



HAMPTON ROADS  
TRANSIT

# FY2018 Preliminary Operating Budget

Audit/Budget Committee Meeting  
February 23, 2017

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# Budget Overview

## Budget Development Challenges

- Due to a delay in Federal capital funding for fleet replacement, average age continues to exceed 10+ years
- A decrease in fixed route ridership translated to a shortfall in farebox revenue last fiscal year
- Increase in demand response ridership translates to a growth in operating costs for Paratransit

## Budget Assumptions

- ✓ Implement the second phase of the fixed-route fare adjustment in October 2017
- ✓ Took a conservative approach to farebox recovery

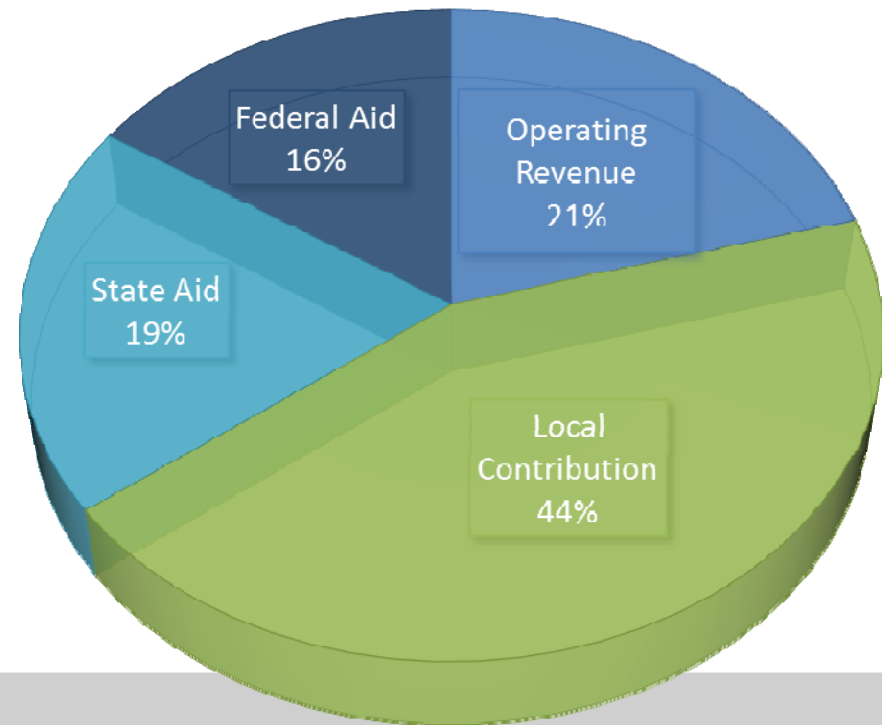


# Proposed Revenue Budget (in thousands)

	FY2017 Approved Budget	FY2018 Proposed Budget	\$ Δ Prior Year	% Δ Prior Year
Operating Revenue	\$ 22,328	\$ 21,389	\$ (939)	-4.2%
State Aid	17,339	20,036	2,697	15.6%
Federal Aid	17,043	16,347	(696)	-4.1%
Local Contribution	42,770	45,531	2,761	6.5%
<b>Total Revenues</b>	<b>\$ 99,480</b>	<b>\$ 103,303</b>	<b>\$ 3,823</b>	<b>3.8%</b>

## Budgetary Highlights

- Decrease in farebox revenue based on FY2016 trends, includes fare increase of \$.25 on fixed route
- Increase in State funding
- Decrease in Federal funding
- Increase in Local contribution to “fill the gap”

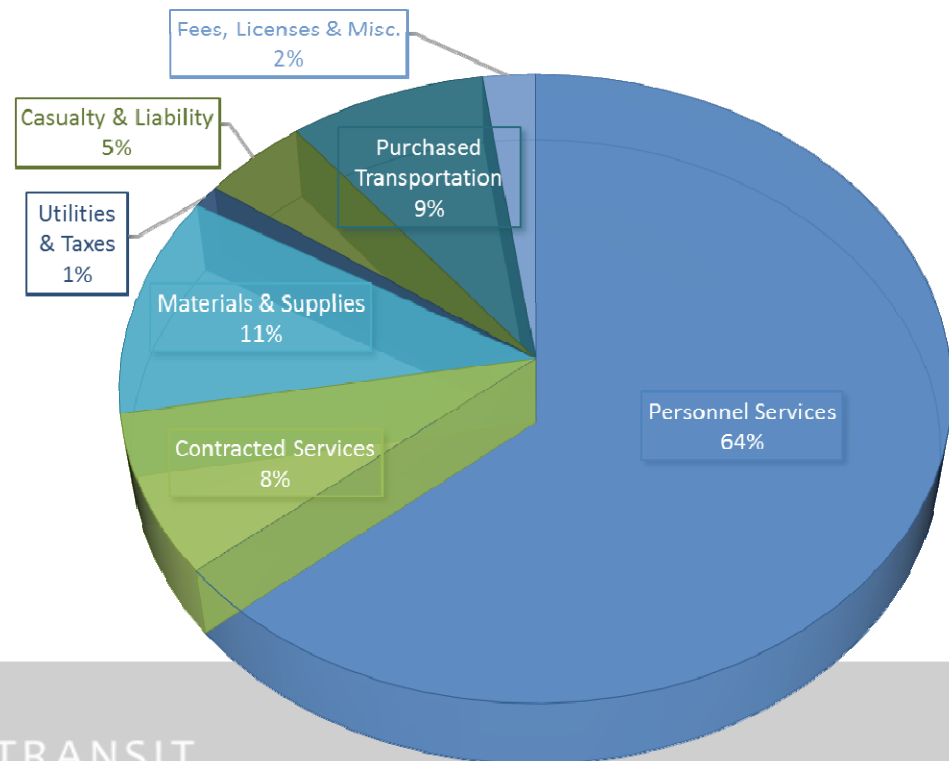


# Proposed Expense Budget (in thousands)

	FY2017 Approved Budget	FY2018 Proposed Budget	\$ Δ Prior Year	% Δ Prior Year
Personnel Services	\$ 60,964	\$ 66,096	\$ 5,132	8.4%
Contracted Services	9,807	8,543	(1,264)	-12.9%
Materials & Supplies	11,136	11,731	595	5.3%
Utilities & Taxes	1,319	1,195	(124)	-9.4%
Casualty & Liability	4,977	4,709	(268)	-5.4%
Purchased Transportation	8,451	8,706	255	3.0%
Fees, Licenses & Misc.	2,826	2,323	(503)	-17.8%
<b>Total Expenses</b>	<b>\$ 99,480</b>	<b>\$ 103,303</b>	<b>\$ 3,823</b>	<b>3.8%</b>

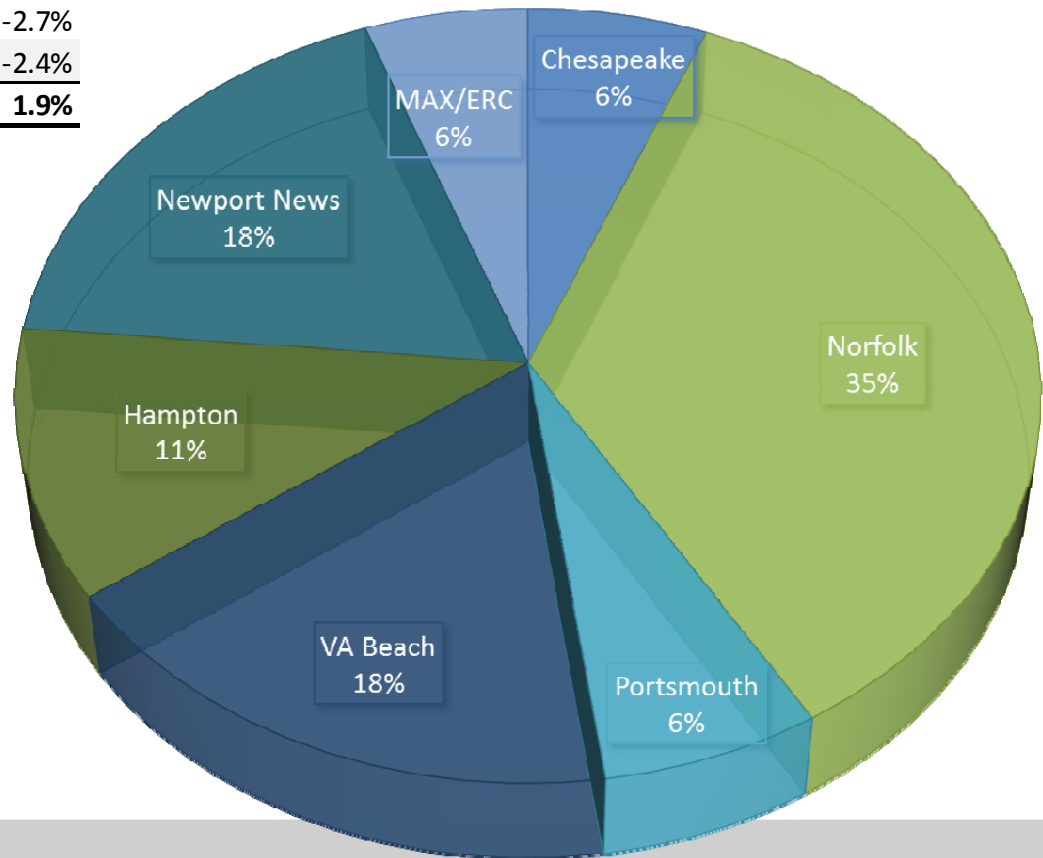
## Budgetary Highlights

- Personnel services increase of **8.4%**
- Contracted services decrease of **12.9%**
- Materials & supplies increase of **5.3%**
- Utilities relatively flat
- Casualty & liability savings continue in FY2018
- Purchased transportation increase of **3.0%** due to a trending increase in ridership
- Fees, License & Misc. decrease of **17.8%**



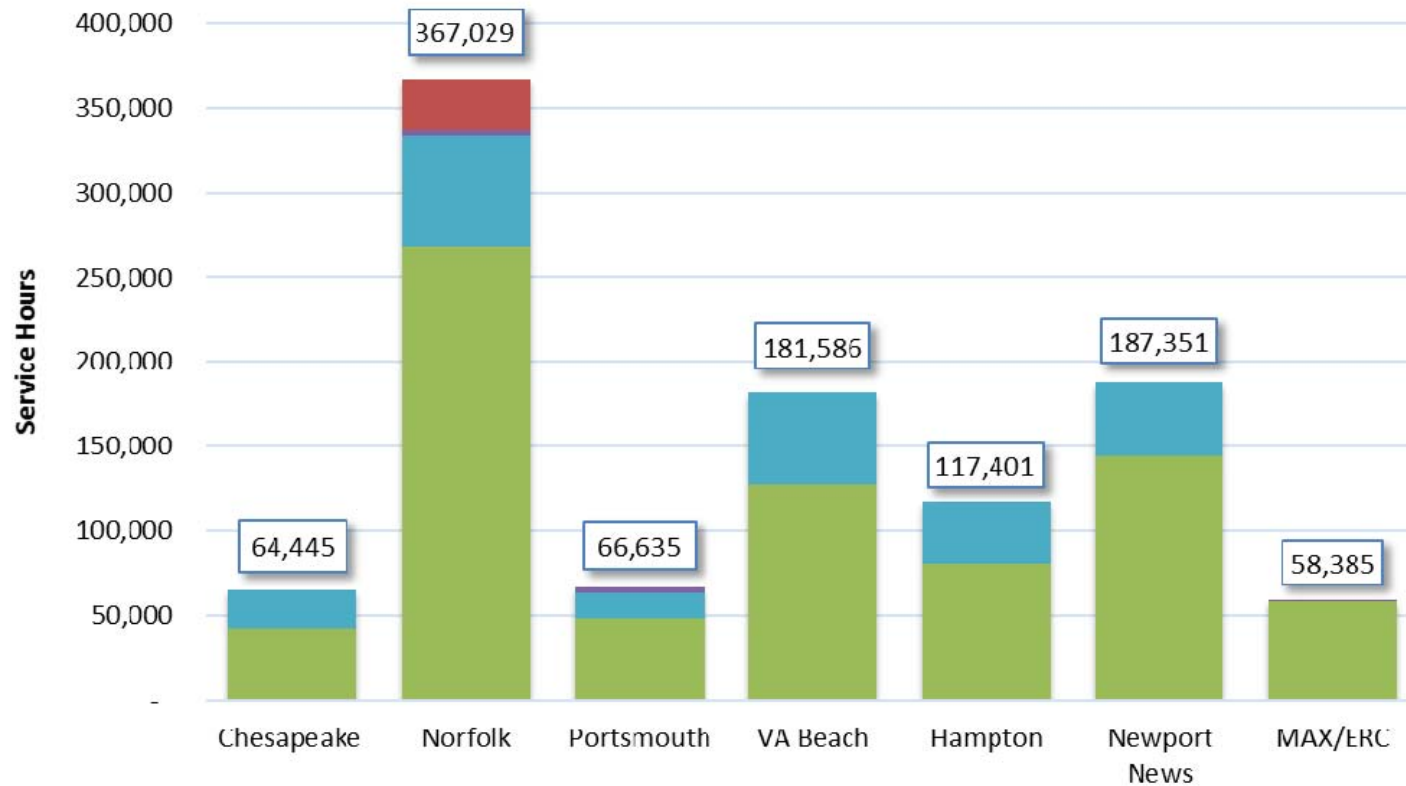
# Service Hour Comparison

	FY2017 Approved	FY2018 Proposed	△ Prior Year	% △ Prior Year
Chesapeake	65,296	64,445	(851)	-1.3%
Norfolk	358,558	367,029	8,471	2.4%
Portsmouth	61,642	66,635	4,993	8.1%
VA Beach	169,642	181,586	11,944	7.0%
Hampton	115,645	117,401	1,756	1.5%
Newport News	192,545	187,351	(5,194)	-2.7%
MAX/ERC	59,815	58,385	(1,430)	-2.4%
<b>Total</b>	<b>1,023,143</b>	<b>1,042,832</b>	<b>19,689</b>	<b>1.9%</b>



# Service Hours By City & Mode

	FY2017 Approved	FY2018 Proposed	△ Prior Year	% △ Prior Year
Bus	762,260	769,301	7,041	0.9%
Light Rail	29,948	29,921	(27)	-0.1%
Ferry	6,615	6,594	(21)	-0.3%
Paratransit	224,320	237,016	12,696	5.7%
<b>Total</b>	<b>1,023,143</b>	<b>1,042,832</b>	<b>19,689</b>	<b>1.9%</b>



# Moving Forward

- Continue cost containment strategies
  - Look for additional business practice adjustments
  - Get fuel futures price locked in
- Continue dialogue with each localities' Finance/Budget and Planning personnel
- Seek Commission approval on the budget at the May Commission meeting





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