



Management / Financial Advisory Committee Hampton Roads Transit

508 East 18 Street, Norfolk, VA, 23504, 2nd Floor Board Room
Tuesday, February 20, 2018
10:00 a.m.

MEETING MINUTES

Call to order

Mr. Jenkins called the meeting to order at 10:03 am

Committee members in attendance:

Steve Jenkins, Chair, City of Chesapeake
Brian DeProfio, City of Hampton
Jeff Raliski, City of Norfolk
Lauren Kesselring, City of Norfolk
Miryam Woodson, City of Virginia Beach
Earl Sorey, City of Chesapeake
Michael Hayes, City of Hampton
Steve Pittard, DRPT
Lisa Cipriano, City of Newport News
Sheila McAllister, City of Newport News
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
Brenda Green, Accounting Coordinator (recorder)
Jamie Jackson, Director of Transit Development
Alesia Cain, Chief Information Officer/Chief Technology Officer
Gene Cavazos, Director of Marketing and Communications
Ray Amoruso, Chief Planning & Development Officer
Margaret Denoncourt, Internal Auditor
Sibyl Pappas, Chief Engineering & Facilities Officer
William Harrell, President and Chief Executive Officer
Conner Burns, Chief Financial Officer
Robert Travers, Attorney
Kim Ackerman, Chief Human Resources Officer

Others in attendance:

Karl Daughtrey, City of Hampton
Kevin Page, Hampton Roads Transportation Accountability Commission



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The February Management/Financial Advisory Committee (MFAC) package was distributed electronically to committee members in advance of the meeting. The meeting package consisted of:

- Agenda
- January 2018 MFAC Meeting Minutes
- January 2018 Financial Statement Projections

Welcome

Mr. Steven Jenkins, Chair, City of Chesapeake, welcomed everyone to the meeting.

A motion to approve the January 2018 MFAC minutes was made and properly seconded.

The January 2018 minutes were approved by a unanimous vote.

January 2018 Financial Report

Mr. William Harrell, President and Chief Executive Officer (CEO) introduced Mr. Conner Burns, Hampton Roads Transit's (HRT) new Chief Financial Officer (CFO) to the MFAC members.

Mr. Harrell thanked Ms. Sylvia Shanahan, Director of Finance, for her able leadership while filling in as Interim CFO during the transition.

Ms. Shanahan gave an overview of the January 2018 Financial Report.

Mr. Brain DeProfio, City of Hampton, asked when HRT would set a timeline to discuss the FY19 true-up projections.

Ms. Shanahan stated that HRT would like to have the new CFO involved in this discussion.

Mr. Burns, stated that a timeline to discuss true-up projections would be forthcoming. However, Mr. Burns asked that the committee members allow him time to obtain a more comprehensive look and overview of the projections, having the opportunity to visit the information from every angle prior to setting a timeline. Mr. Burns informed the committee



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members that he welcomes any input or ideas that they would like to share during this process.

Mr. DeProfio, stated that allowing Mr. Burns time to get acclimated in his position is acceptable. However, HRT is still obligated to the committee to address this concern in a timely manner.

There was some discussion concerning MFAC forming a sub-committee to work with Mr. Burns.

Mr. Harrell, stated that Mr. Burns could choose to meet with the individual cities or the cities as a group, to discuss these matters on how the committee members would like to see things done and come to an agreement on the process.

There was some discussion concerning the Budget department taking a conservative analysis concerning the service routes.

There was some discussion concerning expenses and revenue as it relates to the upcoming FY19 budget.

There was some discussion concerning the increase in federal funded revenue in the FY19 proposed budget.

There was some discussion concerning funding for capital projects.

There was some discussion concerning the capital budget as it relates to the replacement of equipment.

ACTION ITEM: Mr. Harrell stated that HRT will provide the committee with the information concerning the federal funding resources used in the capital budget as it relates to purchasing new equipment.

Mr. Ray Amoruso, Chief Planning & Development Officer, stated that HRT will receive 26 new buses in June-July of 2018; 5- Metro Area Express (MAX) Buses, funded by the Smart Scale Grant. The additional mixture of busses are being funded by the capital budget. Mr. Amoruso stated that next year HRT will receive an additional 27 buses through the capital budget.

There was some discussion concern flexing capital funds as it relates to preventive maintenance (PM).



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HRT was asked how much of the capital funding can be flexed towards PM in FY19 compared to the amounts that were flexed in FY18.

Ms Angela Glass, Director of Budget and Financial Analysis, stated that HRT had \$15.1 million in federal funded flexed for PM in the FY18 budget. A slight increase stated in the Capital Improvement Plan (CIP) FY19 budget for PM's to \$15.5 million.

There was some discussion concerning the CIP budget.

There was some discussion concerning FY17's flexed federal funds to the operating budget.

ACTION ITEM: It was requested that HRT provide the amount of the flexed federal funding used for operating expenses in FY17.

ACTION ITEM: It was requested that HRT provide the MFAC members the fleet plan outlining the number of buses needed to be replaced and financial funding required to execute this task.

Mr. Steve Pittard, DPRT, stated that currently the state has a bucket of money held over from last year that could possibly be used toward the replacement of eligible buses.

Mr. Amoruso, stated that HRT has maximized the amount of buses that HRT could replace with the funding resources that were available. It was anticipated, and in accordance with the CIP, that FY19-FY20 federal capital match funding would remain at 68%. However, it is forecasted that this funding will drop to 49% in FY21 and 29% matching funds in FY22. In addition, HRT is maximizing the funds by refurbishing those buses that are not eligible for replacement.

Mr. Pittard, asked if the localities contributed additional funding, how many additional eligible buses could be replaced? Mr. Amoruso, stated that he would make this information available to the committee members for review at an upcoming meeting.

ACTION ITEM: Mr. Pittard questioned, if additional local funding were available, how many more buses would be eligible for replacement.

ACTION ITEM; It was requested that HRT provide a breakdown of all Federal Funding for FY18 and FY19.



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There was some discussion concerning the fare box revenue projections.

HRT will consider implementing reductions to low performing bus service routes, including Sunday service, in FY19. Any service reductions would be effective October 2019.

Staffing Reporting

Ms Kim Ackerman, Chief Human Resources Officer, gave an overview of HRT's current active employees, full time, part-time, grant funded, exempt and non-exempted positions in the Staffing Report. Some of these positions are unique to a transit agency and some are required by the Federal Transit Administration.

ACTION ITEM: It was requested that HRT provide the number of budgeted positions that are assigned per division.

There was some discussion concerning the administrative service cost per hour.

There was some discussion concerning the Transit Bench Marking Presentation presented at the February 2018, Operations and Oversight (O&O) Meeting.

ACTION ITEM: It was requested to present the Transit Bench Marking Presentation at a future MFAC meeting.

Mr. Burns stated the HRT runs at approximate \$96-\$97 dollars per hour. The national average according to NTD is \$138.42. HRT runs much better than the national average.

HRT's cost per service hours varies with each mode; i.e. light rail, bus, paratransit and ferry.

Other Business

There was some discussion concerning the timeline of providing the cities with a list of bus stops that would benefit the paratransit recipients, by making them compliant with the Americans with Disabilities Act (ADA) of 1990.

ACTION ITEM: It was requested that the Budget Audit conducted by the internal audit department presented at February 2018 O&O meeting, be sent to MFAC since it is financially backed and driven.



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Adjournment

The meeting was adjourned at 11:03 am