	Total Expense	Farebox Revenue	Farebox Recovery %	Federal & State Aid	Operating Assistance %	Local Funding	Local Funding %
VA Beach Transit								
1 Downtown Norfolk/Pembroke East	6,680	\$ 584,801	\$ 136,416	23%	\$ 218,951	37%	\$ 229,434	39%
12 South Norfolk/TCC-Virginia Beach	6,727	\$ 588,985	\$ 101,645	17%	\$ 220,517	37%	\$ 266,823	45%
15 Naval Station Norfolk/Robert Hall Blvd.	2,021	\$ 176,980	\$ 37,130	21%	\$ 66,262	37%	\$ 73,588	42%
20 Downtown Norfolk/VA Beach Oceanfront	28,067	\$ 2,457,224	\$ 602,443	25%	\$ 919,987	37%	\$ 934,794	38%
22 Haygood	7,817	\$ 684,384	\$ 92,728	14%	\$ 256,234	37%	\$ 335,422	49%
25 Newtown Road	7,819	\$ 684,575	\$ 81,861	12%	\$ 256,305	37%	\$ 346,409	51%
26 International Pkwy./TCC Virginia Beach	4,605	\$ 403,142	\$ 48,663	12%	\$ 150,937	37%	\$ 203,542	50%
27 Pleasure House Rd./Military Circle	6,753	\$ 591,219	\$ 106,384	18%	\$ 221,353	37%	\$ 263,482	45%
29 Lynnhaven	8,742	\$ 765,341	\$ 93,795	12%	\$ 286,545	37%	\$ 385,001	50%
33 General Booth	15,891	\$ 1,391,272	\$ 138,503	10%	\$ 520,893	37%	\$ 731,876	53%
36 Holland	8,401	\$ 735,483	\$ 137,348	19%	\$ 275,366	37%	\$ 322,769	44%
Transit Total	103,523	\$ 9,063,406	\$ 1,576,916	17%	\$ 3,393,350	37%	\$ 4,093,140	45%
Trolley								
30 Atlantic Ave (seasonal)	12,203	\$ 1,068,370	\$ 329,405	31%	\$ 399,999	37%	\$ 338,966	32%
31 Museum Exp (seasonal)	2,943	\$ 257,659	\$ 64,432	25%	\$ 96,468	37%	\$ 96,759	38%
35 Bayfront Circulator	8,032	\$ 703,191	\$ 15,904	2%	\$ 263,276	37%	\$ 424,011	60%
Trolley Total	23,178	\$ 2,029,220	\$ 409,741	20%	\$ 759,743	37%	\$ 859,736	42%
30 Seasonal Enhancements	2,141	\$ 187,619	\$ -	0%	\$ 70,245	37%	\$ 117,374	63%
Paratransit	55,912	\$ 3,473,749	\$ 272,666	8%	\$ 1,411,568	41%	\$ 1,789,515	52%
VA Beach Modal Total	184,754	\$ 14,753,994	\$ 2,259,323	15%	\$ 5,634,906	38%	\$ 6,859,765	46%
						Commission Expense	\$ 193,751	
						Advanced Capital Contribution	\$ 376,050	
						Virginia Beach Total	\$ 7,429,566	

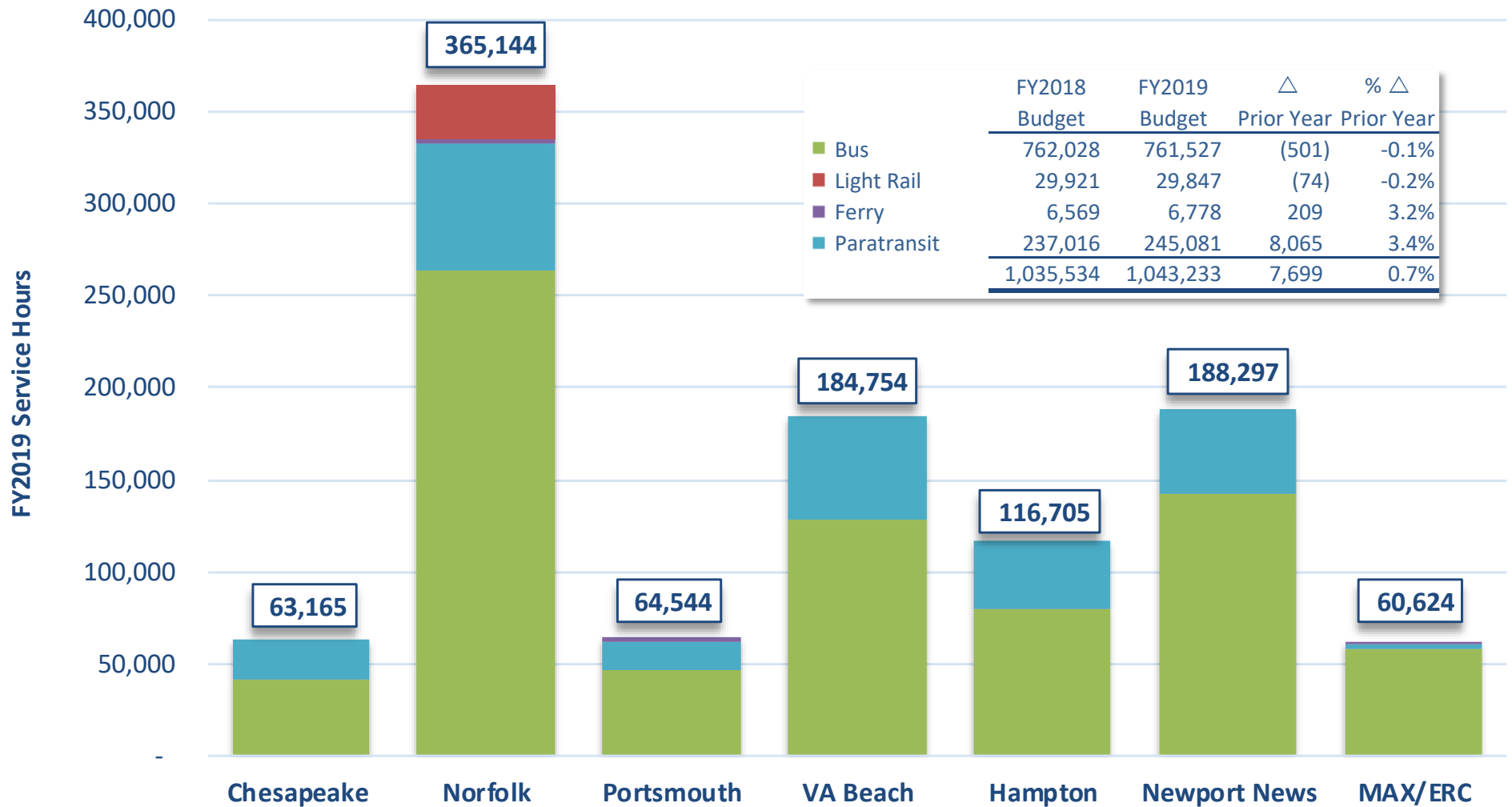
TRANSPORTATION SERVICE PLAN FY2019 - HAMPTON

Route Name	Service Hours	Total Expense	Farebox Revenue	Farebox Recovery %	Federal & State Aid	Operating Assistance %	Local Funding	Local Funding %
Hampton Transit								
101 Kecoughtan	5,990	\$ 524,403	\$ 136,813	26%	\$ 196,337	37%	\$ 191,253	36%
102 Coliseum	4,780	\$ 418,483	\$ 51,898	12%	\$ 156,680	37%	\$ 209,905	50%
103 Shell Rd.	9,537	\$ 834,949	\$ 129,337	15%	\$ 312,606	37%	\$ 393,006	47%
105 Briarfield	2,994	\$ 262,146	\$ 52,348	20%	\$ 98,148	37%	\$ 111,650	43%
109 Pembroke	4,281	\$ 374,831	\$ 66,224	18%	\$ 140,337	37%	\$ 168,270	45%
110 Thomas Nelson	11,128	\$ 974,214	\$ 135,591	14%	\$ 364,747	37%	\$ 473,876	49%
111 Denbigh	2,100	\$ 183,853	\$ 19,571	11%	\$ 68,835	37%	\$ 95,447	52%
114 Weaver Rd.	15,933	\$ 1,394,938	\$ 305,106	22%	\$ 522,266	37%	\$ 567,566	41%
115 Fox Hill	6,170	\$ 540,146	\$ 95,819	18%	\$ 202,231	37%	\$ 242,096	45%
117 Phoebus	2,418	\$ 211,653	\$ 51,560	24%	\$ 79,243	37%	\$ 80,850	38%
118 Magruder	10,970	\$ 960,438	\$ 161,930	17%	\$ 359,589	37%	\$ 438,919	46%
120 Mallory	3,400	\$ 297,636	\$ 49,095	16%	\$ 111,435	37%	\$ 137,106	46%
400 Shipyard Express	412	\$ 36,039	\$ 12,091	34%	\$ 13,493	37%	\$ 10,455	29%
Transit Total	80,113	\$ 7,013,729	\$ 1,267,383	18%	\$ 2,625,947	37%	\$ 3,120,399	44%
Paratransit	36,592	\$ 2,273,438	\$ 174,989	8%	\$ 923,818	41%	\$ 1,174,631	52%
Hampton Modal Total	116,705	\$ 9,287,167	\$ 1,442,372	16%	\$ 3,549,765	38%	\$ 4,295,030	46%
					Commission Expense	\$	193,751	
					Advanced Capital Contribution	\$	237,537	
					Hampton Total	\$	4,726,318	

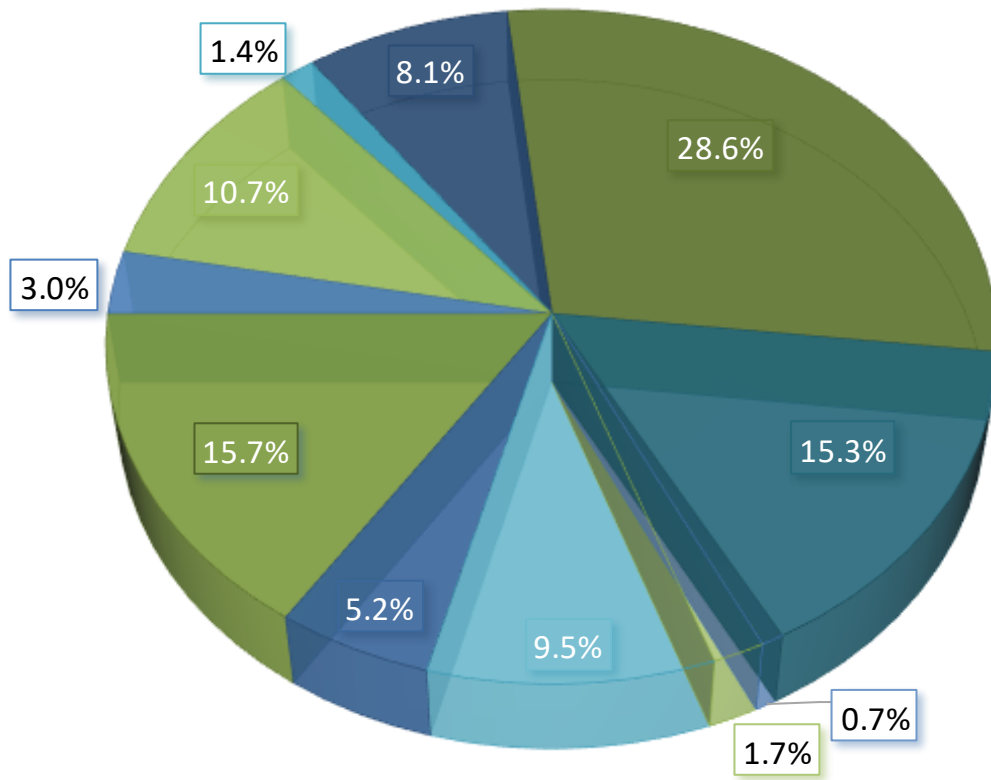
TRANSPORTATION SERVICE PLAN FY2019 - NEWPORT NEWS

Route Name	Service Hours	Total Expense	Farebox Revenue	Farebox Recovery %	Federal & State Aid	Operating Assistance %	Local Funding	Local Funding %
Newport News Transit								
101 Kecoughtan	5,235	\$ 458,340	\$ 119,601	26%	\$ 171,603	37%	\$ 167,136	36%
103 Shell Rd.	7,484	\$ 655,249	\$ 101,508	15%	\$ 245,326	37%	\$ 308,415	47%
104 Marshall	15,087	\$ 1,320,849	\$ 164,644	12%	\$ 494,527	37%	\$ 661,678	50%
105 Briarfield	8,998	\$ 787,795	\$ 157,313	20%	\$ 294,952	37%	\$ 335,530	43%
106 Warwick	20,289	\$ 1,776,297	\$ 333,601	19%	\$ 665,047	37%	\$ 777,649	44%
107 Warwick	17,854	\$ 1,563,112	\$ 275,853	18%	\$ 585,231	37%	\$ 702,028	45%
108 Denbigh Fringe	11,297	\$ 989,088	\$ 199,565	20%	\$ 370,315	37%	\$ 419,208	42%
111 Denbigh	8,988	\$ 786,897	\$ 83,769	11%	\$ 294,615	37%	\$ 408,513	52%
112 Jefferson	22,088	\$ 1,933,796	\$ 536,195	28%	\$ 724,016	37%	\$ 673,585	35%
114 Weaver Rd.	3,774	\$ 330,441	\$ 72,263	22%	\$ 123,717	37%	\$ 134,461	41%
116 Mall Hall	11,868	\$ 1,039,067	\$ 87,095	8%	\$ 389,027	37%	\$ 562,945	54%
119 Oyster Point	4,515	\$ 395,330	\$ 30,130	8%	\$ 148,012	37%	\$ 217,188	55%
121 Newport News Shuttle	879	\$ 76,913	\$ 6,818	9%	\$ 28,796	37%	\$ 41,299	54%
400 Shipyard Express	2,146	\$ 187,886	\$ 62,640	33%	\$ 70,345	37%	\$ 54,901	29%
NN Seasonal Enhancements	642	\$ 56,207	\$ -	0%	\$ 21,044	37%	\$ 35,163	63%
64 Smithfield	1,652	\$ 144,596	\$ 24,599	17%	\$ 54,137	37%	\$ 65,860	46%
Transit Total	142,796	\$ 12,501,863	\$ 2,255,594	18%	\$ 4,680,710	37%	\$ 5,565,559	45%
Paratransit	45,501	\$ 2,826,930	\$ 217,545	8%	\$ 1,148,731	41%	\$ 1,460,654	52%
Newport News Modal Total	188,297	\$ 15,328,793	\$ 2,473,139	16%	\$ 5,829,441	38%	\$ 7,026,213	46%
					Commission Expense		\$ 193,751	
					Advanced Capital Contribution		\$ 383,260	
					Newport News Total		\$ 7,603,224	

REVENUE HOUR COMPARISON

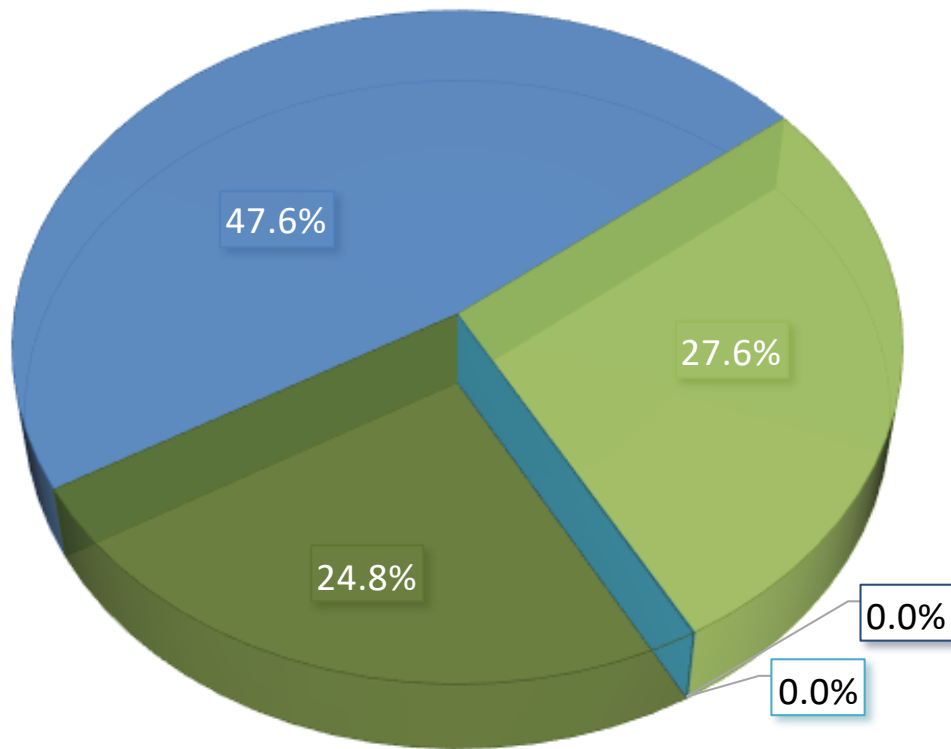


ADMINISTRATIVE DIVISION BUDGET FY2019



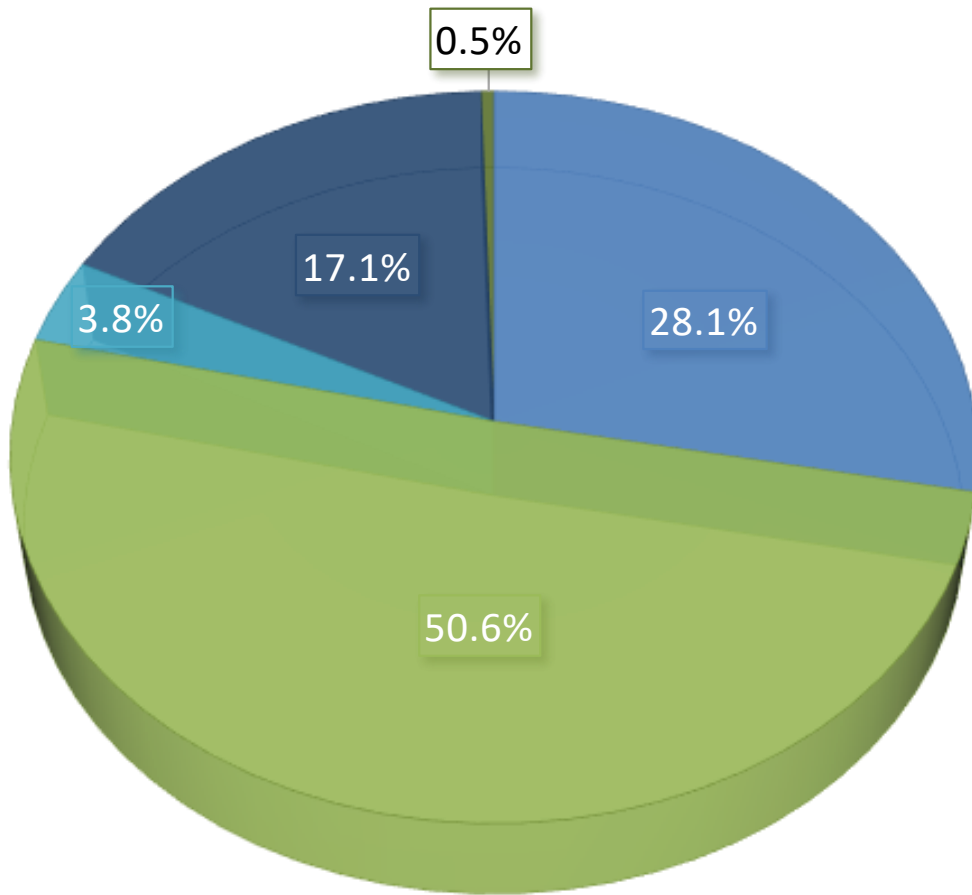
	FY2019 Budget	% of Total
Commission	\$ 1,162,500	3.0%
Engineering & Facilities	\$ 4,117,800	10.7%
Executive	\$ 534,600	1.4%
Finance	\$ 3,132,700	8.1%
Fringe Benefits	\$ 11,011,700	28.6%
Human Resources	\$ 5,911,400	15.3%
Legal	\$ 288,600	0.7%
Marketing & Communications	\$ 662,100	1.7%
Planning & Development	\$ 3,658,700	9.5%
Safety & Security	\$ 1,988,900	5.2%
Technology	\$ 6,059,600	15.7%
Total	\$ 38,528,600	100.0%

COMMISSION



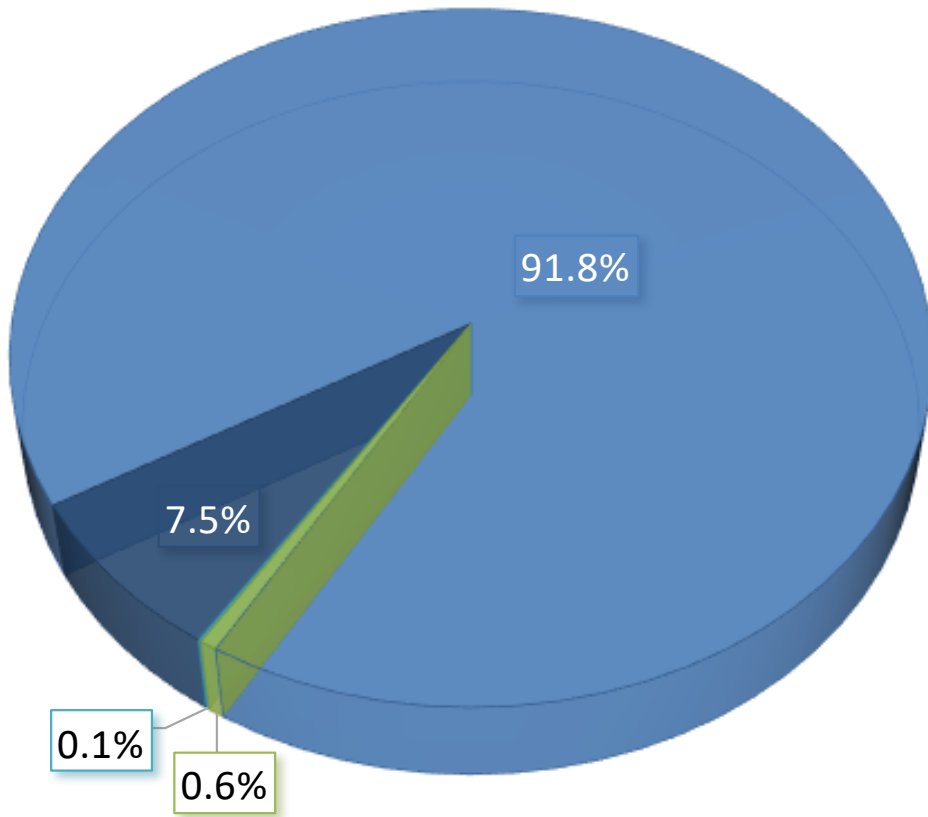
	FY2017 Actual	FY2018 Budget	FY2019 Budget	% of Total
Personnel Services	\$ 555,200	\$ 553,200	\$ 553,600	47.6%
Contracted Services	\$ 186,600	\$ 318,100	\$ 320,600	27.6%
Materials & Supplies	\$ 300	\$ 300	\$ 100	0.0%
Casualties & Liabilities	\$ 1,100	\$ 400	\$ 400	0.0%
Fees, Licenses & Misc	\$ 381,500	\$ 351,600	\$ 287,800	24.8%
	\$ 1,124,700	\$ 1,223,600	\$ 1,162,500	100.0%

ENGINEERING & FACILITIES



	FY2017 Actual	FY2018 Budget	FY2019 Budget	% of Total
Personnel Services	\$ 1,364,000	\$ 1,101,200	\$ 1,156,200	28.1%
Contracted Services	\$ 2,109,000	\$ 2,006,800	\$ 2,084,200	50.6%
Materials & Supplies	\$ 189,800	\$ 249,000	\$ 155,300	3.8%
Utilities & Taxes	\$ 806,900	\$ 692,500	\$ 702,500	17.1%
Fees, Licenses & Misc	\$ 35,400	\$ 21,400	\$ 19,600	0.5%
	\$ 4,505,100	\$ 4,070,900	\$ 4,117,800	100.0%

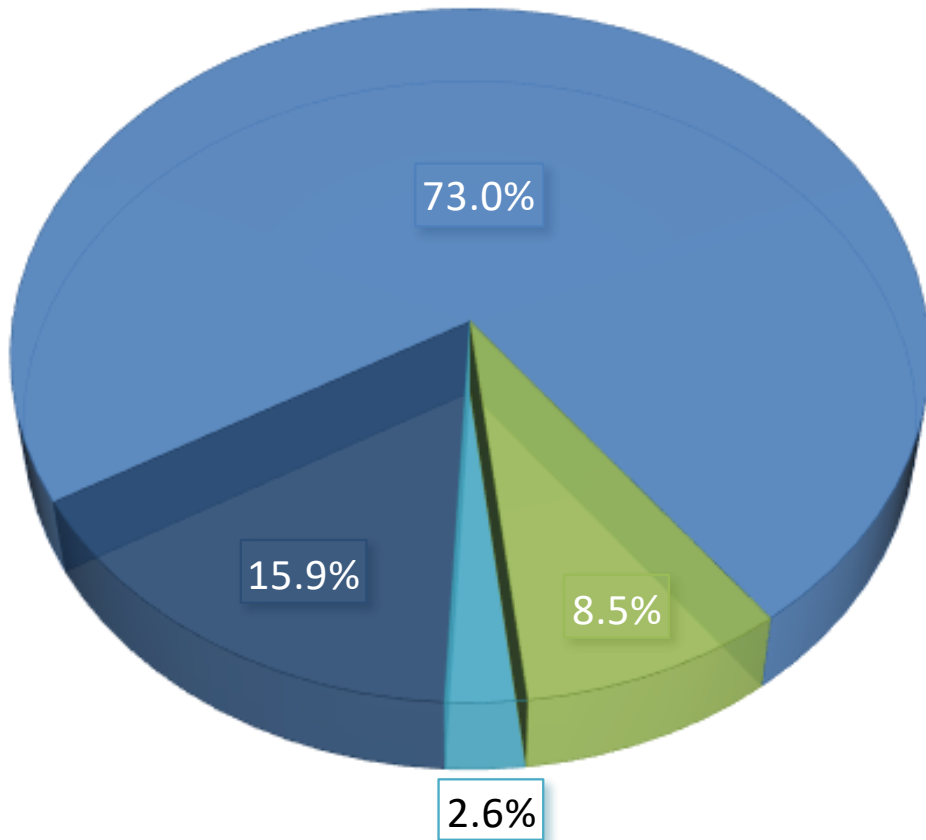
EXECUTIVE



- Personnel Services
- Contracted Services
- Materials & Supplies
- Fees, Licenses & Misc

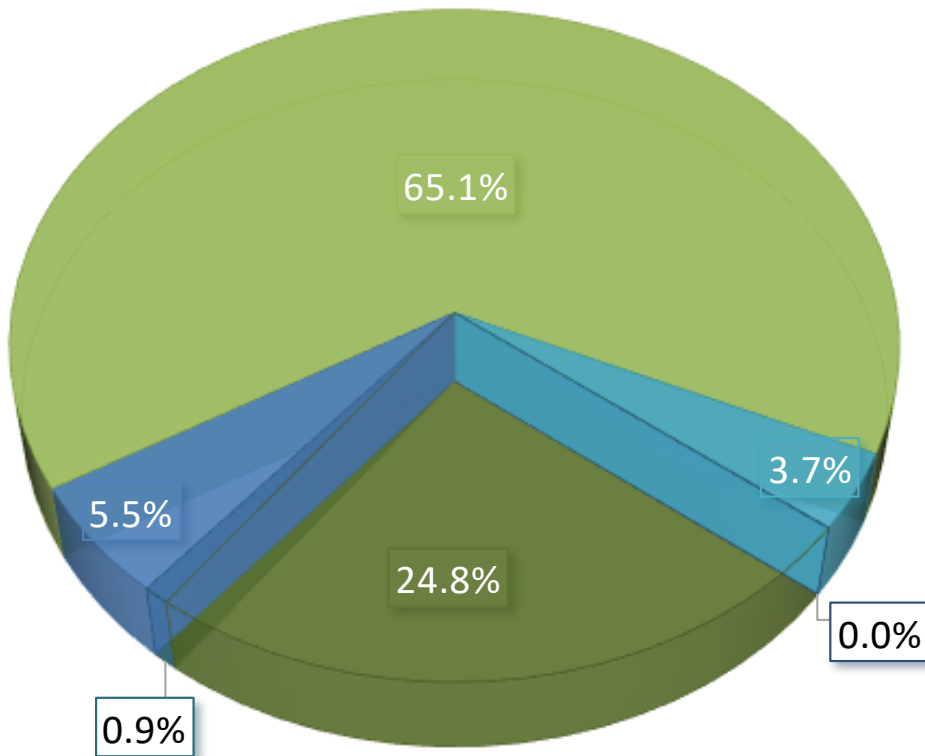
	FY2017 Actual	FY2018 Budget	FY2019 Budget	% of Total
Personnel Services	\$ 594,300	\$ 489,600	\$ 490,900	91.8%
Contracted Services	\$ 13,900	\$ 6,100	\$ 3,000	0.6%
Materials & Supplies	\$ 1,300	\$ 1,300	\$ 600	0.1%
Fees, Licenses & Misc	\$ 40,700	\$ 44,000	\$ 40,100	7.5%
Total	\$ 650,200	\$ 541,000	\$ 534,600	100.0%

FINANCE



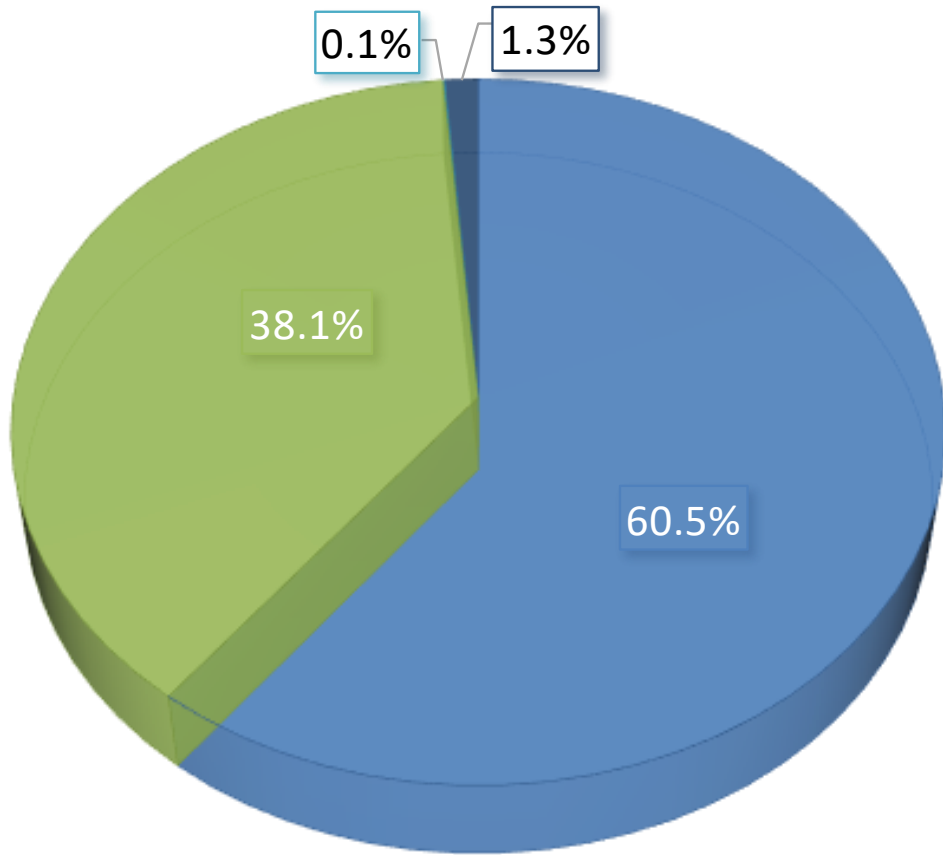
	FY2017 Actual	FY2018 Budget	FY2019 Budget	% of Total
Personnel Services	\$ 2,546,700	\$ 2,354,100	\$ 2,285,900	73.0%
Contracted Services	\$ 320,400	\$ 502,400	\$ 267,600	8.5%
Materials & Supplies	\$ 96,800	\$ 90,600	\$ 82,500	2.6%
Fees, Licenses & Misc	\$ 500,900	\$ 491,900	\$ 496,700	15.9%
	\$ 3,464,800	\$ 3,439,000	\$ 3,132,700	100.0%

HUMAN RESOURCES



	FY2017 Actual	FY2018 Budget	FY2019 Budget	% of Total
Personnel Services	\$ 903,800	\$ 887,700	\$ 930,500	5.5%
Fringe Benefits	\$ 11,050,800	\$ 11,333,200	\$ 11,011,700	65.1%
Contracted Services	\$ 589,100	\$ 639,700	\$ 623,800	3.7%
Materials & Supplies	\$ 5,800	\$ 9,800	\$ 6,900	0.0%
Casualties & Liabilities	\$ 4,219,500	\$ 4,359,400	\$ 4,200,500	24.8%
Fees, Licenses & Misc	\$ 198,200	\$ 166,600	\$ 149,700	0.9%
	\$ 16,967,200	\$ 17,396,400	\$ 16,923,100	100.0%

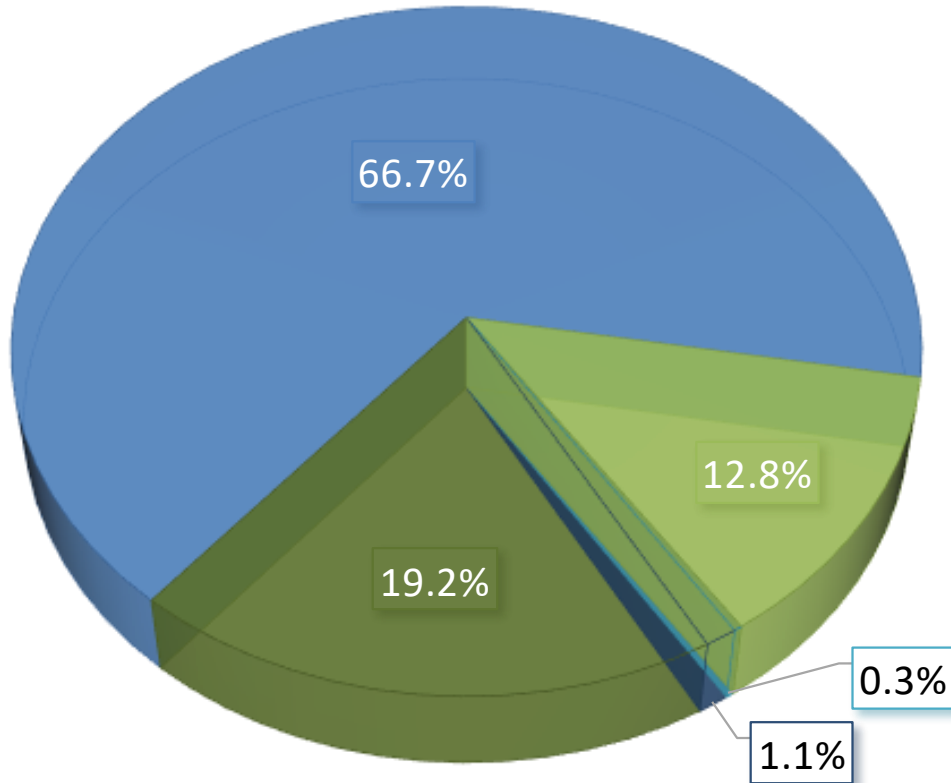
LEGAL



- Personnel Services
- Contracted Services
- Materials & Supplies
- Fees, Licenses & Misc

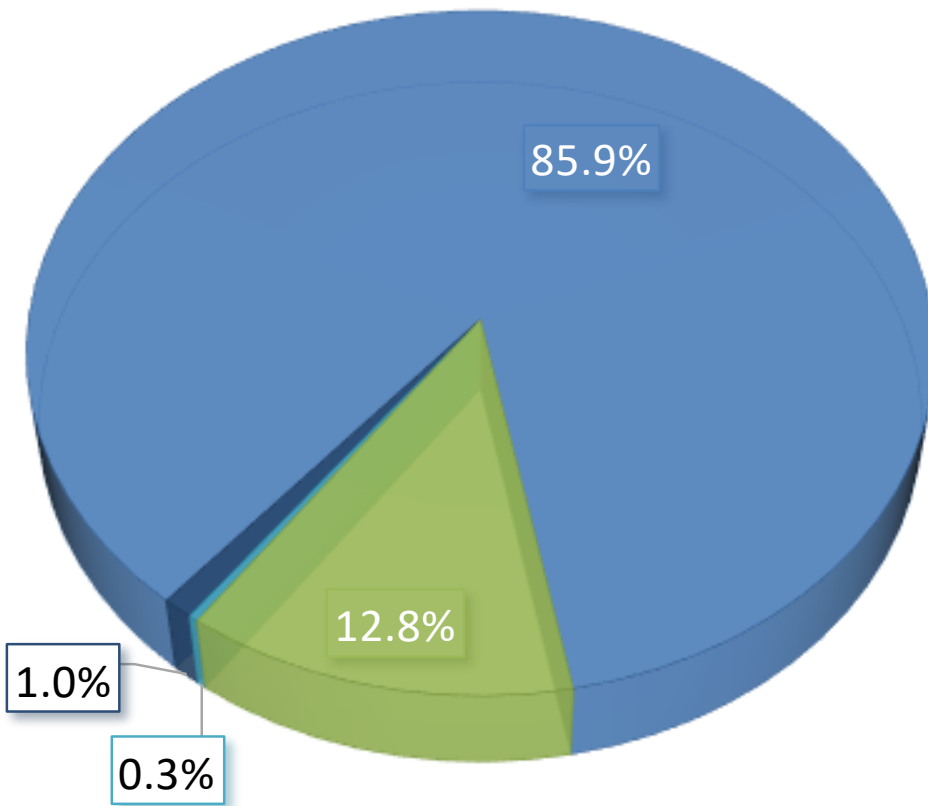
	FY2017 Actual	FY2018 Budget	FY2019 Budget	% of Total
Personnel Services	\$ 182,100	\$ 176,900	\$ 174,700	60.5%
Contracted Services	\$ 106,600	\$ 150,000	\$ 110,000	38.1%
Materials & Supplies	\$ -	\$ 200	\$ 200	0.1%
Fees, Licenses & Misc	\$ 4,600	\$ 4,400	\$ 3,700	1.3%
Total	\$ 293,300	\$ 331,500	\$ 288,600	100.0%

MARKETING & COMMUNICATIONS



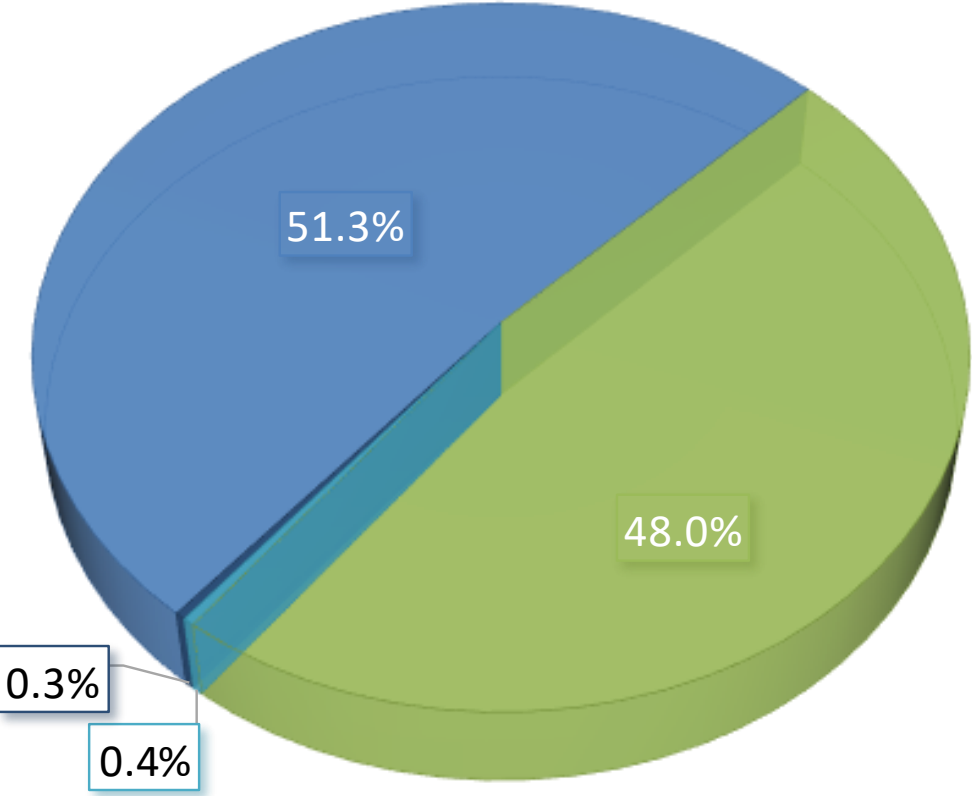
	FY2017 Actual	FY2018 Budget	FY2019 Budget	% of Total
Personnel Services	\$ 440,200	\$ 392,500	\$ 441,300	66.7%
Contracted Services	\$ 98,300	\$ 108,000	\$ 85,000	12.8%
Materials & Supplies	\$ 800	\$ 2,000	\$ 1,800	0.3%
Utilities & Taxes	\$ 6,500	\$ 7,000	\$ 7,000	1.1%
Fees, Licenses & Misc	\$ 218,100	\$ 307,100	\$ 127,000	19.2%
	\$ 763,900	\$ 816,600	\$ 662,100	100.0%

PLANNING & DEVELOPMENT



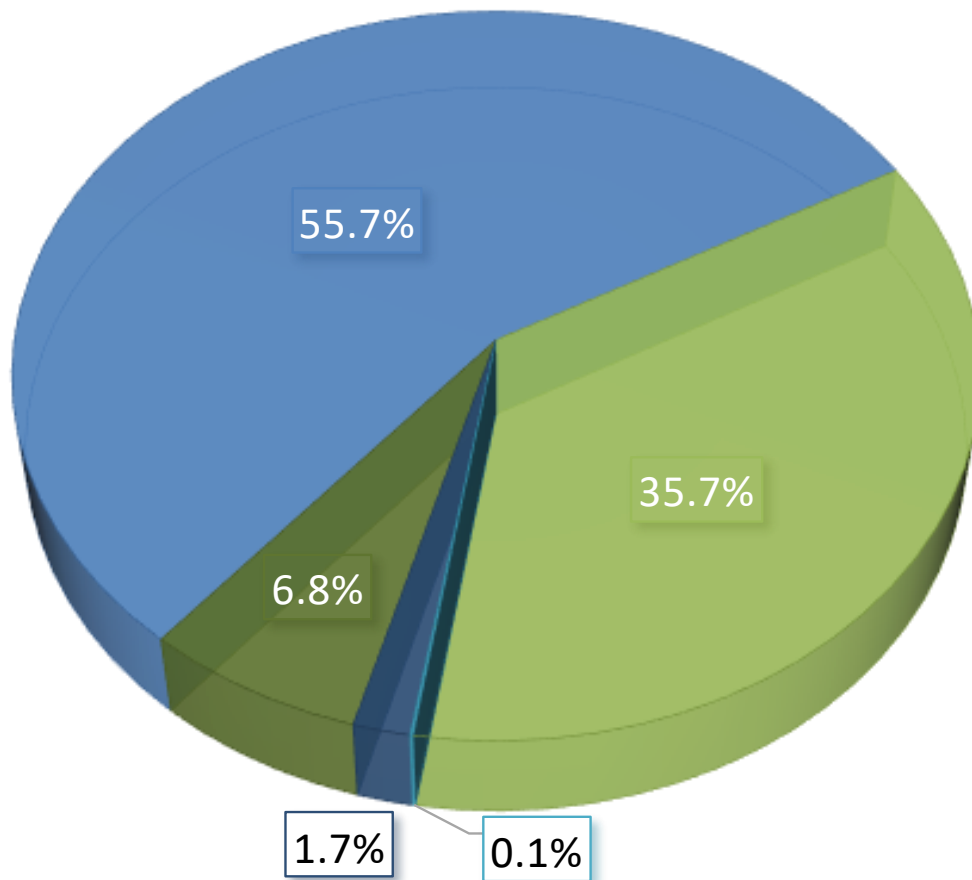
	FY2017 Actual	FY2018 Budget	FY2019 Budget	% of Total
Personnel Services	\$ 3,065,500	\$ 2,652,800	\$ 3,143,300	85.9%
Contracted Services	\$ 1,212,400	\$ 536,400	\$ 466,900	12.8%
Materials & Supplies	\$ 10,900	\$ 12,400	\$ 11,500	0.3%
Fees, Licenses & Misc	\$ 35,400	\$ 53,000	\$ 37,000	1.0%
	\$ 4,324,200	\$ 3,254,600	\$ 3,658,700	100.0%

SAFETY & SECURITY



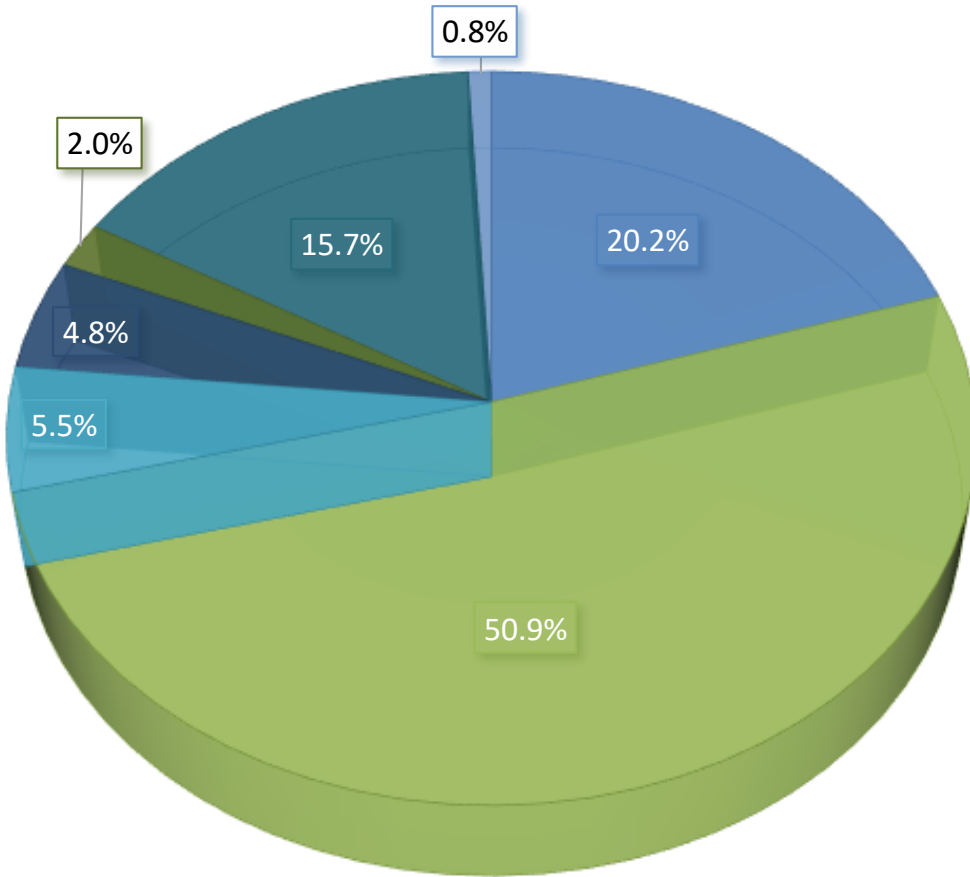
	FY2017 Actual	FY2018 Budget	FY2019 Budget	% of Total
Personnel Services	\$ 1,319,000	\$ 935,000	\$ 1,020,700	51.3%
Contracted Services	\$ 792,600	\$ 954,500	\$ 954,500	48.0%
Materials & Supplies	\$ 10,800	\$ 11,700	\$ 7,200	0.4%
Fees, Licenses & Misc	\$ 11,400	\$ 9,900	\$ 6,500	0.3%
Total	\$ 2,133,800	\$ 1,911,100	\$ 1,988,900	100.0%

TECHNOLOGY



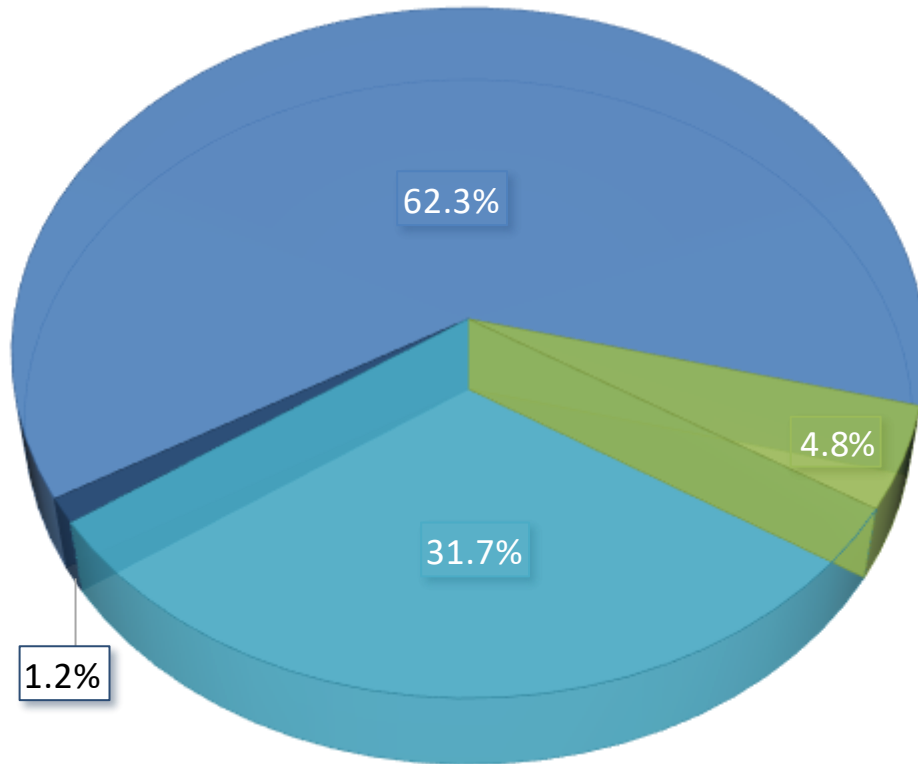
	FY2017 Actual	FY2018 Budget	FY2019 Budget	% of Total
Personnel Services	\$ 1,994,500	\$ 2,839,600	\$ 3,375,300	55.7%
Contracted Services	\$ 1,648,100	\$ 2,215,100	\$ 2,161,600	35.7%
Materials & Supplies	\$ 5,800	\$ 5,600	\$ 5,600	0.1%
Utilities & Taxes	\$ 109,300	\$ 98,800	\$ 105,700	1.7%
Fees, Licenses & Misc	\$ 507,400	\$ 528,400	\$ 411,400	6.8%
	\$ 4,265,100	\$ 5,687,500	\$ 6,059,600	100.0%

OPERATIONS DIVISION BUDGET FY2019



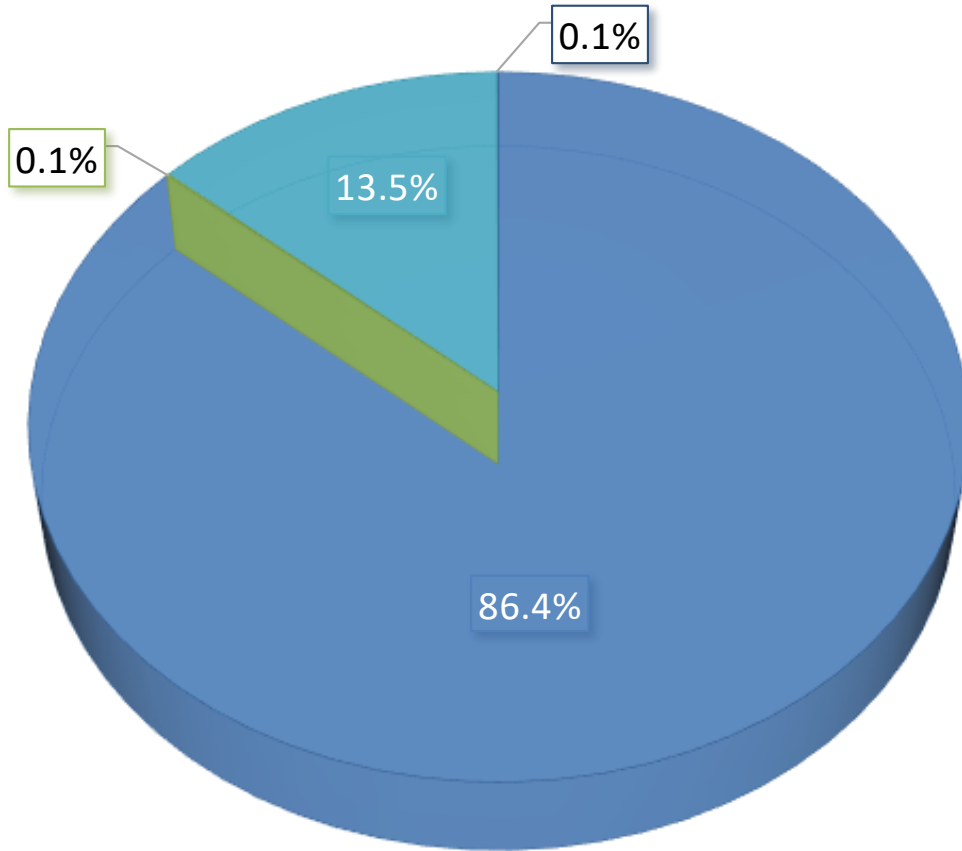
	FY2019 Budget	% of Total
■ Bus Maintenance Services	\$ 12,163,400	20.2%
■ Bus Transportation Services	\$ 30,751,000	50.9%
■ LRT Maintenance Services	\$ 3,303,300	5.5%
■ LRT Transportation Services	\$ 2,924,900	4.8%
■ Ferry Services	\$ 1,231,700	2.0%
■ Paratransit Services	\$ 9,473,600	15.7%
■ Support Vehicle Services	\$ 512,100	0.8%
	\$ 60,360,000	100.0%

BUS MAINTENANCE SERVICES



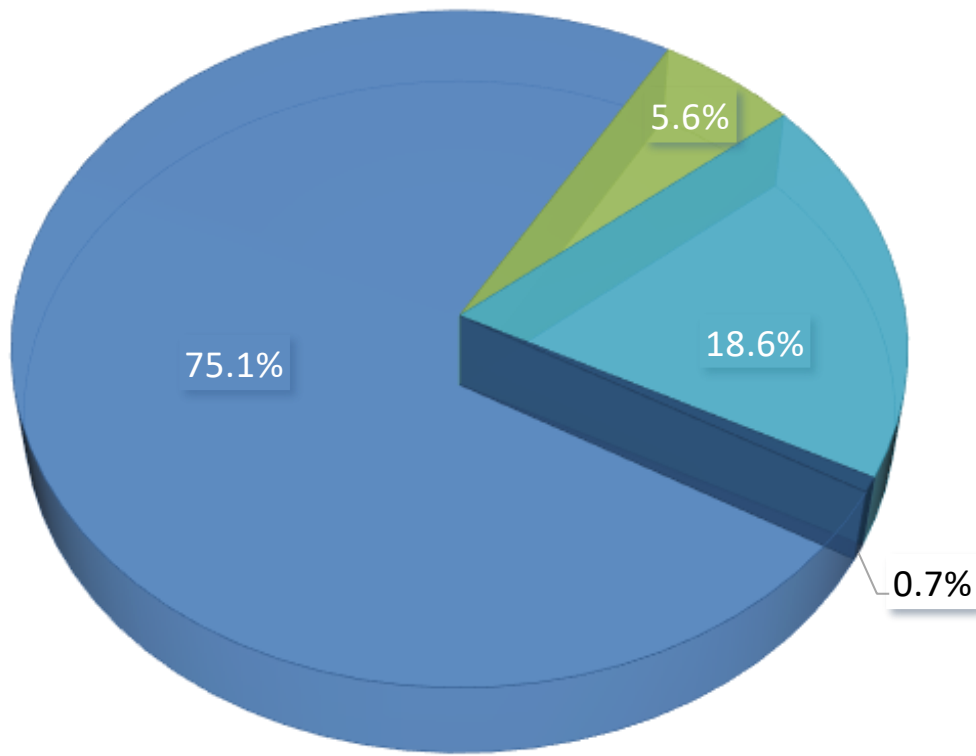
	FY2017 Actual	FY2018 Budget	FY2019 Budget	% of Total
Personnel Services	\$ 7,318,000	\$ 8,159,000	\$ 7,580,900	62.3%
Contracted Services	\$ 553,200	\$ 767,100	\$ 589,500	4.8%
Materials & Supplies	\$ 4,796,500	\$ 4,083,000	\$ 3,850,700	31.7%
Fees, Licenses & Misc	\$ 386,100	\$ 73,900	\$ 142,300	1.2%
	\$ 13,053,800	\$ 13,083,000	\$ 12,163,400	100.0%

BUS TRANSPORTATION SERVICES



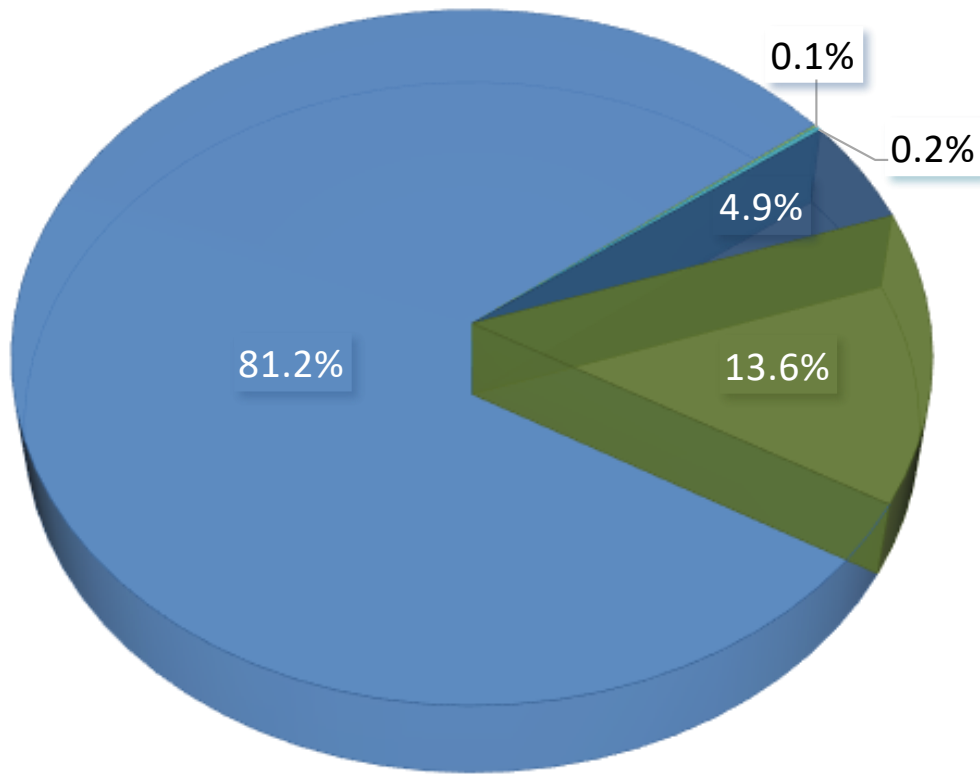
	FY2017 Actual	FY2018 Budget	FY2019 Budget	% of Total
Personnel Services	\$ 26,806,000	\$ 27,416,200	\$ 26,566,000	86.4%
Contracted Services	\$ 5,900	\$ 10,700	\$ 22,200	0.1%
Materials & Supplies	\$ 4,438,800	\$ 5,004,300	\$ 4,146,900	13.5%
Fees, Licenses & Misc	\$ 47,400	\$ 54,800	\$ 15,900	0.1%
	\$ 31,298,100	\$ 32,486,000	\$ 30,751,000	100.0%

RAIL MAINTENANCE SERVICES



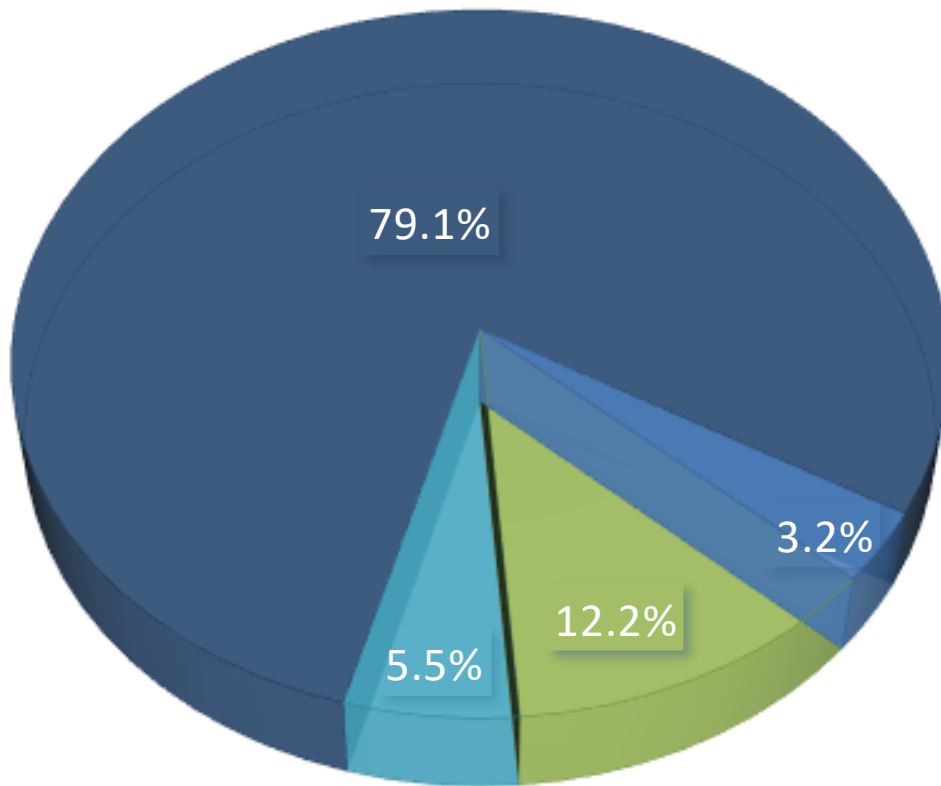
	FY2017 Actual	FY2018 Budget	FY2019 Budget	% of Total
Personnel Services	\$ 2,696,200	\$ 2,619,300	\$ 2,482,500	75.2%
Contracted Services	\$ 143,400	\$ 199,400	\$ 184,000	5.6%
Materials & Supplies	\$ 362,100	\$ 887,000	\$ 613,600	18.6%
Fees, Licenses & Misc	\$ 30,500	\$ 60,900	\$ 23,200	0.7%
	\$ 3,232,200	\$ 3,766,600	\$ 3,303,300	100.0%

RAIL TRANSPORTATION SERVICES



	FY2017 Actual	FY2018 Budget	FY2019 Budget	% of Total
Personnel Services	\$ 2,311,700	\$ 2,399,800	\$ 2,375,600	81.2%
Contracted Services	\$ 900	\$ 5,800	\$ 3,200	0.1%
Materials & Supplies	\$ 6,800	\$ 7,000	\$ 6,100	0.2%
Utilities & Taxes	\$ 385,200	\$ 397,000	\$ 397,000	13.6%
Fees, Licenses & Misc	\$ 123,900	\$ 151,400	\$ 143,000	4.9%
	\$ 2,828,500	\$ 2,961,000	\$ 2,924,900	100.0%

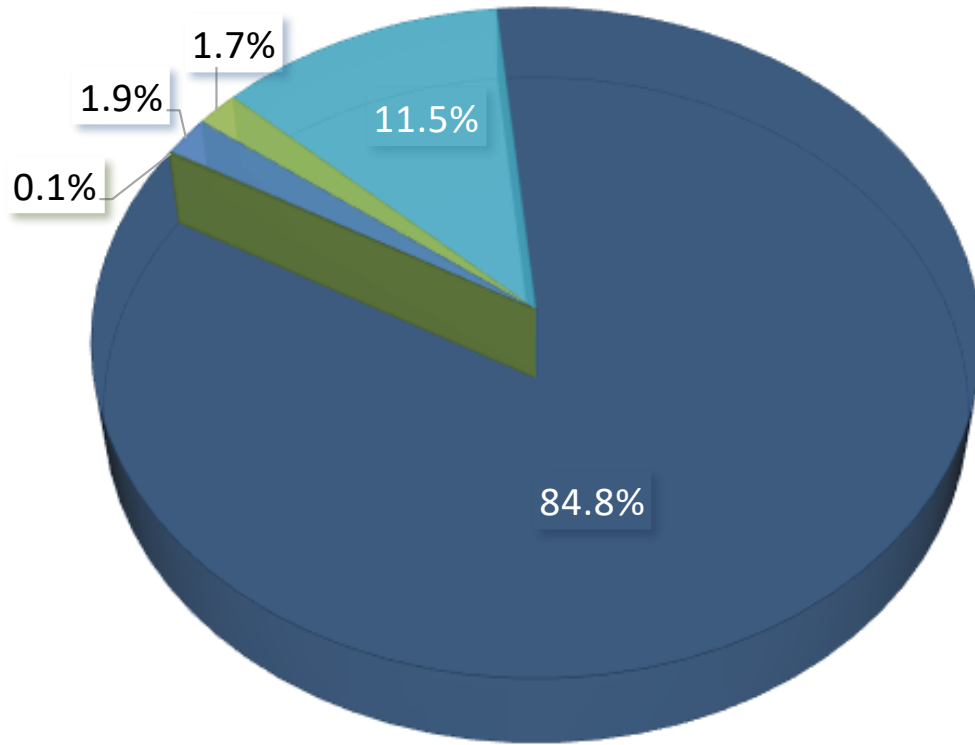
FERRY SERVICES



- Personnel Services
- Contracted Services
- Materials & Supplies
- Purchased Transportation

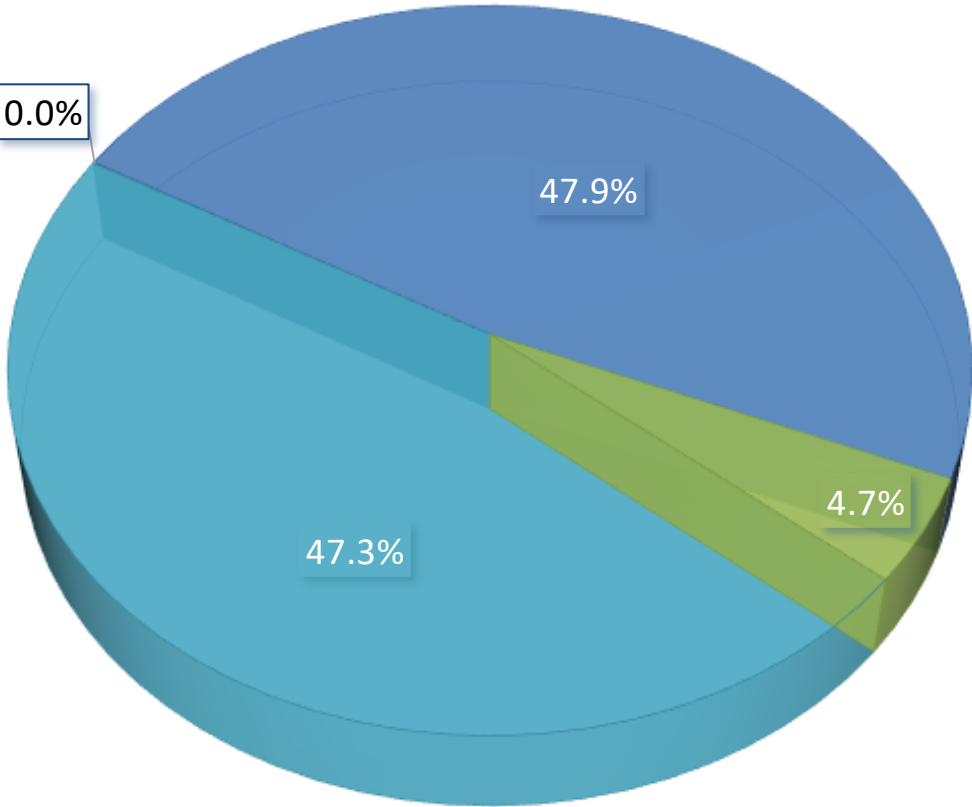
	FY2017 Actual	FY2018 Budget	FY2019 Budget	% of Total
Personnel Services	\$ 36,500	\$ 40,000	\$ 40,000	3.2%
Contracted Services	\$ 266,400	\$ 250,000	\$ 150,000	12.2%
Materials & Supplies	\$ 55,500	\$ 79,500	\$ 68,000	5.5%
Purchased Transportation	\$ 879,600	\$ 934,000	\$ 973,700	79.1%
Total	\$ 1,238,000	\$ 1,303,500	\$ 1,231,700	100.0%

PARATRANSIT SERVICES



	FY2017 Actual	FY2018 Budget	FY2019 Budget	% of Total
Personnel Services	\$ 138,000	\$ 134,100	\$ 181,200	1.9%
Contracted Services	\$ 161,400	\$ 152,700	\$ 162,000	1.7%
Materials & Supplies	\$ 922,600	\$ 1,113,700	\$ 1,087,700	11.5%
Purchased Transportation	\$ 7,442,400	\$ 7,772,400	\$ 8,033,100	84.8%
Fees, Licenses & Misc	\$ 3,300	\$ 1,800	\$ 9,600	0.1%
	\$ 8,667,700	\$ 9,174,700	\$ 9,473,600	100.0%

SUPPORT VEHICLE SERVICES



	FY2017 Actual	FY2018 Budget	FY2019 Budget	% of Total
Personnel Services	\$ 194,900	\$ 202,700	\$ 245,500	47.9%
Contracted Services	\$ 44,400	\$ 29,700	\$ 24,000	4.7%
Materials & Supplies	\$ 246,400	\$ 267,500	\$ 242,400	47.3%
Fees, Licenses & Misc	\$ 1,500	\$ 100	\$ 200	0.0%
	\$ 487,200	\$ 500,000	\$ 512,100	100.0%

FUTURE OF TRANSIT AND REGIONAL MOBILITY

Hampton Roads needs public transit that makes sense for today.

Since bus services on the Southside and Peninsula merged 19 years ago to form Hampton Roads Transit, there has been little change to the region's transit.

To say the least, it is time to reinvent the transit system.

The Strategic Regional Transit Transformation Project will begin in November. The project will involve a fresh look at the design and performance of HRT's transit system and determine how a re-designed bus network and mix of services could be more relevant and reliable in supporting the region's economic health and prosperity. Different funding models and new governance structures will be explored as well.

With today's new technologies and transportation options like Uber and Lyft, it is more important than ever that core transit service is an accessible and integrated part of the region's mobility ecosystem.

The major goal of the study is to maximize public engagement. No one can assist more with this project than our transit riders themselves. We also want to increase collaboration amongst public and private sector partners because there are more people, jobs and new destinations that deserve more reliable transit networks.

The project will involve continuous public engagement to include, but not limited to, 33 small group meetings/focus groups, 15 public meetings across Hampton Roads, 11 pop-up events in communities and three online public meetings.

We will also launch a project website, social media, regional survey beginning November 1 and a regional community summit.

HRT is required to develop the transformation plan under legislation passed in this year's General Assembly session - Senate bill 856, a requirement for a new "urban agency strategic plan." The state is funding 80 percent of the plan's development, and the member localities will split the rest of the bill.

The Transform Transit kickoff event will be held on November 1st at 1 p.m. at the Slover Library and coincide with the governor's Transportation Conference. We plan on having approximately 100 stakeholders, city and community partners in attendance. Following brief opening remarks from regional leaders and a thought-provoking panel moderated by Robert Puentes, President of the ENO Center for Transportation and Brookings Institution scholar, we want everyone to get in on the conversation about the future of transit and regional mobility.

We are truly excited with the timing of the Transformational Transit Study and look forward to having a solid reinvented plan for our transit system by this time next year. We must remember that transit is truly a workforce and economic development issue as Hampton Roads seeks to further diversify its economy and enhance regional economic growth.



APPENDIX - GLOSSARY

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 (ADA) 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.

Crossroads is a bus service from Norfolk to Hampton and vice versa utilizing Hampton Roads Bridge Tunnel.

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; i.e. Assets - Liabilities = Fund Balance.

Federal Transit Administration is the branch of the United States 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 Equivalent 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.

APPENDIX - GLOSSARY

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 (STS).

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).

APPENDIX - GLOSSARY

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 Computer Aided Dispatch (CAD) and Automatic Vehicle Location (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.

APPENDIX - GLOSSARY

Section 5307 The Urbanized Area Formula Funding program (49 U.S.C. 5307) makes federal resources available to urbanized areas and to governors for transit capital and operating assistance in urbanized areas and for transportation-related planning. An urbanized area is an incorporated area with a population of 50,000 or more that is designated as such by the U.S. Department of Commerce, Bureau of the Census. Section 5307 Capital Cost of Contract (CCC) is preventative maintenance (PM) on a 3rd party contract. It allows 40% of the contract to be considered for PM. You can thereby get federal reimbursement for 80% of the 40% which calculates to 32%. The federal regulations allow for a maximum of 10% of the 5307 Federal allocation to be used for Americans with Disabilities Act (ADA) complementary paratransit service costs and for those expenditures to be considered capital.

Section 5337 The State of Good Repair Grants Program (49 U.S.C. 5337) provides capital assistance for maintenance, replacement, and rehabilitation projects of high-intensity fixed guideway and bus systems to help transit agencies maintain assets in a state of good repair. Additionally, SGR grants are eligible for developing and implementing Transit Asset Management plans.

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 (VAMS) are vehicles that a transit agency has available to operate revenue service regardless of the legal relationship thorough which they are owned, leased, or otherwise controlled by the transit agency.

APPENDIX - GLOSSARY

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.

APPENDIX - ACRONYMS

ACC	Advanced Capital Contributions	PM	Preventive Maintenance
ADA	American with Disabilities Act	PTDC	Peninsula Transportation District Commission (predecessor organization)
AVL	Automatic Vehicle Location	RFP	Request for Proposals
CAD	Computer Aided Dispatch	RSTP	Regional Surface Transportation Program
CEO	Chief Executive Officer	SET	Senior Executive Team
CFO	Chief Financial Officer	SGR	State of Good Repair
CMAQ	Congestion Mitigation and Air Quality Improvement Program	STP	Surface Transportation Program
CRTC	Citizens Rapid Transit Corporation of Newport News (predecessor organization)	STS	Special Transportation Service
CSX	CSX Railway	TDCHR	Transportation District Commission of Hampton Roads (full legal name of HRT)
DBE	Disadvantaged Business Enterprise	TDM	Transportation Demand Management
DEIS	Draft Environmental Impact Statement	TDP	Transit Development Plan
DRPT	Virginia Department of Rail and Public Transportation	TMT	Tidewater Metro Transit (predecessor organization)
EIS	Environmental Impact Statement	TRT	Tidewater Regional Transit (parent to HRT)
ERF	Elizabeth River Ferry	TSP	Transportation Service Plan
ERC	Elizabeth River Crossing	TTDC	Tidewater Transportation District Commission (predecessor organization)
FHWA	Federal Highway Administration	TTP	Transit Transformation Project
FIFO	First-in, first-out	UPWP	Unified Planning Work Program
FTA	Federal Transit Administration	USDOT	United States Department of Transportation
GASB	Governmental Accounting Standards Board	VB Wave	Virginia Beach Wave
GPS	Global Positioning System	VEPCO	Virginia Electric and Power Company (now known as Dominion Energy)
HOV	High Occupancy Vehicle	VRA	Virginia Resources Authority
HRPDC	Hampton Roads Planning District Commission	VTC	Virginia Transit Company of Norfolk (predecessor organization)
HRT	Hampton Roads Transit (trade name for TDCHR)	WCCPS	Weldon Cooper Center for Public Service
IFB	Invitation for Bids	Wi-Fi	Wireless Fidelity
LRT	Light Rail Transit		
LRV	Light Rail Vehicle		
MAX	Metro Area Express		
MSA	Metropolitan Statistical Area		
OD	Origin-Destination		
PENTRAN	Peninsula Transit (predecessor organization)		



HAMPTON ROADS

TRANSIT

SOUTHSIDE ADMINISTRATION/MAINTENANCE BUILDING
509 EAST 18TH ST., NORFOLK, VA 23504

NORTHSIDE ADMINISTRATION/MAINTENANCE BUILDING
3400 VICTORIA BLVD., HAMPTON, VA 23661

NORFOLK TIDE FACILITY
1850 EAST BRAMBLETON AVE., NORFOLK, VA 23504