



Management / Financial Advisory Committee Hampton Roads Transit

509 East 18th Street, Norfolk, VA, 23504, 2nd Floor Board Room
Monday, August 21, 2017
1:30 p.m.

MEETING MINUTES

Call to order

Mr. Jenkins called the meeting to order at 1:31 PM

Commissioners in attendance:

Commissioner DeProfio, Hampton
Commissioner Solis, Virginia Beach
Commissioner Pittard, DRPT

Committee members in attendance:

Susan Wilson, City of Portsmouth
Steve Jenkins, City of Chesapeake
Laruen Kesselring, City of Norfolk
Sheila McAllister, City of Newport News
Miryam Woodson, City of Virginia Beach
Lisa Cipriano, City of Newport News
Kevin Chatellier, City of Virginia Beach
Jeffrey Raliski, City of Norfolk
Alex Gottschalk, City of Virginia Beach

Hampton Roads Transit Staff in attendance:

Debbie Ball, Assistant Director of Finance
Angela Glass, Director of Budget and Financial Analysis
Sylvia Shanahan, Director of Finance
Brandon Singleton, Chief Finance Officer
Brian Smith, Assistant to the President
Margaret Denoncourt, Internal Auditor
Samantha Sink, Transit Development Planner
Lindsay Hoolehan, Transit Development Planner
Jamie Jackson, Director of Transit Development
Brenda Green, Accounting Coordinator (recorder)

Others in attendance:

Matt Simons, SC&H



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Matthew Simons, SC&H
Ryann Kohan, SC&H
Ron Jordan, Advantus Strategies

The July Management/Financial Advisory Committee package was distributed electronically to committee members and the media in advance of the meeting. The meeting package consisted of:

- Agenda
- July 2017 MFAC Meeting Minutes
- Financial Report
- Route Ridership FY 14-17
- MFAC Legislative Update
- MFAC By-Laws Overview

Welcome

Mr. Jenkins welcomed everyone to the meeting.

A motion to approve the July 17 Management/financial Advisory Committee minutes was made and properly seconded.

The July 17 minutes were approved by an unanimous vote,

Service Planning

Mr. Brandon Singleton, Chief Financial Officer stated that an electronic copy of the FY 14-FY 18 System Ridership Report by Route was distributed to the committee members in advance.

MFAC FY 16 Regional Origin and Destination Study

Mr. Singleton introduced Jamie Jackson, Director of Transit Development and her team Samantha Sink, Transit Development Planner and Lindsay Hoolehan, Transit Development Planner.



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Ms. Jackson gave a summary of the 2016 Regional Origin and Destination Study outlining the purpose to the project, data and how Hampton Roads Transit (HRT) riders utilized the system.

Ms. Jackson stated that this survey will help HRT know who riders are, where they are going, and how they get to their destinations. The results of this study can help facilitate and assist in making decisions for the riders, which is critical for all who are making decisions that impact daily lives of riders.

Study Purpose:

- Gather updated travel behavior data from transit users
- Support transit planning & operations activities
- Environmental Justice & Title VI reporting
- Update the regional travel demand model

Origin and Destination Data and Information

Ms. Jackson stated that with this study the region will gain a better understanding of today's transit riders based on observed ridership patterns and preferences. The FY 16 Origin and Destination (O&D) data can be used not only for O&D, but also for the Transit Development Plan (TDP). In addition, Ms. Jackson stated that an updated Environmental Justice & Title VI report can assist in the improvement of transit forecasting and the regional travel demand mode, this report can also impact HRT's studies like the Peninsula Corridor Study.

Most Common Trip Destinations

Ms. Jackson stated that according to the study, the bus mode is more commonly used by our riders, serving over 80% of our customers. It is important that HRT monitors all aspects of services, however, it is critically important to understand that the bus riders are the base core customers. This study removes the perception that people only take public transit to work. Customers aren't just using transit to go to work but they are also living their lives through our transit system.



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Smartphone Ownership

The survey confirms that 88% of our transit dependent population is identified as smartphone owners. Smartphone technology can be an asset to our customers, allowing them to have in hand features such as real-time bus information. Also, text-to-stop features for customers who have limited data plans. Ms. Jackson stated that HRT is committed to continue to march forward with technology which will enable our smartphone riders to utilize these tools.

Fare Payment & Technology

Ms. Jackson stated that, today 91% of our riders are using cash, 6% credit card and 1.6% are using other methods like the Student Freedom Pass and employee passes. HRT currently has a limited number of Ticket Vending Machines (TVM) which may contribute to these numbers; however ultimately our riders are paying by cash. The data also shows that most of our customers are purchasing day passes. There are currently discussions on the use of smart phone technology for fare media. However, Ms. Jackson states that it would still be important to capture the cash population, those who may be excluded from that use of technology. Currently our TVM's primary use is debit and credit cards whereas riders may not have access to these forms of transactions and may lack banking relationships. Likewise, our farebox cannot accept credit/debit cards.

Who are our Riders? Ridership Data and Information

Ms. Lindsay Hoolehan provided insight into who our riders are by detailing demographic information about who the people are who utilize our system.

Age

The data shows that our system services primarily young people ages 18-34, and progressively getting younger with a 2% increase since 2014.

Gender

Ms. Hoolehan states HRT riders are predominantly female. However, the Metro Area Express (MAX) shows significantly more men traveling than women.

Race



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HRT's riders who identify as minority riders make up a larger portion of our system's use. However, data also confirms a slight decline in minority riders since 2014.

Language

The data shows that English is the primarily language spoken among our riders. However, 4.62 % of those who use our service speak another language when at home.

Annual Household Income (2016)

Nearly half of our customers have an annual household income of less than 25K per year. This equates to roughly two adults earning a minimum hourly wage. A high number of our customers are low income.

Disability Status

Data shows that 5% of our riders identify as having disabilities and utilize HRT's system for travel. However, of that percentage 2% are Paratransit users and are registered with HRT, which allows access to our regular services at no cost.

System Utilization-Frequency

Data shows that 71% of our rides use transit 4-7 days per week for their everyday needs.

Employment Statues

Data show that 76.1% of our riders are employed.

Driver's License

Data proves that 45% of our riders do not have driver's licenses.

There was some discussion concerning travel pattern between the Peninsula and Towne Center.

There was some discussion concerning the route 961.

Car Availability



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Data shows that 92% of our riders walk to their transit stop, 89% of our system users do not have use of a vehicle.

Attitudinal Survey: Rider Reponses

Ms. Hoolehan discussed the attitudinal portion of the survey which highlights how a sample of our riders feel about our system. The scope of the responses was taken from a smaller sample size, and limited to the Tide and local bus routes.

Professionalism

84% of our customers stated that they had a positive experience with our operators and that they were profession and helpful.

On-Board Safely

Data shows that 97% of our customers stated that they felt safe while using our transit services.

Data Visualization; Origins and Destination:

Ms. Samantha Sink summarized the portion of the survey that provides a better geographical understanding of our beginning and ending point of their transit trip. HRT's system is used in a regional way, even though our cost allocation allocates our resources at the municipal level, our customers do not utilize the system that way. Our customers don't recognize city boundary lines.

Ferry

Data shows that the Ferry is not just being used as a tourist attraction, 30% of our trips are being utilized for other reasons.

Light Rail



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Ms. Sink stated that The Light Rail system on an average weekday is being used across all regional modes and citizens not living near the route are using it to make trips. 1 in 5 trips on the Tide originate in Virginia Beach.

Route 112

The route 112 is the highest ridership route on the peninsula, 2600 average weekday trips. This route begins and ends in Hampton. This route interconnects our systems so many trips on the 112 originate in places outside its coverage area. A change to one route affects all the routes that it connects to. The 112 is funded by Newport News (NN), but a lot of its ridership is in Hampton.

Travel Patterns

Ms. Sink stated that the data proves that HRT's system is being used regionally. 40% of riders make transfers. Customers are also moving between various zip codes to achieve these points of connections.

Employment

Work destinations are one of the primary usage and purpose of our riders utilizing our services during the weekdays.

Non-Work

However, HRT riders are also depending on our services for countless other daily purposes other than work.

There was some discussion concerning the characteristics of routes that attract the most ridership.

ACTION ITEM HRT was asked to consider additional data explorations that would be helpful as it relates to route patterns and usage needed to identify the less than successful routes.

There was some discussion concerning the Ferry as it relates to its recent up trending usage by riders.



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There was some discussion concerning the City of Norfolk and the connectivity of bus routes to the Ferry.

Ms. Jackson stated that the FY 16 Regional Origin and Destination Study is being published and should be available to the cities in September.

July FY 16 Financial Report

Mr. Singleton presented the July FY17 Financial Report as enclosed in the package.

There was some discussion concerning the financial target base.

There was some discussion concerning trending data.

There was some discussion concerning saving in the new fuel contract.

There was some discussion concerning the Federal contribution dollars.

There was some discussion concerning the FY17 Mega Grant.

ACTION ITEM: HRT has been requested to confirm that according to the July projections the local contribution would be less than previously approved by the Commissioners.

There was some discussion concerning budget cost being adjusted according to the season.

ACTION ITEM: It was suggested that an additional calculation be added on the financial statement to reflect the percentage/dollars of expenses of several prior years actual to the current years actual.

There was some discussion concerning fare box revenue as it relates to ridership declines.

There was some discussion concerning the GO-Pass 365.

There was some discussion concerning ridership trends and loyalty.

There was some discussion concerning the October fare increase.



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There was some discussion concerning the forms of revenue transactions.

MFAC – Legislative Update

Mr. Brian Smith, Assistant to the President for Organizational Advancement presented the MFAC -Legislative Update as enclosed in the package.

There was some discussion concerning the need to obtain additional forms of dedicated funding.

There was some discussion concerning state match funding.

ACTION ITEM: It was suggested that HRT provide a cost analysis to the localities which would reflect the state funding variance and will provide a project cost to replace the current fleet over a ten (10) year span.

There was some discussion concerning flex dollars over capital and operations expenses.

There was some discussion concerning Capital Project Revenue Bonds (CPR).

ACTION ITEM: It was suggested that HRT provide data that would demonstrate the current state and needs for the rolling stock/fleet. In addition, provide information concerning HRT's plans to will deal with the replacement of its aging fleet with the declining absence of state/federal funding and the sun setting revenue of the CPR bonds.

Mr. Smith stated that the Capital Improvement Planning could be a source of revenue.

Other Business

Mr. Singleton introduced Mather Simons, Principal, Ryan Kohan, Manager and Russell Ojers, Senior Manager from the SC&H Group.



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SC&H Financial Management Review MFAC Committee Update

Mr. Simons and Mr. Ojers presented a summary of their work to date.

Mr. Singleton proposed the following amendments to the agenda for the September '17 and October '17 MFAC meetings.

- September FY17 and October FY17 Financial presentations be emailed to the MFAC members prior to the scheduled meeting. All questions or concerning about the financial reports should be addressed via email to Mr. Singleton
- September '17 MFAC meeting will be dedicated to SC&H to present to the preliminary finding of the FMO to the MFAC committee members.
- October '17 MFAC meeting will be dedicated to SC&H to present the final results and recommendations of the FMO to the MFAC committee members.

Draft of the MFAC By Laws

A motion to approve the revision of the MFAC By Laws, section three (3) that was distributed to the committee member was made and properly seconded.

The revision to the MFAC By Laws, section three (3) will be presented to the Transportation District of Hampton Roads (TDHR) Committee for approval.

Adjournment

The meeting was adjourned at 3:42